

**REDEVELOPMENT AGENCY
AND THE CITY OF OAKLAND
AGENDA REPORT**

FILED
OFFICE OF THE CITY CLERK
OAKLAND

2011 JUN 16 PM 5: 33

TO: Office of the City/Agency Administrator
ATTN: P. Lamont Ewell, Interim City Administrator
FROM: Community and Economic Development Agency
DATE: June 28, 2011

Re: An Agency Resolution Authorizing the Agency Administrator to Execute a Cost Sharing Agreement Among the Redevelopment Agency, the City and the Port of Oakland for the Development of Infrastructure Including Public Utilities and Public Streets on the Former Oakland Army Base

A City Resolution Authorizing the City Administrator to Execute a Cost Sharing Agreement Among the Redevelopment Agency, the City and the Port of Oakland for the Development of Infrastructure Including Public Utilities and Public Streets on the Former Oakland Army Base

SUMMARY

Staff requests that the Agency Board and the City Council adopt resolutions authorizing the Agency/City Administrator to execute a Cost Sharing Agreement with the Port of Oakland to expedite the development of infrastructure on the former Oakland Army Base.

On April 5, 2011, the Agency Board/City Council adopted Resolution No. 2011-0034 C.M.S. and Resolution No. 83296 C.M.S authorizing the Agency Administrator to negotiate a Cost Sharing Agreement with the Port of Oakland for the development of the former Oakland Army Base. *Attachment A* to this report is the Term Sheet approved by the Agency Board/City Council for the Cost Sharing Agreement. *Attachment B* is the final agreement document developed by Agency and Port staff. The final agreement is consistent with the Term Sheet adopted by the Agency Board/City Council. The Port Commission is scheduled to take action on the Cost Sharing Agreement on June 30, 2011.

Staff is recommending Agency Board and City Council authorization for the execution of the Cost Sharing Agreement among the Agency, City and the Port, which includes a commitment of up to \$10,000,000 in future Agency tax increment revenue in addition to \$16,300,000 already approved by the Agency Board for a Joint Infrastructure Development Fund and \$5,700,000 for a Joint Environmental Remediation Fund. These funding commitments total \$32,000,000 from the Agency for infrastructure development planning, design and site preparation, and will only involve the City if the Agency is dissolved by the state legislature. In return, the Port, through its Trade Corridor Improvement Fund, will provide the Agency/City up to \$62,000,000 for reimbursement of infrastructure construction costs allowable by Caltrans within the East and Central Gateway Areas.

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In the event tax increment revenue is negatively impacted in any way due to State budget actions, the Agreement will contain provisions for reducing or eliminating the \$10,000,000 additional tax increment funding commitment accordingly.

FISCAL IMPACT

The Army Base Joint Environmental Remediation Fund of \$5,741,477 was adopted by the Agency Board on March 11, 2010 through Resolution No. 2010-0049 C.M.S. and established as Fund 9579. The Army Base Joint Infrastructure Development Fund of \$16,300,000 was adopted by the Agency Board on July 15, 2010 through Resolution No. 2010-0089 C.M.S. and established as Fund 9572. These funds represent the Agency's initial contribution of \$22,000,000 towards the preparation of the Army Base site for development of infrastructure.

Should the Redevelopment Agency be dissolved, the City will assume ownership of the Army Base property and all assets and liabilities associated with it.

The Army Base Redevelopment Area experienced a \$2,900,000 increase in tax increment in Fiscal Year 2010-2011 due to substantial tenant improvements made by Ports America. Staff had anticipated this increase in tax increment revenue and is assured that there will be sufficient net tax increment revenue going forward to meet a commitment of \$10,000,000 over the next seven years to contribute to the planning, design and construction of infrastructure necessary to support commercial development on the former Army Base. The Cost Sharing Agreement will have a provision for reducing or eliminating altogether the additional \$10,000,000 contribution depending on what happens with redevelopment based on the Governor's budget proposal.

To cover future costs of public street and utility maintenance and replacement, the project team may form a Community Facilities District or create some other kind of mechanism to assess fees from project site tenants.

BACKGROUND

The Cost Sharing Agreement with the Port of Oakland is essential to prepare the former Oakland Army Base for commercial development. Milestones achieved to date towards the development of the Army Base include the following:

- Selection of AMB/CCG as the master developer and the execution and amendment of their exclusive negotiating agreement;
- Amendment of the Port of Oakland's Baseline Agreement with the California Transportation Commission for the allocation of the \$242 million in Trades Corridor Improvement Funds (TCIF) to include Agency property and public infrastructure improvements;

- Decision to relocate the 15-acre Ancillary Maritime Support Services component in order to free up the East Gateway Area for development by AMB/CCG to support Port cargo movement;
- Decision to master develop infrastructure for the entire Army Base, particularly the North Gateway Area, to prepare the site for the possible relocation of two recyclers from West Oakland;
- The establishment of the \$11.4 million Joint Environmental Remediation Fund in conjunction with the Port to continue remediation work required to prepare the site for industrial development;
- The establishment of the \$16.3 million Joint Infrastructure Development Fund to master plan infrastructure development for the entire area and to design major public utility and street improvements with AMB/CCG and the Port;
- The initiation of CEQA and NEPA review required to clear the project for long-term lease agreements and the commencement of construction; and
- The award the Department of Transportation TIGER II grant, \$1.6 million of which is targeted for the Army Base infrastructure development.

The Cost Sharing Agreement with the Port is crucial given the potential for the Agency to receive up to \$62 million in TCIF revenue to support construction of utilities and streets on Agency-owned property. The TCIF agreement requires a dollar-for-dollar match from the Agency and private sources, which is supported by a proposed investment of \$32,000,000 from the Redevelopment Agency over the next seven years. To retain the TCIF allocation, the Port must break ground by December 2013. Substantial environmental review, planning, design and construction drawings are required to get to construction. Given that the infrastructure is predominately for public improvements, it is essential that the Redevelopment Agency commit to supporting this work.

The development of new infrastructure, including expanded rail service, more efficient streets and intersections, and new public utilities, will create conditions which will attract subsequent private investment with an estimated value of \$225,000,000. The total project value of roughly \$750,000,000, including all public and private investment into the site, will create thousands of construction and permanent jobs, and the substantial economic and community benefits that come with those jobs. The vision is a thriving Port and a new industrial district that benefits Oakland, the region and the nation.

KEY ISSUES AND IMPACTS

Potential Dissolution of the Redevelopment Agency

The Agency and City have taken actions to preserve Agency assets and resources in order to continue redevelopment activities to the extent possible under the direction of the City should the State decide to terminate Redevelopment. This report and the attached resolutions are intended to enable the Agency and City to continue to prepare the Army Base for commercial

development and to comply with our obligations to the Department of the Army and the State Department of Toxic Substances Control.

Port Trade Corridor Improvement Fund (TCIF) Allocation

The Port's \$242,000,000 TCIF allocation requires a dollar-for-dollar match. The TCIF allocation requires both the Agency and private sources of funding to meet this match requirement. The Baseline Agreement between the Port and the California Transportation Commission for the TCIF allocation identifies the Agency's \$32,000,000 matching investment. The Cost Sharing Agreement is intended to reinforce the commitment of the Port to investing \$62,000,000 in TCIF funds for development construction on the Agency's Army Base property, including remediation, site preparation, public streets and infrastructure. This strong display of local and state support for the project positions the Agency and Port for federal grants, most of which require matching. The combination of local, state and federal funding to prepare the former Army Base for development should attract hundreds of millions of dollars in private investment as well. Overall, approximately 72% of the total infrastructure investments for the project will go towards the improvement of Agency/City land and assets.

Investments

The Agency's initial investment of \$22,000,000 (\$5,700,000 for the Joint Remediation Account and \$16,300,000 for the Joint Infrastructure Development Fund) will reap lasting benefits and comes with minimal risk. The Agency and Port must complete the environmental remediation work as required by the State-approved Remedial Action Plan (RAP) and the Risk Management Plan (RMP) by August 2013 per our agreement with the Army, but preferably much sooner to access our environmental remediation insurance policy. In addition to environmental remediation, the Agency's initial contribution will be used to design the expanded rail, public streets, and public utilities to serve the entire Base. Detailed construction drawings and CEQA and NEPA clearance will pave the way for an infusion of State TCIF and federal funding for construction. Without the design work and environmental clearances, there is no construction money.

Based upon projections of new investments in the Army Base and Maritime Sub-districts, net tax increment will increase. Apart from the Wood Street Subarea projected tax increment, staff has concluded that it is feasible to commit an additional investment of \$10,000,000 over seven years towards the Army Base development project.

Part of the Agency's investment includes a TIGER II grant award of \$2,000,000, 80% of which is specifically for Army Base infrastructure master planning and design. This portion of the grant award requires a match of up to \$3,010,000, which may come from future tax revenue as part of the \$10,000,000 commitment, depending upon what occurs with the Agency and the succession process.

Assurances

The terms of the Cost Sharing Agreement with the Port (see *Attachment A*) are based on the assurance that Caltrans will reimburse the Agency for construction costs consistent with the

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goals of the California Transportation Commission as described in the Proposition 1-B Goods Movement Program authorizing legislation. The Port agrees that the Cost Sharing Agreement will terminate should there not be an amendment to the Baseline Agreement between the Port and the California Transportation Commission, which specifically recognizes the Agency as a matching fund source with an allocation of \$62,000,000 for infrastructure and public improvements on ORA and City property and facilities on the former Army Base.

California Environmental Quality Act

The actions called for in this report comply with the requirements of the California Environmental Quality Act (CEQA) for the following reasons, each of which provides a separate and independent basis for CEQA compliance: (1) some activities covered under proposed Cost Sharing Agreement have already been evaluated by the previously certified 2002 EIR, such as hazardous materials remediation; (2) certain activities covered under the proposed Cost Sharing Agreement are statutorily exempt from CEQA, such as Planning and Feasibility Studies, including detailed design and engineering efforts, pursuant to CEQA Guidelines section 15262; (3) the proposed Cost Sharing Agreement is merely a funding mechanisms that is not subject to CEQA, pursuant to CEQA Guidelines section 15378(b)(4); and (4) this action is exempt from CEQA pursuant CEQA Guidelines section 15061(b)(3), where it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment.

Specifically, the proposed Cost Sharing Agreement does not constitute an approval by the Agency of the proposed project and the subsequent approval of any specific project by the Agency Board is subject to CEQA, where applicable. In particular, the Agency reserves all of its rights and duties under CEQA with respect to the proposed Army Base project, including without limitation the authority to do any and all of the following: (a) prepare an environmental study evaluating the impacts of the proposed project, feasible alternatives to the project, and feasible mitigation measures; (b) adopt any feasible alternatives and/or feasible mitigation measures to lessen any significant environmental impacts resulting from the proposed project; (c) determine that any significant environmental impacts of the proposed project that cannot be mitigated are acceptable due to project benefits overriding any significant unavoidable impacts; and/or (d) decide to modify or deny its approval of the proposed project, and not to proceed with the project, due to the results/findings of the CEQA process. After completion of the CEQA process, the specific project will return to the Agency Board for its consideration based upon the foregoing.

PROJECT DESCRIPTION

Cost Sharing Agreement

The Cost Sharing Agreement is the engine that enables the use of TCIF funds. Agency and Port staff members have determined that it is best to use a stand-alone agreement rather than an amendment to the Amended and Restated Memorandum of Agreement (ARMOA) among the City, Agency and Port because of the possibility of including other parties, such as AMB/CCG,

in the agreement in the future. For the time being, the Cost Sharing Agreement would be between the Agency and the Port, but could be amended without opening the ARMOA if needed.

The Cost Sharing Agreement (*Attachment B*) covers the following key elements:

1. The Agency's estimated commitment over a period of seven years is \$32,000,000. This commitment includes the \$5,700,000 already approved for the Joint Environmental Remediation Fund, the requested \$16,300,000 for the Joint Infrastructure Development Fund, and up to \$10,000,000 over seven years in net tax increment revenue (should the Agency be dissolved, the \$10 million will not become a City obligation). The transfer of tax increment funds to the Joint Infrastructure Remediation Fund will require Agency Board approval each time.
2. Project priorities for the design and eventual development of (a) the build-out of Maritime Street, which is the utility "spine" for the East and Outer Harbor portions of the Base; (b) the build-out of Burma Road, which is the utility "spine" for the Central and West Areas, as well as the access road to the West Area and Shoreline and Gateway Parks; (c) the expanded rail, which is essential for the City's new industrial district and the Port's future success; and (d) the 7th and Maritime Street Grade Separation project, which is essential for relieving congestion, reducing emissions, and enhancing safety for pedestrians and bicyclists.
3. The commitment of up to \$62,000,000 in TCIF investments for construction of Maritime Street, Burma Road, public utilities, and other projects specifically on Agency Army Base property.
4. The coordination of other fund development efforts with the Port and AMB/CCG, with a framework for how these new funds will be managed and invested to advance the project.
5. The Cost Sharing Agreement will be null and void without an amended Baseline Agreement between the Port and the California Transportation Commission, which must recognize the Agency's matching funds of \$32,000,000 and allocate \$62,000,000 for infrastructure construction costs on Agency property and City facilities.

North and West Gateway Areas

The North and West Gateway Areas are not within the boundaries for the Port's TCIF allocation. The Joint Infrastructure Development Fund and Cost Sharing Agreement do not at this time take the development of those two areas into account.

That said, Agency staff is considering options for preparing the North Area for development simultaneously with the East and Central Areas. New utilities installed in the East and Central Gateway Areas will serve the North and West Areas. Sequencing and phasing will be critical for the success of the entire Army Base project. Contemplated uses for the North Area are no less important than the East and Central. Staff will continue to work on maximizing revenue-

generating opportunities on the former Army Base beyond the Reinvestment Period (which extends until August 7, 2013) to support development of the North and West Areas. Lease, utility, land sale, and grant proceeds are all being contemplated to raise the required funds needed to prepare the North Area for development.

The West Area is the last phase being considered for development. At this juncture, there has been limited thought and time invested in its development, which cannot occur until Caltrans completes construction of the new Bay Bridge and deconstructs the old bridge. That will not happen until 2015 or beyond.

SUSTAINABLE OPPORTUNITIES

Economic: The redevelopment of the former Oakland Army Base will create thousands of temporary and permanent jobs, substantially increase the City's tax base, and support the long-term competitiveness of the Port of Oakland.

Environmental: The improvements planned for the development of the former Army Base will reduce air pollution with the expansion of rail service and the improvement of major intersections. The Agency will ensure that development projects adhere to the City's sustainable development guidelines, which include criteria for green building technologies, site selection and preparation, water, energy, indoor environmental quality and human health factors, materials selection with recycled content or health considerations, and waste and recycling procedures.

Social Equity: Social equity is ensured through the City's and Port's local hiring and contracting requirements. Community benefits associated with the project will be substantial, including contributions to the West Oakland Community Fund and support for workforce development programs. Staff will return to the Agency Board at a later date with options and recommendations for how to most effectively meet the Agency's, Port's and master developer's community benefits goals and priorities.

DISABILITY AND SENIOR CITIZEN ACCESS

Any projects and programs implemented in this project area will be required to comply with applicable City, State, and Federal disabled access requirements.

RECOMMENDATION AND RATIONALE

Staff recommends that the Agency Board/City Council adopt the attached resolutions authorizing the Agency/City Administrator to negotiate and execute, without returning to the Agency Board/City Council, a Cost Sharing Agreement among the Redevelopment Agency, City and the Port of Oakland for the development of infrastructure, public utilities and public streets on the former Oakland Army Base committing a total of thirty-two million dollars (\$32,000,000) of

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Agency funds to the development. This commitment includes an allocation of \$10,000,000 in tax increment revenue generated from the Oakland Army Base Redevelopment Area over the next seven years.

The Cost Sharing Agreement is an essential administrative mechanism for guaranteeing a substantial amount of funding from the Port through its TCIF allocation for the construction of public improvements and development on Agency/City property.

ACTION REQUESTED OF THE CITY COUNCIL/REDEVELOPMENT AGENCY

Staff requests that the Agency Board/City Council adopt the Resolutions.

Respectfully submitted,



Walter S. Cohen, Director
Community and Economic Development Agency

Reviewed by:

Gregory Hunter, Deputy Director of Economic
Development and Redevelopment

Prepared by:

Al Auletta, Redevelopment Area Manager

**APPROVED AND FORWARDED TO THE
COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:**


Office of the City/Agency Administrator

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OAKLAND ARMY BASE
JOINT INFRASTRUCTURE DEVELOPMENT
COST SHARING AGREEMENT

OAKLAND REDEVELOPMENT AGENCY/CITY OF OAKLAND
&
PORT OF OAKLAND

DRAFT

TERM SHEET

I. Intention of this Agreement

A) A stand alone agreement among the Oakland Redevelopment Agency/City of Oakland (sometimes referred to herein as the "ORA", the "ORA/City", the "Redevelopment Agency", the "Agency", or the "City") and the Port of Oakland (Port) separate from the Amended and Restated Memorandum of Agreement (ARMOA). Nothing in this Term Sheet or future agreement is intended to modify the terms and conditions of the ARMOA with respect to any funds subject to the ARMOA, including without limitation, any funds to be deposited into the Joint Environmental Remediation Fund.

B) This will be a binding agreement to commit specific funds and take other actions for the redevelopment of portions of the former Oakland Army Base separately owned by the Port and the ORA/City.

C) The full execution of this Cost Sharing Agreement is contingent upon the terms and conditions of the amended Baseline Agreement with the California Transportation Commission regarding allowable uses of Trades Corridor Improvement Funds, specifically for infrastructure improvement and site preparation work on ORA/City property.

II. Funding

ORA/City

The ORA/City commits up to a total of \$32,000,000 towards the completion of certain regulated environmental compliance work consistent with the Remediation Action Plan and Risk Management Program (RAP/RMP), and the design of certain railroad infrastructure, public utilities and public streets to be agreed upon between the ORA and the Port and their respective Boards. ORA/City funding will be provided as follows:

A) \$5,700,000: Joint Environmental Remediation Fund—approved by the Agency Board to support work per the RAP/RMP Remediation Action Plan/Risk Management Program (RAP/RMP); Resolution No. 2010-0049 C.M.S., 4/20/10, as required under the ARMOA.

B) \$16,300,000: Joint Infrastructure Development Fund—approved by the Agency Board for the development of certain railroad infrastructure, public utilities, and public streets to be agreed upon between the ORA and the Port on the former Oakland Army Base, Resolution No. 2010-0088 C.M.S., 7/20/10.

C) \$10,000,000: Investment over a seven year period FY 10-11 to FY 16-17 which was approved by the Agency Board as part of the total \$32,000,000 for the Cost Sharing Agreement, Resolution No. 2010-0089 C.M.S., July 20, 2010. Such \$10,000,000 will be used for the design and development of certain railroad infrastructure, public utilities, and public streets to be agreed upon between the ORA and the Port on the former Oakland Army Base. This \$10,000,000 commitment is contingent upon the future availability of tax increment revenue derived from the Army Base Redevelopment Area. Should tax increment revenue be diminished or terminated with changes to California Redevelopment Law, the City is under no legal obligation to meet this \$10,000,000 commitment, but will make every effort to meet part or all of the commitment through other means, such as leasing revenue derived from the former Army Base, or grant revenue awarded directly to the City, or OAB land sales proceeds.

Port

The Port agrees to use commercially reasonable efforts to provide the ORA/City with access to certain state grant funds by incorporating the redevelopment of certain ORA/City portions of the OAB into the Port's grant funded projects.

The Port currently has a Baseline Agreement with the California Transportation Commission (CTC) for a Trades Corridor Improvement Fund allocation of \$242,000,000 for the purpose of enhancing trade through the northern California trade corridor and consistent with the goals of the CTC in strict accordance with the Proposition 1B Goods Movement Program Authorizing Legislation.

A) \$62,000,000: Through its Trade Corridor Improvement Fund (TCIF) allocation for (i) the Outer Harbor Intermodal Terminals ("OHIT") project and (ii) the 7th Street Grade Separation and Roadway Improvements project ("7th Street Project" and collectively with the OHIT, the "TCIF Projects"), the Port will work in good faith with the ORA/City and use commercially reasonable efforts with the state to obtain reimbursement of up to \$62,000,000 for the construction of certain railroad and street infrastructure improvements as more specifically described in the respective Baseline Agreements as each may be amended from time to time for the purpose of enhancing trade through the northern California

trade corridor and consistent with the goals of the California Transportation Commission (CTC) in strict accordance with the Proposition 1B Goods Movement Program Authorizing Legislation.

B) \$5,700,000: Joint Environmental Remediation Fund---As required under the ARMOA, the Port is obligated to fund an equal amount as the ORA/City towards environmental compliance work identified in the RAP/RMP.

III. Uses and Conditions

A) The ORA/City's Joint Infrastructure Development Fund of \$16,300,000 will be used primarily for the design of certain railroad infrastructure, public utilities, and public streets, all as agreed upon in writing between the ORA/City and the Port.

B) The ORA/City Joint Environmental Remediation Fund of \$5,700,000 and the Port's equal contribution will go towards identified RAP/RMP sites on Agency and Port property conveyed by the Army in accordance with the terms and conditions of the ARMOA.

C) The \$10,000,000 over seven years has not been specifically assigned, and will be agreed upon in writing between the ORA/City and the Port. Note that this commitment is based upon anticipated net tax increment and the amount of tax increments available is subject to modification in the event of unforeseen reductions in tax increment collected from the Army Base and Maritime sub-areas and/or other requirements imposed by future amendments to the Community Redevelopment Law by the State legislature. If sufficient tax increments are not available, the City may use other sources of funds to meet all or a portion of the \$10,000,000 target, including net lease proceeds and grants secured exclusively by the City. The Agency has already secured \$1.56 million in TIGER II grant funding, which will provide the initial contribution to the Agency's \$10,000,000 funding obligation. The remaining \$8.45 million will be provided as possible over the seven year period identified above. In the event the Agency/City is unable to contribute all or part of the remaining \$8.54 million, the Parties will renegotiate the TCIF commitment to the Agency/City using a pro rata methodology.

D) The TCIF program rules limit funding to construction costs on a reimbursement basis, and require a minimum dollar-for-dollar match from other public and private sources before it can be drawn upon. Baseline Agreements between the Port and the state require the Port to provide a 50% match for the 7th Street Grade Separation project and a 52% match for the OHIT project. The ORA/City and the Port will cooperate in good faith to seek TCIF reimbursement of construction costs for the agreed upon railroad infrastructure, public utilities and public streets improvements on the ORA/City's portion of the Army Base.

E) Both parties acknowledge that the current project described in the Baseline Agreements is not fully funded, and requires approximately \$22600,000,000 in additional funding for design and construction. The Port and the ORA/City agree to work in good faith to solicit additional funds such that the projects, as described in the TCIF Baseline Agreements, would be successfully completed, including the expanded rail, the 7th Street Project, and new project serving infrastructure and utilities within the East and Central Gateway Areas consistent with the CTC Baseline Agreement. Such good faith effort shall include soliciting federal funds, additional state funds, private sector investments, available tax increment revenues, etc. If the good faith effort of both the Port and the ORA/City are unsuccessful in securing additional funding, then the Port and the ORA/City agree to work collaboratively and reduce the scope of work for the projects, subject to the approval of CTC through modifications to the Baseline Agreements. If such a reduction would make the development goals and objectives infeasible or impractical for either party, then that party may choose not to move forward independently with its portion of the development. The other party would then be provided with the opportunity to proceed with what portions of the projects it was capable to complete, subject to the prior written approval of the CTC and other state agencies responsible for the TCIF funds. In the case that ORA/City is able to move forward and the Port is not, the Port shall continue to act as the local agency under the Baseline Agreements, however, it shall work with CTC to have the agreements assigned to the ORA/City and the ORA/City designated as the lead agency. If both parties are unwilling neither party-is-willing to proceed forward under a reduced funding scenario, then the parties shall agree not to proceed with the work described in the Baseline Agreements. If either party, or both parties, elect not to proceed with the Baseline Agreements, neither party shall be responsible for prior costs incurred as contemplated under this Agreement or as part of a good faith effort to attempt to deliver the projects described in the Baseline Agreements. In the event that one party elects to move forward with development and the other elects not to, the party electing to move forward shall indemnify, defend, and hold harmless the party not moving forward for any and all costs, damages, losses, penalties, or other actions arising out of the TCIF program and Baseline Agreements as a result of the moving forward party's decision to move forward.

F) ~~The parties agree that this Cost Sharing Agreement is contingent upon Port agrees-that-this-agreement-is-null-and-void-should-there-not-be~~ an amendment to the Baseline Agreements ~~the Port it has with the CTC. The amended Baseline Agreement shall -identifying~~ the ORA/City as a funding source and a TCIF project budget allocation of \$62,000,000 for agreed upon improvements on ORA/City -Army Base property and facilities as set forth elsewhere in this Term Sheet. If the Baseline Agreements are amended as described herein, the ORA/City agrees to (i) use such TCIF funds in strict compliance with the requirements of the Baseline Agreements, and (ii) use and develop Agency's and City's portions of the Army Base property only for purposes that are consistent with and in furtherance of the Baseline Agreements and the Proposition IB Goods

Movement Program. Should either party use the TCIF monies for its project and later, those monies be deemed ineligible or unqualified, the responsible party shall indemnify, defend, and hold the other party harmless and resolve the issue with CTC.

G) The Port agrees that, in exchange for the ORA/City's commitment to expend the \$16.3 million in funds needed to produce the Master Infrastructure Development Plan, priority will be given to the construction of back bone utility and street improvements required in Maritime Street to the extent permitted under the applicable Baseline Agreements and the Proposition 1B Goods Movement Program. TCIF-funded construction will be subject to agreement between the ORA/City and the Port on the design, phasing and sequencing of work of the public infrastructure improvements.

IV. Scope of Work

Environmental Remediation: The parties acknowledge and agree that, as anticipated, remediation costs have exceeded the funding provided by the Army pursuant to the Environmental Services Cooperative Agreement (ESCA) executed September 27, 2002 between the Army and the Oakland Base Reuse Authority. The Port and the City used a portion of the Army monies to purchase cost cap and pollution legal liability insurance policies which protect both the Port and the Redevelopment Agency from significant environmental liabilities beyond each party's means. The ARMOA provides for funding environmental remediation by either party for environmental compliance activities on the property. Neither the Port nor the Redevelopment Agency are proposing in this agreement additional funding or an additional mechanism for sharing costs associated with environmental compliance activities on the Oakland Army Base. This does not mean an additional mechanism can not be added under another agreement. The allocation procedure set forth in section 5.3 of the ARMOA shall continue to determine how certain remediation costs referenced in such section 5.3 are funded, which remediation costs may be eligible as TCIF matching funds. The responsibility to perform environmental compliance activities will likewise be as described in the ARMOA. However, each party has decided to identify its funding obligation by reference in this agreement, which may include the use of federal matching funds and TCIF funds to the extent allowable.

California Environmental Quality Act / National Environmental Policy Act Review: The City is currently undertaking an environmental review for the proposed redevelopment project, both on the ORA/City property and Port property, including preparation of a project description, determining the necessary documentation required, and performing all analysis necessary to properly evaluate the project described. The City is working closely with the Port on this review. The Port is currently the land-use authority for its OAB property and other property within the Port Area Line, and nothing in this term sheet or agreement shall be construed to waive the Port's responsibilities over its lands under CEQA. However, the City and the Port may enter into an agreement

designating the City as the lead agency under CEQA for purposes of this joint project. The Port and the ORA/City shall make a good faith effort to reach agreement on the project description by May 15, 2011. Should the Port and the ORA/City fail to reach agreement on the project description by May 15, 2011, either party may elect to terminate this Cost Sharing Agreement.

Master Infrastructure Development Planning: Prior to proceeding with detailed design and construction, the Port and the City will jointly prepare a comprehensive site study which considers roadway access, intermodal rail terminal footprint including a track layout, utility service demands and infrastructure needs, a grading and drainage plan for the site, a grade separation plan for linking the intermodal terminal with the Port's existing Joint Intermodal Terminal, a geotechnical evaluation of soil stability for the general development concepts, and preliminary development cost estimates for the project. This work would be funded directly by the ORA/City's Joint Infrastructure Development Fund. The ORA/City shall be responsible for selecting the appropriate professionals to perform this work and shall advise the Port of its proposed consultant team to perform each task. The Port shall have the right to review and approve within ten (10) working days the qualifications of each team member prior to their commencement of any work. Certain components of the Master Infrastructure Development Planning require critical input and design decisions from the Port, particularly the 7th Street Grade Separation and the rail layout. The Port and the ORA/City agree to cooperate and coordinate their decision making, design review and approvals in a timely fashion. The ORA/City and the Port shall promptly deliver to the other copies of their respective components of such site study for the other's review and comment.

Detailed Design: Following completion of the master infrastructure development planning tasks, the Port and the City will separately be responsible for detailed design on a phase-by-phase basis. The Port will be responsible for performing detailed design for each of its development stages, while the Redevelopment Agency will be responsible for its own detailed design as well. Given that the Agency and Port plan to engage development partners to perform the actual construction of infrastructure, the level of detail for the design of each phase of the site will vary, with the exception of work that either the Agency or Port elect to perform directly at their own risk.

Construction Activities: Construction activities may include building demolition/deconstruction, site clearing, grading, soil import, utility construction, roadway improvements, rail improvements, building construction, paving and other related activities. To the extent that it is able to do so through the generation of matching funds in addition to the \$32,000,000 identified in this Agreement, the Agency will commit to funding for the Maritime Street reconstruction, backbone utility infrastructure, and the 7th Street grade separation. Unless otherwise agreed between the ORA/City and the Port, the Port will be responsible for managing the construction of the 7th Street grade separation project, while the ORA/City will be responsible for managing the Maritime Street reconstruction and backbone utility infrastructure, each subject to the requirements of the TCIF Baseline Agreements. The Port will be responsible for the funding and construction of the intermodal rail improvements. The Port and the City agree to manage

their respective construction projects in a manner that minimizes any interference or disruption of existing businesses and/or tenant operations on the OAB during construction.

Redevelopment Agency and City OAB Project(s): Provided that the ORA and/or City comply with all requirements of the TCIF and/or Baseline Agreements, the Port will submit reimbursement requests on behalf of the ORA and/or City to CTC up to \$62 million in TCIF funds. Should the state deem these costs ineligible, or reduce the Port's funding allocation, or refuse to provide funding to the Port for any reason, the Port shall have no further obligation to provide the Redevelopment Agency with compensation. To prevent such disallowed construction cost reimbursements, the Parties agree to obtain pre-approval from Caltrans, as the administrator of TCIF on behalf of the CTC, for specific construction projects.

V. Master Infrastructure Development Planning

Before the Agency and the Port can forge ahead with specific projects, a Master Plan must be developed that the Agency and the Port both agree to in writing to ensure that all site characteristics, physical constraints, regulatory requirements, and funding restrictions are fully known and plotted. Following are among the activities the master planning process will include:

- A) Conceptual design of the necessary infrastructure up to rough grading
- B) Circulation and traffic plan
- C) Conceptual rail terminal plan
- D) Site utility relocation, vacation, and construction plan
- E) Preliminary cost estimates for design and construction
- F) Geotechnical analysis and soil stabilization plan
- G) Value engineering recommendations
- H) Green and sustainable development plan

VI. Management of Funds

A) Cash Flow and Match Analysis. The ORA and the Port will engage the services of an independent economic consulting firm acceptable to both the ORA and the Port to create and update cash flow and match requirement models. This service is essential to ensure that there are sufficient matching funds on record to access the State TCIF at the time needed to cover construction costs, and that there are sufficient cash reserves to support construction costs as required under and in accordance with the requirements of the TCIF Baseline Agreements.

B) Cost Reimbursements. Based upon work performed within an approved Scope of Work, all funding will be disbursed by the ORA and the Port on a reimbursement basis of actual costs incurred by professional services consultants and construction contractors.

C) ORA Fund Management. The ORA will manage its share of the Cost Sharing contribution as established through the Joint Environmental Remediation Fund as set forth in the ARMOA, the Joint Infrastructure Development Fund, and the provisions of this Cost Sharing Agreement. Both parties recognize that the ORA has limited resources, \$17.8 million (\$16.3 million initial commitment to the Joint Infrastructure Development Fund, plus \$1.5 million from the TIGER II grant) of which is scheduled to be expended up front for planning and design to trigger reimbursement from TCIF for construction. If and when the Baseline Agreements are amended, the ORA shall agree to comply with all provisions of the Baseline Agreements and the purposes of the Proposition 1B Goods Movement Program and the development of its portion of the Army Base.

D) TCIF Fund Management. The Port is responsible for managing the TCIF grant with the CTC and Caltrans, and will instruct the ORA in a timely manner regarding match reporting and other grant administration requirements. The ORA will comply with all such TCIF match reporting and other grant administration requirements.

E) Use of Third Party Entities. The ORA and the Port agree that each shall have the right to work cooperatively with other entities, with pre-approval from the other Party in writing, to expedite the accomplishment of the project.

F) Allocation Accounting. The Parties shall, on a quarterly basis, reconcile their respective funds to ensure that each Party's contribution was consistent with the agreed upon allocations.

G) Mutual Indemnification. Each party will agree to indemnify the other for each party's failure to manage its applicable funds in accordance with all applicable laws, including without limitation, the Community Redevelopment Law (as it may be amended from time to time), the TCIF program, and the Baseline Agreements.

VII. CEQA and NEPA

The City, as the Lead Agency under California Environmental Quality Act (CEQA) for its portion of the OAB, has initiated a CEQA review process for the Port-ORA OAB redevelopment project. The Port of Oakland, having land use jurisdiction over its portion of the Oakland Army Base, is working closely with City in its CEQA review process. The Port and the ORA/City may enter into a separate agreement whereby the Port would designate the City as lead agency for that portion of the joint project which lies within the Port Area Line. This would allow a single CEQA review to be performed for the joint project.

The actions contemplated herein comply with the requirements of the CEQA for the following reasons, each of which provides a separate and independent basis for CEQA compliance: (1) some activities covered under the proposed Cost Sharing Agreement have already been evaluated by the previously certified 2002 EIR, such as hazardous materials remediation; (2) certain activities covered under the Cost Sharing Agreement are statutorily exempt from CEQA, such as Planning and Feasibility Studies, including detailed design and engineering efforts, pursuant to CEQA Guidelines section 15262; (3) the proposed Cost Sharing Agreement are merely funding mechanisms that are not subject to CEQA, pursuant to CEQA Guidelines section 15378(b)(4); and (4) this action is exempt from CEQA pursuant CEQA Guidelines section 15061(b)(3), where it can be seen with certainty that there is no possibility that the agreement may have a significant effect on the environment.

Specifically, the proposed Cost Sharing Agreement does not constitute an approval by the Agency of the proposed project and the subsequent approval of any specific project by the Agency Board is subject to CEQA, where applicable. In particular, the Agency reserves all of its rights and duties under CEQA with respect to the proposed Army Base project, including without limitation the authority to do any and all of the following: (a) prepare an environmental study evaluating the impacts of the proposed project, feasible alternatives to the project, and feasible mitigation measures; (b) adopt any feasible alternatives and/or feasible mitigation measures to lessen any significant environmental impacts resulting from the proposed project; (c) determine that any significant environmental impacts of the proposed project that cannot be mitigated are acceptable due to project benefits overriding any significant unavoidable impacts; and/or (d) decide to modify or deny its approval of the proposed project, and not to proceed with the project, due to the results/findings of the CEQA process. After completion of the CEQA process, the specific project shall return to the Agency Board for its consideration based upon the foregoing.

VIII. Future Federal, State and Other Funds

The ORA and the Port agree to cooperate with one another and with the ORA master developer (and at such time as the Port selects a master developer, the Port's master developer) in making application for future federal and state funding to match the TCIF funds. The ORA and Port agree to cooperate in seeking to obtain private investments in the OAB that could further leverage TCIF funds. The ORA and the Port each agree that such cooperation shall not require either party to make any expenditure of funds or resources without the prior approval of such party's legislative body.

IX. General

While this term sheet summarizes certain essential terms of the proposed Cost Sharing Agreement, it does not set forth all of the material terms and conditions of the Agreement. This term sheet is not intended to be, and will not become, contractually binding on the Agency or the Port, and no legal obligation will exist unless and until the parties have negotiated, executed and delivered a mutually acceptable Cost Sharing Agreement based upon the express approval of each such governing body.

[End]

COST SHARING AGREEMENT
(FORMER OAKLAND ARMY BASE)

THIS COST SHARING AGREEMENT (“Agreement”) dated for reference purposes only as of June __, 2011, is among the CITY OF OAKLAND, a municipal corporation, acting by and through its City Council (hereafter referred to herein as the “City”), THE REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND, a community redevelopment agency organized and existing pursuant to the Community Redevelopment Law of the State of California (hereafter referred to herein as the “Agency”), and the CITY OF OAKLAND, a municipal corporation, acting by and through its Board of Port Commissioners (hereafter referred to herein as the “Port”).

Recitals

WHEREAS, on or about July 11, 2000, the City Council of the City of Oakland adopted the Redevelopment Plan (the “Redevelopment Plan”) establishing the Oakland Army Base Redevelopment Project Area (the “OAB Project Area”), amended on December 21, 2004 (Ordinance No. 12644 C.M.C.), amended and restated on June 7, 2005 (Ordinance No. 12672 C.M.S.), amended and restated on March 21, 2006 (Ordinance No. 12734 C.M.S.), as the same may be further amended from time to time; and,

WHEREAS, the Oakland Planning Commission certified the Oakland Army Base Redevelopment Plan Environmental Impact Report (the “2002 EIR”) pursuant to the requirements of the California Environmental Quality Act (“CEQA”). Among other things, the 2002 EIR analyzed the environmental effects of remediation and other environmental compliance activities on the former Oakland Army Base (the “OAB”) and contemplated the development of a rail terminal on portions of the Port Lands (defined below), improvements to 7th Street, and cargo throughput capacity for the entire Port of up to approximately 4 million twenty-foot equivalent units (“TEUs”); and,

WHEREAS, on or about September 26, 2002, the Agency and the Port entered into that certain Memorandum of Understanding Regarding the Oakland Army Base Redevelopment Project (the “Redevelopment MOU”) relating to jurisdiction over lands within the project area of the Redevelopment Plan that are also within the “Port Area” (as defined in Section 725 of the Charter of the City of Oakland); and,

WHEREAS, the Agency owns certain lands (the “Agency Lands”) on a portion of the OAB as more particularly described and depicted in Exhibit A, attached, within the project area of the Redevelopment Plan. The City and the Agency each have general governmental powers over the use and development of the Agency Lands; and,

WHEREAS, the Port owns certain lands (the “Port Lands”) on a portion of the OAB as more particularly described and depicted in Exhibit B, attached, within the project area of the Redevelopment Plan. The Port Lands are subject to the

Redevelopment MOU, and the Port has general governmental powers over the use and development of the Port Lands; and,

WHEREAS, the Agency and the Port desire to develop the Agency Lands and the Port Lands in a manner that is mutually beneficial to the economic development goals and objectives of the Agency and the Port, respectively, and the City in general. In furtherance of that mutual desire, the Agency and the Port are considering the redevelopment of the Agency Lands and the Port Lands primarily for transportation and logistics purposes, including, without limitation, certain railroad and street infrastructure and other trade and logistics improvements (collectively, the “Project”); and,

WHEREAS, on or about April 10, 2008, the California Transportation Commission (the “CTC”) programmed the Trade Corridors Improvement Fund (the “TCIF”) and included within this program the following Port-proposed projects: (i) the Outer Harbor Intermodal Terminals project (“OHIT”); and (ii) the 7th Street Grade Separation and Roadway Improvements project (the “7th Street Project”). The OHIT and the 7th Street Project are sometimes referred to collectively herein as the “TCIF Projects”; and,

WHEREAS, on or about December 10, 2009, the CTC, the California Department of Transportation (“CalTrans”), and the Port entered into that certain Trade Corridors Improvement Fund Project Baseline Agreement for the OHIT project (the “OHIT Baseline Agreement”) to develop certain railroad and street infrastructure and other trade and logistics improvements, all as more particularly described in the OHIT Baseline Agreement. The OHIT Baseline Agreement programs approximately \$132,000,000 in TCIF funds for such improvements conditioned upon the Port raising approximately \$142,000,000 in matching funds for the same. A copy of the OHIT Baseline Agreement is attached hereto as Exhibit C; and,

WHEREAS, on or about December 10, 2009, the CTC, CalTrans, and the Port entered into that certain Trade Corridors Improvement Fund Project Baseline Agreement for the 7th Street Project (the “7th Street Baseline Agreement”) to develop a certain grade separation at the intersection of Maritime Street and 7th Street as well as other street infrastructure improvements on 7th Street within the Port Area, all as more particularly described in the 7th Street Baseline Agreement. The 7th Street Baseline Agreement programs approximately \$110,250,000 for such improvements conditioned upon the Port raising approximately \$110,250,000 in matching funds for the same. A copy of the 7th Street Baseline Agreement is attached hereto as Exhibit D. The OHIT Baseline Agreement and the 7th Street Baseline Agreement are sometimes referred to herein singularly as the “Baseline Agreement” and collectively as the “Baseline Agreements”; and,

WHEREAS, the TCIF Projects afford numerous public benefits for the City and State of California and their residents. Such public benefits include, without limitation, the redevelopment and revitalization of the OAB, which is currently underutilized, contaminated and blighted. Besides redeveloping the OAB, the TCIF Projects will (i)

facilitate the growth and development of the Port's maritime facilities as a major international gateway for inland intermodal cargo while also improving the environment by reducing the Port's dependence upon trucks for the transportation of cargo to and from the Port's maritime facilities, and (ii) create additional economic activity in and around the Port, including new jobs, an expanded local tax base while improving the Port's competitive position within the global supply chain; and,

WHEREAS, the Agency wishes to contribute towards the matching funds required for the TCIF Projects in exchange for the right to apply some of the TCIF funds towards the construction of certain street and other public infrastructure improvements on the Agency Lands and public roads adjacent to such Agency Lands, all in accordance with the Baseline Agreements, as the same may be amended from time to time; and,

WHEREAS, additionally, the Agency and the Port are entering into this Agreement to set forth the terms and conditions under which the Agency will contribute matching funds towards the TCIF Projects and participate in the receipt of TCIF proceeds from the CTC.

NOW THEREFORE, in consideration of the public benefits and other matters described in the foregoing recitals, the covenants contained in this Agreement and for other good and valuable consideration, the receipt and sufficiency of which are mutually acknowledged, the City, the Agency, and the Port hereby agree as follows:

1.00 Purpose of Agreement: The purpose of this Agreement is to (i) set forth the terms and conditions by which the Agency will expend up to \$32,000,000 towards environmental remediation, planning and design of the improvements contemplated by the TCIF Projects, and other development activities to be agreed upon in writing between the Agency and the Port, (ii) set forth the terms and conditions under which the Port will, subject to CTC's prior approval pursuant to the TCIF program, provide the City and the Agency with the right to use certain state grant funds for the redevelopment of certain portions of the OAB owned by the Agency ; and (iii) place conditions upon how such state grant funds will be used and managed. Unless otherwise defined herein, all capitalized terms used in this Agreement shall have the meaning given in Exhibit E, attached hereto and made a part hereof

1.01 In furtherance of the purpose of this Agreement, the City, the Agency, and the Port hereby acknowledge and agree that:

- a. Most of the activities covered under this Agreement have already been evaluated by the 2002 EIR (e.g., hazardous materials remediation);
- b. Certain activities under this Agreement are statutorily exempt from environmental review under CEQA, such as planning and feasibility studies, including detailed design and engineering efforts pursuant to Section 15262 of the CEQA Guidelines;

- c. The funding mechanisms contemplated under this Agreement are not subject to environmental review pursuant to Section 15378(b)(4) of the CEQA Guidelines; and
- d. Because this Agreement only sets forth the terms and conditions for the Agency's funding of certain design work associated with the TCIF Projects, it can be seen with certainty that there is no possibility that the Agreement may have a significant effect on the environment and is therefore exempt under Section 15061(b)(3) of the CEQA Guidelines.

1.02 The City, the Agency, and the Port further acknowledge and agree that this Agreement does not constitute an approval of the TCIF Projects by either the City, the Agency, or the Port, and the subsequent approval of any specific projects by either the Agency Board (as defined in Exhibit E) or the Port Board (as defined in Exhibit E) are subject to CEQA, where applicable. If either the TCIF Projects or the Project require any additional environmental analysis pursuant to CEQA, then after completion of any such additional environmental analyses pursuant to CEQA, those portions of either the TCIF Projects or the Project which are to be developed on Agency Lands shall return to the Agency Board and those portions of either the TCIF Projects or the Project which are to be developed on Port Lands shall return to the Port Board for their respective consideration for adoption and approval. Except as otherwise stated under this Agreement, the Agency and the Port each reserves all of their respective rights and duties under CEQA with respect to the redevelopment of the OAB, including without limitation, the authority to do any and all of the following:

- a. Prepare an environmental study evaluating the impacts of the proposed project, feasible alternatives to the TCIF Projects, and feasible mitigation measures;
- b. Adopt any feasible alternatives and/or feasible mitigation measures to lessen any significant environmental impacts resulting from the proposed TCIF Projects;
- c. Determine that any significant environmental impacts of the proposed TCIF Projects that cannot be mitigated are acceptable due to project benefits overriding any significant unavoidable impacts; and/or
- d. Decide to modify or deny its approval of the proposed TCIF Projects, and not to proceed with the project, due to the results/findings of the CEQA process.

2.00 Funding for TCIF Projects: The Agency and the Port hereby acknowledge and agree that the Baseline Agreements currently program a total of approximately \$242,250,000 in TCIF funds for the TCIF Projects and that in order to access the full \$242,250,000 in TCIF funds, the Port must raise approximately \$252,250,000 in matching funds. The Agency and the Port further acknowledge and agree that (i) the

TCIF program rules limit funding of TCIF moneys to construction costs on a reimbursement bases and require a minimum dollar-for-dollar match from other public and/or private sources before TCIF moneys can be drawn down, and (ii) the TCIF Projects are not fully funded as of the date of this Agreement. To facilitate achieving the TCIF matching fund requirement, the Agency and the Port hereby agree to the following:

2.01 Agency Contribution: The Agency agrees to contribute the following funds towards the TCIF matching fund requirement:

- a. **\$5,700,000** deposited in or to be deposited into a Joint Environmental Remediation Fund (“**JERF**”) by the Agency and disbursed from the JERF in accordance with the terms and conditions set forth in that certain Amended and Restated Memorandum of Agreement for the Oakland Army Base by and among the Agency, the Port, and the City dated February 27, 2008 and amended by Amendment No. 1 to the Amended and Restated Agreement for the Oakland Army Base among the City, the Agency, and the Port dated May 13, 2010 (collectively, the “**ARMOA**”). Funds from the JERF are to be used only for environmental remediation work and other environmental compliance activities on the OAB as set forth in the ARMOA. In the event that the Agency and the Port do not require the full \$11,400,000 to be deposited into the JERF for environmental remediation and compliance work in accordance with the ARMOA and with the RAP/RMP, the Agency shall deposit any unused balance of the Agency’s \$5,700,000 contribution into the Joint Infrastructure Development Fund referred to in Section 2.01b below to be used in accordance with the terms and conditions of this Agreement for the use of such Joint Infrastructure Development Fund.
- b. **\$16,300,000** deposited in or to be deposited into a Joint Infrastructure Development Fund (“**JIDF**”) by the Agency and subsequently expended on the development of certain railroad infrastructure, public utilities, and public streets to be agreed upon between the Agency and the Port on or adjacent to the OAB, consistent with such improvements contemplated in the 2002 EIR or any subsequent environmental documents, and in accordance with the requirements of Agency Resolution No. 2010-0088 C.M.S., adopted by the Agency Board on July 20, 2010.
- c. **\$10,000,000** to be deposited into the JIDF by the Agency over a seven (7) year period commencing on July 1, 2010 and ending on June 30, 2017 in accordance with Agency Resolution No. 2011-0034 C.M.S., adopted by the Agency Board on March 29, 2011. The Agency may satisfy its obligation to pay \$10,000,000 over such seven (7) year period from any source of funds legally available to the Agency, including, but not limited to, tax increment funds and grant funds from other public agencies. The Port hereby acknowledges that the Agency has already secured \$1,600,000 in federal funds in the form of a

TIGER II grant. The Port also acknowledges that the expenditure of such TIGER II grant funds on the Project will be considered as the initial portion of the Agency's \$10,000,000 commitment.

- d. The Agency's obligation under this Section 2.01 shall be binding upon its successors in interest to the Agency Lands, including, without limitation, the City.

2.02 Port Contribution: The Port agrees to contribute the following towards the TCIF matching fund requirement:

- a. **\$5,700,000** deposited in or to be deposited into the JERF by the Port and disbursed from the JERF in accordance with the terms and conditions set forth in the ARMOA. In the event that the Agency and the Port do not require the full \$11,400,000 to be deposited into the JERF for environmental remediation and compliance work in accordance with the ARMOA and with the RAP/RMP (as defined in Exhibit E), the amount of the Port's contribution to be credited toward the TCIF matching fund requirement under this Section 2.02a will be reduced to 50% of the total amount deposited into the JERF by the Agency and the Port and expended by the Agency and/or the Port for environmental remediation and compliance work to comply with the RAP/RMP.
- b. Such other funds as the Port and its development partners for the TCIF Projects (including, without limitation, the City, the Agency, other public agencies, the developers of the Agency Lands and the Port Lands, respectively, and other private investors) may be able to raise.
- c. **\$62,000,000.** Provided that the Agency makes all of the contributions set forth in Section 2.01a and b above of this Agreement, the Port shall use commercially reasonable efforts to obtain reimbursement of up to \$62,000,000 in TCIF funds from one or combination of the OHIT or the 7th Street Project for the construction of certain railroad, street, utility and land infrastructure improvements on or adjacent to the Agency Lands and in accordance with the Baseline Agreements, as the same may be amended from time to time. The Agency and the Port shall each cooperate in good faith with the other in providing information and performing such actions as may be necessary to comply with the requirements of the Baseline Agreements, the Proposition 1B Goods Movement Program authorizing legislation, the rules and regulations of CTC and/or CalTrans for the TCIF program, and any other applicable law, rule or regulation.
- d. If the Agency is unable to contribute the entire remaining amount of the \$10,000,000 as set forth in Section 2.01c above due to changes to the California Community Redevelopment Law after the date of this Agreement, then the Agency shall so notify the Port in writing. Upon the Port's receipt of such notice, the parties shall negotiate in good faith a reduction of the \$62,000,000 amount referred to in Section

2.02c above, and neither party shall have any further obligations under this Agreement unless and until a new agreement between the Agency (or its successor in interest) and the Port is entered into and approved by the Agency Board and the Port Board, respectively.

2.03 Pursuit of Federal, State and Other Funds: The Agency and the Port agree to cooperate in good faith with one another and with the developers of the Agency Lands and the Port Lands, in applying for and pursuing federal, state, and other sources of public and private funds to satisfy the TCIF matching requirement. Such cooperation shall not require either the Agency or the Port to make any additional expenditure of funds or resources without the prior written approval of Agency Board or the Port Board, as the case may be.

- a. In the event that the Agency and the Port do not succeed in securing sufficient funds to satisfy the TCIF matching requirement, the parties agree to work collaboratively and in good faith to reduce the scope of the TCIF Projects in a manner that still (i) meets the minimum goals and objectives of the Port and the Agency, and (ii) can be developed and delivered within the sum of TCIF matching funds raised and the comparable amount of TCIF reimbursable grant funds that can be used as a result of the TCIF matching funds raised - all of which shall be subject to the approval of the CTC and evidenced in writing and/or by appropriate modifications to the Baseline Agreements.
- b. If after such good faith efforts, the Agency and the Port are unable to agree upon a reduced scope of TCIF Projects that meets the objectives set forth in Section 2.03a above, then the Port shall have the right to pursue CTC approval of a reduced TCIF Projects scope without further contribution or assistance from the Agency. However, the Port shall use good faith efforts to include Maritime Street and its related backbone infrastructure designed to serve the entire TCIF Projects area in any reduced scope negotiations between the Port and CFC and CalTrans.
- c. If the Port elects not to pursue CTC approval of a reduced TCIF Projects scope, the Port shall promptly notify the Agency in writing of such Port decision not to pursue and the Agency shall have 30 days from its receipt of the Port's written notice to elect to pursue CTC approval of a reduced TCIF Projects scope. If the Agency elects to pursue such CTC approval of a reduced scope, the Agency shall notify the Port in writing of such election within the 30 day period referred to in this Section 2.03c. If the Port timely receives the Agency's written notification to pursue such CTC approval, the Port shall use commercially reasonable efforts to assign the Baseline Agreements to the Agency with CTC's prior approval.
- d. If neither the Agency nor the Port elects to pursue CFC approval of a reduced scope, this Agreement shall terminate upon expiration of the

30 day period referenced in Section 2.03c above, and neither party shall have any further rights or obligations to the other under this Agreement.

- e. If either the Agency or the Port elect to pursue CTC approval of a reduced scope and the other elects not to pursue such reduced scope, the party pursuing the reduced scope shall indemnify, defend and hold harmless the non-pursuing party from and against any and all losses, damages, costs (including, without limitation, attorneys' fees and court costs), penalties or other actions arising out of the Baseline Agreements, the TCIF program, or the development and construction of the TCIF Projects (whether the scope of such TCIF Projects are reduced or not), incurred from the date of assumption.

2.04 Amendments to Baseline Agreements: The Port shall use commercially reasonable efforts to submit to the CTC by July 15, 2011 one or more proposed amendments to the Baseline Agreements to identify the Agency contributions set forth in Section 2.01 above as a funding source for the TCIF matching requirement for the TCIF Projects and to allocate up to \$62,000,000 in TCIF grant moneys in accordance with the provisions set forth in Section 2.02c above.

- a. If (i) the Port has not submitted such proposed amendment(s) to the CTC by July 15, 2011 for the CTC's consideration at its meeting currently scheduled for September 14-15, 2011, or (ii) the CTC disapproves the proposed amendments at the September 14-15 2011 meeting or any subsequent meeting, or (iii) the CTC has not approved the proposed amendments by December 31, 2011, then either party shall have the right to terminate this Agreement by giving thirty (30) days written notice of termination to the other party. If either party elects to terminate this Agreement as set forth in the preceding sentence, then neither party shall have any further rights or obligations to the other under this Agreement except to the extent any provisions of this Agreement expressly survive the termination of this Agreement.
- b. If the Baseline Agreements are amended, the Agency for itself and its successors and assigns, agrees to (i) strictly comply with any and all rules and regulations of the CTC and/or CalTrans in connection with the use, expenditure, or accounting of TCIF Funds in the design, development, or delivery of the Agency Lands (including, without limitation, the streets and roadways adjacent to the Agency Lands), and (ii) to use and develop the Agency Lands only for purposes that are consistent with and in furtherance of the Baseline Agreements and the Proposition 1B Goods Movement Program, as the same may be modified or amended from time to time. The obligations under this Section 2.04b shall survive the expiration or termination of this Agreement.

- c. The Agency and the Port shall agree upon the design, phasing and sequencing of work on all public infrastructure improvements that will be directly funded in whole or in part by TCIF funds.

3.0 Management of Funds:

3.01 Generally Accepted Accounting Principles: All accounting and financial terms used herein, unless specifically provided to the contrary, shall be interpreted and applied in accordance with generally accepted accounting principles in the United States of America, consistently applied.

3.02 Agency Management Responsibilities: The Agency shall prepare and keep at its offices in the City of Oakland, complete and accurate books, records and accounts relating to all remediation, design, development (including, without limitation, predevelopment), contracting, and construction of any improvements (including, without limitation, site preparation work) in connection with the Agency's portion of the OAB, the Agency Lands, and streets adjacent thereto. Such books and records shall be maintained in a true and accurate manner, in a form and manner in compliance with the requirements of the Baseline Agreements and in accordance with generally accepted accounting principles and generally accepted auditing standards. Such records may be in the form of electronic media compatible with or convertible to a format compatible with computers utilized by the Port at its offices, or a computer run hard copy. The Agency shall retain such books and records for a period of no less than five (5) years following the completion of all construction of the TCIF Projects as evidenced by a certificate of completion issued by the Port's Director of Maritime, which certificate of completion shall not be unreasonably delayed or withheld; provided, however, that if prior to the expiration of such five (5)-year period, any audit, review or investigation is commenced by the Port, the CTC, or CalTrans, or any claim is made or litigation is commenced relating to this Agreement, the TCIF Projects, or the redevelopment of the OAB by the Port, such books and records shall continue to be maintained by the Agency, and the Port shall continue to have the right to inspect such books and records in the manner stated in this Agreement, until the audit, claim or litigation is final. Notwithstanding any other provision in this Agreement, failure of the Agency to maintain records as required herein shall constitute a breach of this Agreement.

3.03 Agency Funds: Subject to the Agency's responsibilities as set forth in Section 3.02 above, the Agency shall obtain all approvals necessary for the expenditure of those Agency funds that the Agency will contribute towards the TCIF matching fund requirement pursuant to Section 2.01 of this Agreement. In the event that any federal or other public or private funds are secured by the Agency for the TCIF Projects, the Agency shall obtain all approvals necessary for the expenditure of such funds as well. However, the Agency shall not be in default of this Agreement if it is unable to obtain any federal, state or other governmental approval after using commercially reasonable efforts to obtain such

approval. The Agency agrees, however, that all such Agency, federal, or other public or private funds shall only be used for the purposes set forth in this Agreement.

- a. **Agency's \$5,700,000 in JERF:** The Agency has begun depositing up to \$5,700,000 into the JERF and funds from the JERF shall be disbursed in accordance with the provisions of the ARMOA and for purposes set forth in the ARMOA. In the event that the full \$5,700,000 is not required in order to perform the remediation and environmental compliance activities under the ARMOA, the Agency shall deposit any unused portions of such \$5,700,000 into the JIDF.
- b. **Agency's \$16,300,000 in JIDF:** The Agency has deposited \$16,300,000 into the JIDF. If required pursuant to Section 2.01a and Section 3.03a of this Agreement, the Agency will deposit additional moneys into the JIDF. Funds from the JIDF shall be disbursed in accordance with the provisions of Agency Resolution No. 2010-0088 C.M.S., adopted by the Agency Board on July 20, 2010 and only for the purpose of planning, designing, and other predevelopment work for certain railroad infrastructure, public utilities, and public streets agreed upon in writing between the Agency and the Port on or adjacent to the OAB.
- c. **Agency's \$10,000,000 over 7 Years:** The Agency shall make available for disbursement up to \$10,000,000 over a period of 7 years in accordance with Agency Resolution No. 2011-0034 C.M.S., adopted by the Agency Board on March 29, 2011. To date the Agency has obtained \$1,600,000 in grant funding toward fulfilling this \$10,000,000 obligation. The Agency shall use such \$10,000,000 only for purposes related to the planning, design, predevelopment, development and construction of the rail, street, and other public infrastructure contemplated by the TCIF Projects, as the same may be amended from time to time, and as agreed upon in writing between the Agency and the Port.

3.04 Port Management Responsibilities: The Port shall prepare and keep at its offices in the City of Oakland, complete and accurate books, records and accounts relating to all remediation, design, development (including, without limitation, predevelopment), contracting, and construction of any improvements (including, without limitation, site preparation work) in connection with the Port's portion of the OAB, the Port Lands, and streets adjacent thereto. Such books and records shall be maintained in a true and accurate manner, in a form and manner in compliance with the requirements of the Baseline Agreements and in accordance with generally accepted accounting principles and generally accepted auditing standards. Such records may be in the form of electronic media compatible with, or convertible to, a format compatible with computers utilized by the Agency at its offices, or a computer run hard copy. The Port shall retain such books and records for a period of no less than five (5) years following the

completion of all construction of the TCIF Projects as evidenced by a certificate of completion issued by the Port's Director of Maritime; provided, however, that if prior to the expiration of such five (5)-year period, any audit, review or investigation is commenced by the Agency, the CTC, or CalTrans, or any claim is made or litigation is commenced relating to this Agreement, the TCIF Projects, or the redevelopment of the OAB by the Agency, such books and records shall continue to be maintained by the Port, and the Agency shall continue to have the right to inspect such books and records in the manner stated in this Agreement, until the audit, claim or litigation is final. Notwithstanding any other provision in this Agreement, failure of the Port to maintain records as required herein shall constitute a breach of this Agreement.

3.05 Port Funds: Subject to the Port's responsibilities as set forth in Section 3.04 above, the Port shall obtain all approvals necessary for the expenditure of those Port funds that the Port will contribute towards the TCIF matching fund requirement pursuant to Section 2.02 of this Agreement. In the event that any federal or other public or private funds are secured by the Port for the TCIF Projects, the Port shall obtain all approvals necessary for the expenditure of such funds as well. However, the Port shall not be in default of this Agreement if it is unable to obtain any federal, state or other governmental approval after using commercially reasonable efforts to obtain such approval. The Port agrees, however, that all such Port, federal, or other public or private funds shall only be used for the purposes set forth in this Agreement.

- a. **Port's \$5,700,000 in JERF:** The Port has begun depositing up to \$5,700,000 into the JERF and funds from the JERF shall be disbursed in accordance with the provisions of the ARMOA and for purposes set forth in the ARMOA.
- b. **TCIF Funds:** The Port shall be responsible for managing the TCIF grant with the CTC and CalTrans. The Port will promptly forward to the Agency copies of all rules, regulations, directives, notices, or other writings from CTC or CalTrans regarding match reporting and other grant administration requirements, and the Agency shall promptly comply with all such TCIF match reporting and other grant administration requirements. Nothing herein shall relieve the Agency of its obligation to review and comply with such rules, regulations, or laws regarding TCIF match reporting and other grant administration requirements that are already set forth or referenced in the Baseline Agreements.

4.0 Disbursement of TCIF Funds:

4.01 Cash Flow & Match Analysis: After the Baseline Agreements have been approved by the CTC and CalTrans and amended Baseline Agreements have been signed and delivered between the CTC and the Port but at least 90 days prior to the commencement of construction on any improvements contemplated by the

TCIF Projects as they may be amended by the amended Baseline Agreements, the Agency and the Port will jointly select an independent economic consultant approved in writing by each of the Agency Administrator and the Port Executive Director. The independent economic consultant shall prepare and update cash flow and TCIF matching fund contribution requirement models to ensure that (i) there are sufficient matching funds on record in accordance with the TCIF rules and regulations to access the TCIF funds when needed to pay for construction costs, and (ii) there are sufficient cash reserves to support construction costs as required under, and in accordance with, the requirements of the Baseline Agreements (as the same may be amended from time to time), the provisions of this Agreement, and for work to be agreed upon in the future between the Agency and the Port. As a condition precedent to the retention of the independent economic consultant, the following conditions must be satisfied:

- a. The Agency and the Port must agree in writing on the selection and the process for selecting the independent economic consultant;
- b. The general parameters and elements of the cash flow and TCIF matching fund contribution model must be established and agreed upon between the Agency and the Port;
- c. All required TCIF matching funds must be evidenced by (i) legally binding agreements between the entity that is funding the TCIF matching funds and the Port or the Agency, and (ii) written approval or acknowledgment from the CTC or CalTrans that all such TCIF matching funds for one or both of the TCIF Projects have been satisfied;
- d. The Agency and the Port must agree upon cost estimates for each element of the Project based upon 35% design documents.

4.02 Cost Reimbursements: The Port and the Agency acknowledge and agree that each party's intent under this Agreement is that (i) whenever one party incurs any expense in connection with its performance of any work in furtherance of the TCIF Projects in accordance with the terms and conditions of this Agreement, and (ii) such expenditure is to be paid for by funds procured or controlled by the other party, then such expenditures shall be promptly paid to the party incurring such expense by the party that controls such funds on a reimbursement basis no more frequently than once every 30 days on condition that the party controlling such funds has received evidence from the party incurring the expense reasonably satisfactory to the paying party that the purpose for which the expense was incurred is reasonable and has been performed. However, nothing herein is intended to modify or amend the provisions of (a) the ARMOA for the disbursement of funds from the JERF for environmental remediation or regulatory compliance work or (b) the TCIF rules or regulations and the Baseline Agreements (as the same may be amended from time to time).

4.03 Use of Third Party Entities: The Agency and the Port acknowledge and agree that the development of the TCIF Projects will require consultation and/or

agreements with other third party entities in the design, development, and operation of the TCIF Projects in accordance with this Agreement. If any such consultation or agreements with third party entities requires the expenditure of any funds by one party to be reimbursed by the other party, then the Agency and the Port agree that neither shall incur such expense without having first obtained the prior written approval of such expense from the other party.

4.04 Allocation Accounting: Once every three (3) months from the effective date of this Agreement, the Agency and the Port shall reconcile their respective funds and expenditures to ensure that each party's contribution towards the TCIF Projects are in accordance with the terms and conditions of this Agreement.

5.0 Predevelopment and Other Work: The Agency and the Port hereby acknowledge and agree that some of the work that may be funded by the Agency's Contribution set forth in Section 2.01 of this Agreement are the following:

5.01 Environmental Remediation: (i) The responsibilities for performing environmental remediation and compliance activities on the OAB as set forth in Section 2.01a of this Agreement and (ii) deposits and disbursements into the JERF shall all continue to be governed by the terms and conditions of the ARMOA.

5.02 California Environmental Quality Act/National Environmental Policy Act: City has commenced to undertake environmental review to determine whether any changes in the 2002 EIR are needed for a proposed redevelopment project on both the Agency Lands and for redevelopment on the Port Lands. Such environmental review will include (i) the preparation of a project description that both the Agency and the Port agree upon no later than June 30, 2011, unless a later date is agreed to by both parties, (ii) determining the necessary documentation required, and (iii) performing all analysis necessary to properly evaluate the project described. The City shall work closely with both the Agency and the Port on this review and City shall simultaneously provide administrative drafts to the Port and the Agency for review and comment. Port and Agency shall promptly and in accordance with City schedule (a) timely review/comment on all submitted administrative drafts; and (b) timely provide all requested information. The Port shall make a good faith effort to submit the project description for the portion of the Project to be developed on Port Lands by May 16, 2011, unless a later date is agreed to by both parties. Should the Port fail to submit the project description by May 16, 2011, or should the parties fail to reach agreement on the project description by June 30, 2011, or such later date as may be agreed to by both Parties, either the Port or the Agency may elect to terminate this Agreement. If either the Port or the Agency elects to terminate this Agreement as provided in this paragraph, this Agreement shall terminate at the end of 10 business days following one party's receipt of written notice of termination from the other party. Upon such termination of the Agreement, neither party shall have any rights or

obligations to the other party under this Agreement except as to such matters in this Agreement that expressly survive the termination of this Agreement.

5.03 Master Infrastructure Development Planning: The Agency and the Port agree to develop a master infrastructure development plan for the OAB (the "Master Plan") which shall serve as the basis for detailed design and construction activities needed to build out the improvements contemplated by the TCIF Projects. The Master Plan shall consist of the following elements: (i) a conceptual design of the necessary infrastructure up to rough grading; (ii) a circulation and street use traffic plan, including the 7th Street Project; (iii) a conceptual rail terminal plan; (iv) a site utility relocation, vacation, and construction plan; (v) preliminary cost estimates for design and construction; (vi) a geotechnical analysis and soil stabilization plan; (vii) value engineering recommendations; and (viii) a green and sustainable development plan. Each element of the Master Plan must be agreed upon in writing by both the Agency and the Port in order for any work based upon such element of the Master Plan to be reimbursable under this Agreement. The Agency and the Port shall proceed to develop the Master Plan (and each of its elements) as follows:

a. Consistent with the purposes set forth in Sections 2.01b and 3.03b hereinabove, the Agency and the Port hereby agree to undertake a comprehensive site study which considers roadway access, intermodal rail terminal footprint including a track layout, utility service demands and infrastructure needs, a grading and drainage plan for the site, a grade separation plan for linking the intermodal terminal with the Port's existing Joint Intermodal Terminal, a geotechnical evaluation of soil stability for the general development concepts described hereinabove, and preliminary development cost estimates for the improvements contemplated in such site study.

b. Certain third party expenses as described in this Section 5.03b for performing the work in developing the comprehensive site study and the Master Plan referred to above shall be paid for directly out of the JIDF for the purposes and in accordance with the provisions set forth in Sections 2.01b and 3.03b of this Agreement. The Agency shall propose and, upon written approval from the Port, shall enter into one or more contracts with the appropriate design, planning, engineering, or other professionals to perform various elements of the work to develop the comprehensive site study and the Master Plan with respect to the elements of the TCIF Projects within Master Infrastructure Development Plan. The Agency shall not authorize any such professional to proceed with any work unless and until the Port's designated representative has approved in writing the scope of work to be performed by and the qualifications of each member of the professional team who will perform work on any elements of the TCIF Projects within the comprehensive site study or the Master Plan work. The Port shall grant or deny its approval of any proposed scope of

work and/or the qualifications of any member of a professional team within five (5) days of its receipt (at a meeting, by mail, or by e-mail), of a written proposal from the Agency of any proposed scope of work and/or of the qualifications of each member of a proposed professional team for performing such work. In the event that the Port raises any questions about the proposed scope of work or qualifications of any member of the professional team that is not answered immediately to the reasonable satisfaction of the Port, the time by which the Port must grant or deny its approval shall be extended by one day for each day that it takes for the Port to receive a satisfactory answer to its questions. If, within the five days of the Port's receipt of a proposed Consultant's qualifications and scope of work, the Port does not deny or raise any questions, such Consultant shall be deemed approved. The Port acknowledges that the Agency has represented that prior to the approval of this Cost Sharing Agreement, the Agency has entered into consultant contracts with (i) Architectural Dimensions, and (ii) Turner Construction Co., both of whom will perform certain project management services in connection with the Master Infrastructure Development Planning. The Port further acknowledges that these consultant contracts have not followed the above-mentioned Port review and approval procedures but that the Port has received information regarding such Consultants' qualifications and scopes of work and that the Port has approved such scope of work and qualifications.

c. Consistent with paragraph 5.03 b., the Agency and the Port each hereby acknowledge that certain components of the Master Plan will require critical input and design decisions from the Port, including, without limitation, the 7th Street grade separation and the rail layout associated with the TCIF Projects. The Port and Agency agree to work in good faith to cooperate with one another and to coordinate their decision making, design review and approvals in a timely fashion. To the extent that either the Agency or the Port separately prepares any component of the comprehensive site study or the Master Plan, then that party shall promptly deliver to the other party a copy of such component for its review and comment.

d. If either party disagrees with any component or all of the comprehensive site plan or the Master Plan, then the party that disagrees with any piece of comprehensive site plan or Master Plan shall give the other party a written notice of disagreement (the "Plan Dispute Notice") within ten (10) business days after it receives a copy of such component or all of the comprehensive site plan or Master Plan. The parties shall then promptly meet and confer in good faith to resolve any such disagreements, and if the parties have not resolved the disagreements by the 30th calendar day following the other party's receipt of the Plan Dispute Notice, then either party may immediately terminate this Agreement, and thereafter,

neither party shall have any further rights or obligations to the other under this Agreement except for those matters herein that expressly survive the expiration or termination of this Agreement.

5.04 Detailed Design: The Agency and the Port each acknowledge and agree that upon completion of the Master Plan, and so long as this Agreement has not terminated by either party pursuant to the provisions of Section 5.03d above, then the Agency shall be responsible for detailed design work on a phase-by-phase basis for the development of the Agency Lands, and the Port shall be responsible for detailed design work on a phase-by-phase basis for the development of the Port Lands.

5.05 Construction Activities: The Agency and the Port further acknowledge and agree that upon completion of the Master Plan, if there remains any Agency funds from the funds identified in Section 2.01b and Section 2.01c above, then the Agency will commit to applying such funds to pay for the following construction work: (i) Maritime Street reconstruction; (ii) backbone utility infrastructure within public streets; and (iii) the 7th Street grade separation. Unless otherwise agreed upon in writing between the Agency and the Port, the Port will be responsible for managing the construction of the intermodal rail improvements on or about the Port Lands and the 7th Street Project, and the Agency will be responsible for managing the Maritime Street reconstruction and backbone utility infrastructure within Maritime Street – each and all in accordance with the requirements of the Baseline Agreements. The Agency and the Port each agree to manage their respective portions of the TCIF Projects in a manner that minimizes any interference or disruption of existing businesses and/or tenant operations on the OAB or in the Port's Maritime Area.

6.0 Miscellaneous:

6.01 Notices: Any notice or other communication required to be given under or pursuant to this Agreement shall be in writing and may be served by actual delivery in person or by registered mail, postage prepaid or by facsimile transmission, to the representative of the Party to whom such notice is to be given at the following locations respectively:

If to the Port:

Director of Maritime
Port of Oakland
530 Water Street, 6th Floor
Oakland, CA 94607
Facsimile: (510) 835-1641

With a copy to:

Deputy Port Attorney – Maritime
Port of Oakland
530 Water Street, 4th Floor
Oakland, CA 94607
Facsimile: (510) 444-2093

If to the Agency:

Director of the Community and
Economic Development Agency
City of Oakland 250 Frank H. Ogawa Plaza, Suite 3315
Oakland, CA 94612
Telephone: 510-238-2229 Facsimile: 510-238-2226

With a copy to:

Office of the City Attorney
One Frank H. Ogawa Plaza, Sixth Floor
Oakland, CA 94612
Attention: Diann Millner, Esq., Deputy Agency Counsel
Telephone: 510-238-3601
Facsimile: 510-238-6515

If to the City:

Director of the Community and
Economic Development Agency
City of Oakland
250 Frank h. Ogawa Plaza, Suite 3315
Oakland, CA 94612
Telephone: 510-238-2229
Facsimile; 510-238-2226

With a copy to:

Office of the City Attorney
One Frank H. Ogawa Plaza, Sixth Floor
Oakland, CA 94612
Attention: Diann Millner, Esq., Deputy City Attorney
Telephone: 510-238-3601
Facsimile: 510-238-6515

or at such other location as either Party shall advise by notice from time-to-time.

All notices provided for herein may be faxed (with machine verification of receipt), sent by Federal Express or other overnight courier service, personally delivered or mailed registered or certified mail, return receipt requested. If a notice is sent by fax, it shall be deemed given when transmission is complete if (i) a confirmation of successful transmission is contemporaneously printed by the transmitting fax machine, and (ii) a copy of the notice is sent to the recipient by overnight courier for delivery on the Business Day next following the date of fax transmission. If a notice is personally delivered, sent by overnight courier service or sent by registered or certified mail, it shall be deemed given upon receipt or refusal of delivery.

6.02 Indemnification:

- a. Agency/City: The Agency and City shall indemnify, protect, defend and hold harmless the Port, including, but not limited to, all of the members of the Board of Port Commissioners, its departments and other subdivisions, including, without limitation, all of the officers, employees, agents, contractors, and representatives of the Port, and their respective heirs, legal representatives, successors, and assigns, and each of them (collectively, the “Port Indemnified Parties”) from and against any and all claims, demands, losses, liabilities, damages (including foreseeable and unforeseeable consequential damages), liens, obligations, interest, injuries, penalties, fines, lawsuits, and other proceedings, judgments, awards, costs, and expenses (including, without limitation, reasonable attorneys’ fees and costs and consultants’ fees and costs) of whatever kind or nature, known or unknown, contingent or otherwise (collectively, “Losses”) to the extent arising out of the Agency’s or City’s performance of its rights and obligations under this Agreement, except to the extent of Losses resulting from the gross negligence or willful misconduct of any of the Port Indemnified Parties.
- b. Port: The Port shall indemnify, protect, defend and hold harmless the Agency and City, including, but not limited to, all of the members of the its governing body, its departments and other subdivisions, including, without limitation, all of the officers, employees, agents, contractors, and representatives of the Agency and City, and their respective heirs, legal representatives, successors, and assigns, and each of them (the “Agency/City Indemnified Parties”) from and against any and all Losses to the extent arising out of the Port’s performance of its rights and obligations under this Agreement, except to the extent of Losses resulting from the gross negligence or willful misconduct of any of the Agency/City Indemnified Parties.

6.03 No Modifications to ARMOA: Nothing in this Agreement shall be construed to amend or modify the terms and conditions of the ARMOA, including without limitation, any funds to be deposited into the JERF.

6.04 No Modifications to Baseline Agreements: Nothing in this Agreement shall be construed to amend or modify the terms and conditions of the Baseline Agreements. Unless and until the Baseline Agreements are duly amended to (i) expressly recognize the Agency's financial contribution toward the TCIF matching funds and (ii) to more clearly identify the scope of improvements to be developed on the Agency Lands - as evidenced by one or more written amendments to the Baseline Agreements approved by the CTC and the Port Board and signed by the authorized representatives of the CTC, CalTrans, and the Port - the Agency shall have no right to any TCIF funds and any expenditure by the Agency of funds set forth in Section 2.01 of this Agreement is solely at the Agency's risk.

6.05 No Modifications to Redevelopment MOU: Nothing in this Agreement shall be construed to amend or modify the terms and conditions of the Redevelopment MOU, and any agreement to designate the City or the Agency as the lead agency for purposes of performing environmental review under CEQA of the redevelopment projects to be developed on the Agency Lands and the Port Lands shall be only for the limited purpose of performing such environmental review.

6.06 Headings: All headings and captions appearing in this Agreement have been inserted for convenience and reference only and in no way define, limit or enlarge the scope or meaning of this Agreement or any provision thereof

6.07 Entire Agreement: This Agreement is the entire agreement among the Parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, whether oral or written, between the Parties with respect to the matters contained in this Agreement.

6.08 No Representations: The making, execution and delivery of this Agreement by the Parties have not been induced by any representations, statements, warranties or agreements other than those expressly set forth herein.

6.09 Successors and Assigns: This Agreement shall be binding upon and inure to the benefit of each of the Parties and to their respective transferees, successors, and assigns.

6.10 No Third Party Beneficiaries: The Parties agree that it is their specific intent that no broker or any other person shall be a party to, or a third party beneficiary of, this Agreement; and further that the consent of a broker or other third party shall not be necessary to any agreement, amendment, or document with respect to the transactions contemplated by this Agreement.

6.11 No Waiver: No waiver hereunder by any Party of any breach hereunder shall be deemed a waiver of any other or subsequent breach.

6.12 Expenses: Except as expressly provided herein, each Party shall pay its own expenses incurred in connection with this Agreement and the transactions contemplated hereby.

6.13 Counterparts: This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which when taken together shall constitute one and the same instrument. The signature page of any counterpart may be detached therefrom without impairing the legal effect of the signature(s) thereon provided such signature page is attached to any other counterpart identical thereto except having additional signature pages executed by other Parties to this Agreement attached thereto.

6.14 Time of Essence: Time is of the essence in the performance of and the compliance with each of the provisions and conditions of this Agreement. All times provided in this Agreement for the performance of any act shall be strictly construed.

6.15 Severability: Should any provision in this Agreement be illegal or not enforceable, it shall be considered separate and severable from this Agreement and the remaining provisions shall remain in force and be binding upon the Parties as though the said provision had never been included.

6.16 Non-Waiver of Rights: No condoning, excusing or overlooking by the City, the Port, or the Agency of any default, breach or non-observance at any time by the Port or the Agency shall operate as a waiver of the City's, the Port's, or the Agency's rights under this Agreement concerning any continuing or subsequent default, breach or non-observance, or so as to defeat or affect the rights of the City, the Port or the Agency concerning any such continuing or subsequent default or breach.

6.17 Amendments: This Agreement constitutes the entire agreement between the Parties hereto and supersedes all previous negotiations, representations and documents in relation hereto made by any Party to this Agreement, and may be amended only by an agreement in writing signed by the Parties.

6.18 Further Acts: Each of the Parties hereto shall perform such further acts and execute such further agreements as may be required from time-to-time to give proper effect to the intent of this Agreement.

[Signature Pages to Follow]

CITY OF OAKLAND, a municipal corporation, acting by and through its City Council

By: _____

Name: P. Lamont Ewell
Title: Interim City Administrator

Resolution No.: _____ C.M.S.

Approved as to form and legality:

Alix Rosenthal
Deputy City Attorney

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

By: _____

Name: P. Lamont Ewell
Title: Interim Agency Administrator

Resolution No.: _____ C.M.S.

Approved as to form and legality:

Alix Rosenthal
Deputy Agency Counsel

**CITY OF OAKLAND, a municipal
corporation, acting by and through its
Board of Port Commissioners**

By:

Name: Omar R. Benjamin

Title: Executive Director

Resolution No.:

Approved as to form and legality:

David L. Alexander

Port Attorney

Exhibits

| <u>Exhibit Letter</u> | <u>Description</u> |
|-----------------------|---|
| Exhibit A | Description of Agency Lands |
| Exhibit B | Description of Port Lands |
| Exhibit C | Copy of OHIT Baseline Agreement |
| Exhibit D | Copy of 7 th Street Baseline Agreement |
| Exhibit E | Definitions |

Exhibit A

Description of Agency Lands

EXHIBIT A - AGENCY LANDS

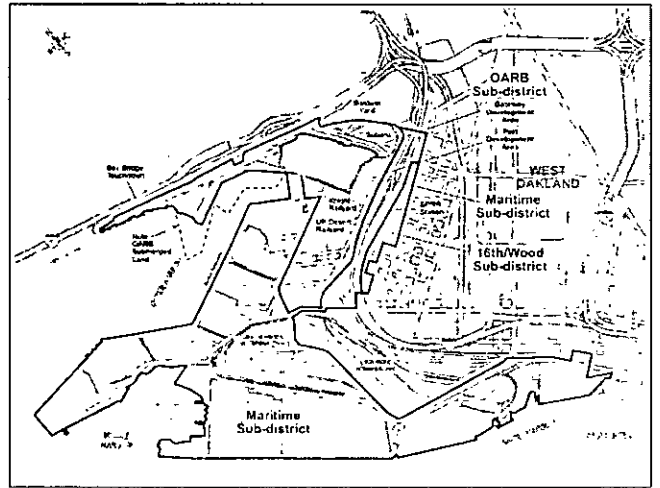
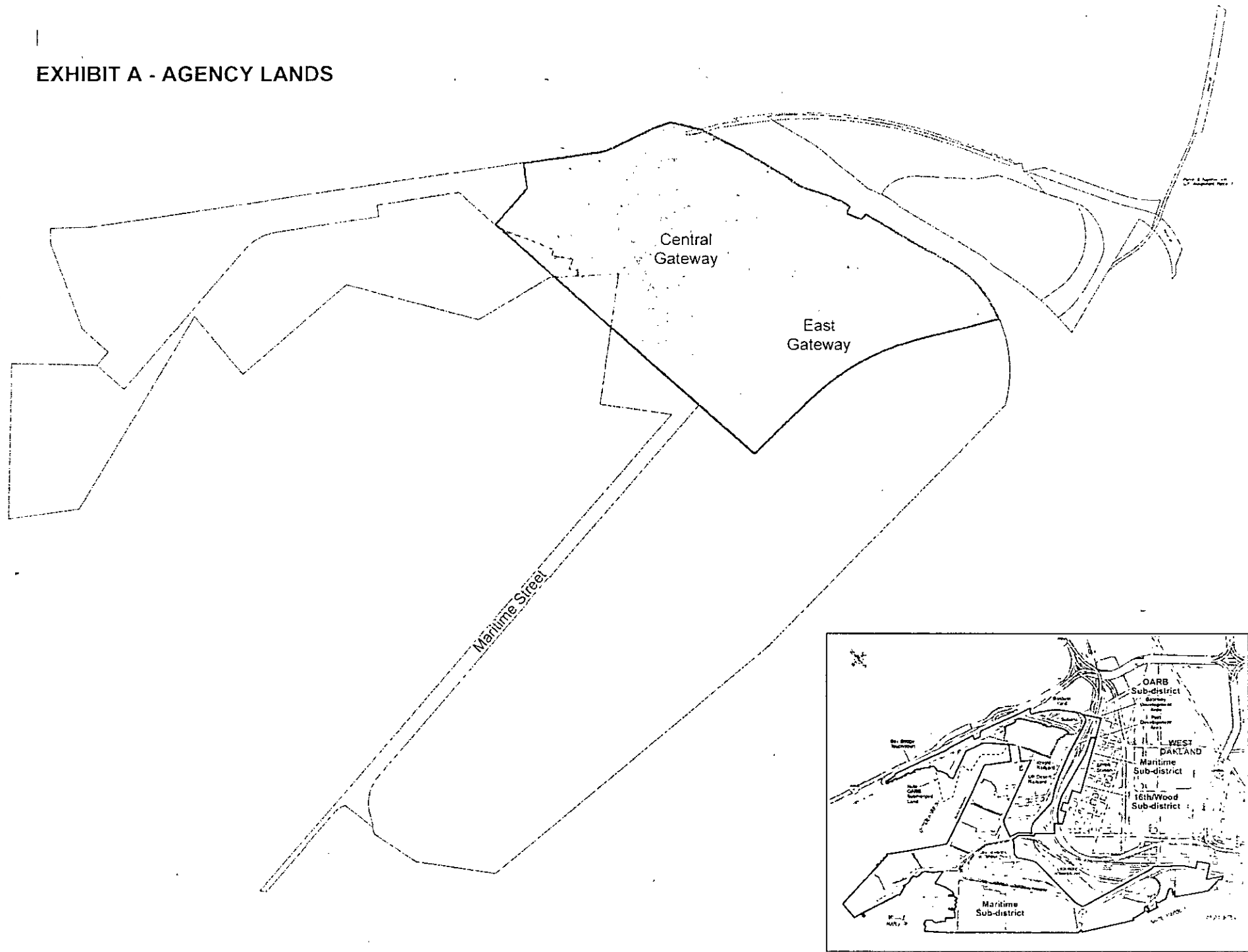
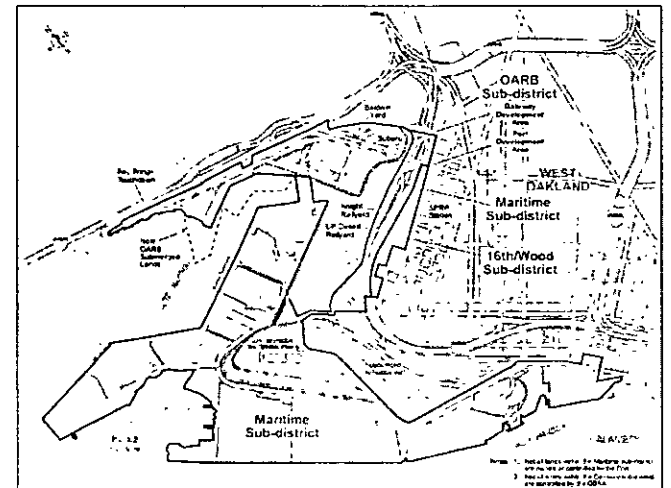
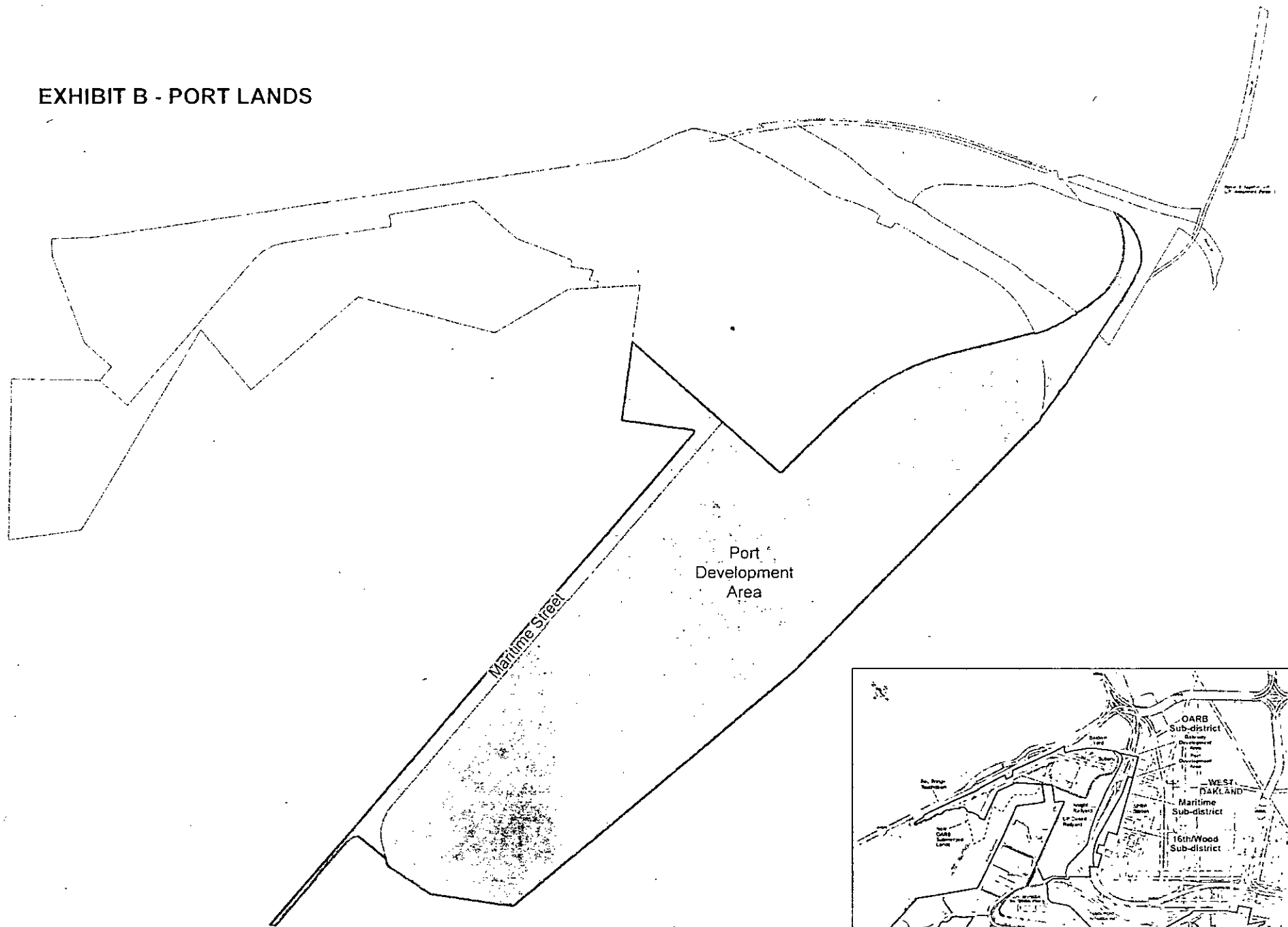


Exhibit B

Description of Port Lands

EXHIBIT B - PORT LANDS

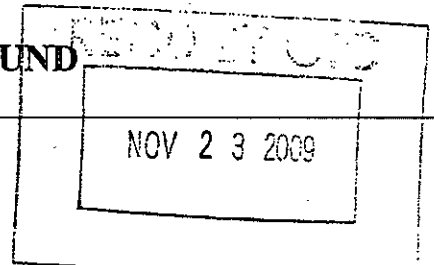


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Exhibit C

Copy of OIIT Baseline Agreement

**TRADE CORRIDORS IMPROVEMENT FUND
PROJECT BASELINE AGREEMENT**



1. PARTIES AND DATE

- 1.1 This Project Baseline Agreement (Agreement) for the Outer Harbor Intermodal Terminals, effective on December 10, 2009, is made by and between the California Transportation Commission (Commission), the California Department of Transportation (Caltrans), and the Port of Oakland (Project Sponsor), sometimes collectively referred to as the "Parties".

2. RECITAL

- 2.1 Whereas at its April 10, 2008 Meeting the California Transportation Commission programmed the Trade Corridors Improvement Fund and included in this program of projects the Outer Harbor Intermodal Terminals, the parties are entering into this Project Baseline Agreement to document the project cost, schedule, scope and benefits, as detailed on the Project Programming Request Form attached hereto as Exhibit A, the 2009 Amended TCIF Funding Nomination for the Outer Harbor Intermodal Terminals attached hereto as Exhibit B, and the Project Benefits Form attached hereto as Exhibit C, as the baseline for project monitoring by the California Transportation Commission and its Project Delivery Council. The undersigned Project Sponsor certifies that the funding sources cited are committed and expected to be available; the estimated costs represent full project funding; and the scope and description of benefits is the best estimate possible.

3. GENERAL PROVISIONS

The Project Sponsor and Caltrans agree to abide by the following provisions:

- 3.1 To meet the requirements of Government Code Section 8879.23(c)(1), as added by Proposition IB, and of Government Code Section 8879.50, as enacted through implementing legislation in 2007 (Senate Bill 88 and Assembly Bill 193).
- 3.2 To adhere to the provisions of the California Transportation Commission Resolution TCIF-P-0708-0 1, "Adoption of Program of Projects for the Trade Corridors Improvement Fund (TCIF)," dated April 10, 2008.
- 3.3 To adhere to the California Transportation Commission's Trade Corridors Improvement Fund Guidelines.
- 3.4 To adhere to the California Transportation Commission's Accountability Implementation Plan and policies, and program and baseline amendment processes.
- 3.5 The Sponsoring Agency agrees to secure funds for any additional costs of the project. Any change to the funding commitments outlined in this agreement requires an amendment.

- 3.6 To report to the California Transportation Commission on a quarterly basis on the progress made toward the implementation of the project, including scope, cost, and schedule.
- 3.7 To report to the California Transportation Commission on the progress, on a quarterly basis, and outcomes, at the end of the environmental phase, of the environmental process with regard to air quality impacts due to emissions from diesel or other particulates and related mitigation strategies. Whereas the Bond Act mandates that the Commission shall allocate TCIF for trade infrastructure improvements in a manner that places emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate and other pollutant emissions, the Department of Transportation, the Sponsoring Agency, and the Corridor Coalition understand and agree that the California Transportation Commission will only allocate TCIF to projects that can demonstrate compliance with applicable environmental requirements. If environmental clearance is conditioned to the implementation of mitigation measures, the sponsoring agency must commit, in writing, to the implementation of those mitigation measures.
- 3.8 To maintain and make available to the California Transportation Commission and/or its designated representative, all work related documents, including engineering and financial data, during the course of the project and retain those records for four years from the date of the final closeout of the project. Financial records will be maintained in accordance with Generally Accepted Accounting Principles.
- 3.9 The California Transportation Commission and/or its designated representative, has the right to audit the project records, including technical and financial data, of the Department of Transportation, the Sponsoring Agency, and any subconsultants at any time during the course of the project and for four years from the date of the final closeout of the project. Audits will be conducted in accordance with Generally Accepted Government Auditing Standards.

4. SPECIFIC PROVISIONS AND CONDITIONS

4.1 Project Schedule and Cost

See Project Programming Request Form, attached as Exhibit A.

4.2 Project Scope

See Project Study/Project Study Report Equivalent, attached as Exhibit B.

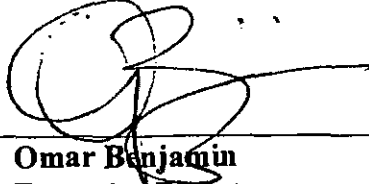
4.3 Project Benefits

See Project Benefits Form, attached as Exhibit C.

4.4 Other Project Specific Provisions and Conditions

- 4.4.1 The Project Baseline Agreement is subject to the provisions of the Charter of the City of Oakland (the "Charter") which, among other things, prescribes the order of priority that the Board of Port Commissioners (the "Board") for the City of Oakland must use and apply Port revenues. Nothing in this Project Baseline Agreement shall be interpreted to conflict with such requirements.
- 4.4.2 The approval of any project by the Board of Port Commissioners is subject to the requirements of the California Environmental Quality Act (CEQA) where applicable. The execution of this Project Baseline Agreement does not constitute an approval by the Port of the proposed project that is the subject of the Agreement. In particular, the Port reserves all of its rights and duties under CEQA with respect to the proposed project, including without limitation the authority to do any and all of the following: (a) to prepare an environmental study evaluating the impacts of the proposed project, feasible alternatives to the project, and feasible mitigation measures; (b) to adopt any feasible alternatives and/or feasible mitigation measures to lessen any significant environmental impacts resulting from the proposed project; (c) to determine that any significant environmental impacts of the proposed project that cannot be mitigated are acceptable due to overriding considerations; and/or (d) decide to deny its approval of the proposed project, and not to proceed with the project, due to any significant, unmitigated environmental impacts.
- 4.4.3 Subject to Section 4.4.2, the current funding program for the project, including the TCIF funds, is described in the attached Exhibit B. Subject to Section 4.4.2, Port funds, as required to satisfy any remaining matching requirements for the outside funding after these outside funds have been expended, will be provided from Port Revenues. Subject to Section 4.4.2, the Port of Oakland will continue to pursue additional sources of Federal, State, and Regional funds to augment the funding already programmed for the project as indicated in Exhibit B.

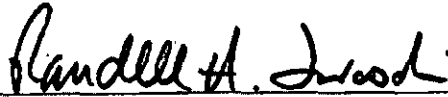
SIGNATURE PAGE
TO
TRADE CORRIDORS IMPROVEMENT FUND
PROJECT BASELINE AGREEMENT
Outer Harbor Intermodal Terminals



Omar Benjamin
Executive Director
Port of Oakland

11.19.09

Date



Randell Iwasaki
Director
California Department of Transportation

12-16-09

Date



Bimla Rhinehart
Executive Director
California Transportation Commission

12/21/09

Date

EXHIBIT A

PROJECT PROGRAMMING REQUEST FORM



2008 Project Programming Request

(Project Information)

General Instructions

| | | | | | |
|--|---------------------|---|--------------------------|----------------|-------------|
| <input checked="" type="checkbox"/> New Project | | <input type="checkbox"/> Amendment (Existing Project) | | Date: | |
| Caltrans District | EA | PPNO | MPO ID | TCRP No. | |
| 04 | | | | | |
| County | Route/Corridor | Project Sponsor/Lead Agency | MPO | Element | |
| ALA | | Port of Oakland | | | |
| Project Title | | | | | |
| Outer Harbor Intermodal Terminals (OHIT) | | | | | |
| PM Bk | PM Abd | Project Mgr/Contact | Phone | E-mail Address | |
| | | | | | |
| Location, Project Limits, Description, Scope of Work, Legislative Description | | | | | |
| OHIT, a proposed intermodal rail terminal complex, is planned to be located on approximately the former Oakland Army Base, and adjacent lands. OHIT will provide a high density, green intermodal terminal, trade and logistics facilities, marine terminal improvements, a rehabilitated Maritime Street, and a grade separation connection between intermodal and marine terminals. | | | | | |
| Component | Implementing Agency | AB 3090 | Letter of No Prejudice | | |
| PA&ED | Port of Oakland | <input type="checkbox"/> | <input type="checkbox"/> | | |
| PS&E | Port of Oakland | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Right of Way | Port of Oakland | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Construction | Port of Oakland | <input type="checkbox"/> | <input type="checkbox"/> | | |
| Legislative Districts | | | | | |
| Assembly: 16 | | Senate: 9 | | | |
| Congressional: CA 9th | | | | | |
| Purpose and Need | | | | | |
| The Port will need additional intermodal capacity to meet the projected rail needs. The Port seeks to respond with high priority rail development projects, coordinated with railroads, terminal operators, shipping lines, and private developers. The most significant element of this rail development is OHIT, which will provide intermodal facilities and supporting infrastructure on the former Oakland Army Base and adjacent lands. | | | | | |
| Project Benefits | | | | | |
| OHIT will increase the total Port intermodal capacity to allow a greater fraction of Port traffic to be handled by train. The new terminal will allow containers to be loaded and unloaded more efficiently and will help address the portwide intermodal throughput goal. OHIT will also include supporting storage, administration, and logistics facilities, which will attract shipping partners and private development equity. In addition, OHIT will include green technology and generate environmental benefits for our region and the state by providing the capability to move more goods by rail and on-site support facilities for importers and exports. | | | | | |
| Project Milestone | | | | | Date |
| Project Study Report Approved | | | | | 07/31/02 |
| Begin Environmental (PA&ED) Phase | | | | | 01/01/02 |
| Circulate Draft Environmental Document | | | Document Type: EIR | 04/29/02 | |
| Draft Project Report | | | | | 10/03/07 |
| End Environmental Phase (PA&ED Milestone) | | | | | 06/30/10 |
| Begin Design (PS&E) Phase | | | | | 12/15/09 |
| End Design Phase (Ready to List for Advertisement Milestone) | | | | | 12/09/10 |
| Begin Right of Way Phase | | | | | 12/10/10 |
| End Right of Way Phase (Right of Way Certification Milestone) | | | | | 11/24/11 |
| Begin Construction Phase (Contract Award Milestone) | | | | | 11/25/11 |
| End Construction Phase (Construction Contract Acceptance Milestone) | | | | | 07/15/17 |
| Begin Closeout Phase | | | | | 07/16/17 |
| End Closeout Phase (Closeout Report) | | | | | 01/16/18 |

| Existing Total Project Cost | | | | | | | | | Implementing Agency |
|---|-------|-------|--------|--------|---------|-------|--------|---------|---------------------|
| Component | Prior | 08/00 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14+ | Total | |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proposed Total Project Cost (thousands) | | | | | | | | | |
| E&P (PA&ED) | 0 | 0 | 0 | 33,484 | 5,500 | 0 | 0 | 38,984 | |
| PS&E | 0 | 0 | 12,400 | 3,100 | 0 | 0 | 0 | 15,500 | |
| R/W SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 219,812 | 0 | 0 | 219,812 | |
| TOTAL | 0 | 0 | 12,400 | 36,584 | 225,312 | 0 | 0 | 274,296 | |

| Fund No. 1: | Port of Oakland Partnership | | | | | | | | Program Code |
|------------------------------|-----------------------------|-------|--------|--------|--------|-------|--------|---------|----------------|
| Existing Funding | | | | | | | | | Funding Agency |
| Component | Prior | 08A09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14+ | Total | |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proposed Funding (thousands) | | | | | | | | | Notes |
| E&P (PA&ED) | 0 | 0 | 0 | 33,484 | 5,500 | 0 | 0 | 38,984 | |
| PS&E | 0 | 0 | 12,400 | 3,100 | 0 | 0 | 0 | 15,500 | |
| R/W SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 87,923 | 0 | 0 | 87,923 | |
| TOTAL | 0 | 0 | 12,400 | 36,584 | 93,423 | 0 | 0 | 142,407 | |

| Fund No. 2: | TCIF | | | | | | | | Program Code |
|------------------------------|-------|-------|-------|-------|---------|-------|--------|---------|----------------|
| Existing Funding | | | | | | | | | Funding Agency |
| Component | Prior | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14+ | Total | |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proposed Funding (thousands) | | | | | | | | | Notes |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| R/W | 0 | 0 | 8 | 0 | 0 | 0 | 0 | 8 | |
| CON | 0 | 0 | 8 | 0 | 131,889 | 0 | 0 | 131,889 | |
| TOTAL | 0 | 0 | 8 | 0 | 131,889 | 0 | 0 | 131,889 | |

EXHIBIT B

PROJECT STUDY REPORT / PROJECT STUDY REPORT EQUIVALENT

2009 Amended TCIF Funding Nomination for
the Outer Harbor Intermodal Terminals (OHIT)
submitted by Port of Oakland

A. Project description and background (including purpose and need).

The Outer Harbor Intermodal Terminals (OHIT), a project comprised of a new intermodal rail facility, the preparation of land for the construction of accompanying trade and logistics facilities, a rehabilitated Maritime Street and a grade separated access to the neighboring Berths 20-24 marine terminal, will be located on the former Oakland Army Base and adjacent lands. OHIT will allow goods shipped through the Port to be loaded and unloaded more efficiently, and will help address the portwide intermodal throughput goal. Successful completion of this project will improve intermodal service at the Port, leading to additional jobs and expansion of trade-related businesses in the region. In addition, OHIT will generate environmental benefits for our region and the state by providing the capability of moving more goods by rail rather than by truck, using "green" container handling equipment, and providing land for potential on-site facilities for storage, repackaging, and assembly of goods, thus reducing truck trips outside of the Port complex.

The Port of Oakland's cargo volume makes it the third-busiest container port on the United States west coast, handling 99% of the waterborne goods moving through Northern California, the nation's sixth-largest metropolitan market. The Port has been, and continues to be, the premier export seaport for California's agricultural goods. However, imports grew by over 80% between 2001 and 2006, nearly 8 times faster than the growth in exports. The outsourcing of manufacturing to foreign countries with low labor costs, primarily in Asia, has increased trans-Pacific imports at the Port of Oakland and other ports of entry. The Port's continued strength in both exports and imports indicate that it is well-positioned for the future. Though the current economic downturn will likely reduce Port growth in the short-term, based on the Port's historical growth pattern of approximately 4% annually and the increased capacity generated by the Berths 20-24 marine terminal redevelopment, the Port anticipates a continued increase in commerce through Oakland over the next 10 to 15 years. The planned redevelopment of the Ports America Outer Harbor Terminal, LLC (PAOH) at Berths 20-24 will yield significant additional throughput potential.

Eight marine terminals and two intermodal rail facilities currently serve the Port. The existing intermodal yards are operated by Union Pacific (UP) and BNSF, and are located adjacent to the marine terminals, providing reliable and efficient movement of cargo between trains and ships. Unlike other West Coast ports, none of the container terminals in Oakland have their own "on-dock" intermodal rail service. Instead, the intermodal yards are consolidated into two competing facilities which can be used for containers from any of the Port's marine terminals. UP's existing intermodal rail facility at the Port is the "Railport Oakland" and BNSF's intermodal rail facility at the Port is the "Oakland International Gateway" (OIG).

Current intermodal container handling capacity at the Port is approximately 700,000 container lifts (1 million TEUs) per year. The Port has forecasted demand for an additional 2 million TEUs per year to meet the projected rail need of 3 million TEUs per year around 2020-2025. The Port seeks to respond with high priority development projects, coordinated with shipping lines, marine terminal operators and railroads.

B. Project scope, function and anticipated benefits.

The proposed OHIT project will redevelop portions of the former Oakland Army Base and adjacent lands into a state-of-the-art, high-density, green intermodal terminal, which will provide competitive service for

importers and exporters across the nation to trade through the Port of Oakland. To support the intermodal terminal, PAOH will construct a highly-efficient marine terminal, capable of handling high volumes of intermodal cargo without delay. Containers can be directly sent to the railyard through a direct connection between the PAOH terminal and the intermodal yard, grade separated across Maritime Street. Adjacent to the railroad tracks and the marine terminal will be sites for future trade and logistics businesses supporting the intermodal terminal. Additional utility improvements and roadway repaving will be done along Maritime Street, a key access route through the area. Redeveloping this property into the proposed OHIT will help the Port reach its goal of having the capacity to handle 3,000,000 TEU per year through the Ports intermodal terminals.

Currently, intermodal cargo makes up a relatively small fraction of the Port's container traffic compared to other West Coast ports. By increasing the Port's intermodal cargo handling capability, the Port anticipates that it will be able to increase its intermodal business. Shipping lines tend to be attracted to large local markets that have good inland connections, such as Los Angeles and Long Beach. Those twin ports are located in the 2nd-largest metropolitan area in the US and have excellent rail facilities that connect with inland destinations as far away as Chicago and Atlanta. Oakland, as the container port for Northern California, similarly has a strong regional market and transcontinental rail routes to the same Midwest destinations.

Adjacent to the intermodal tracks, the former Oakland Army Base lands will be prepared for the construction of accompanying trade and logistics facilities. Demolition, environmental remediation, surcharging of soil, underground utility improvements, and on-site infrastructure improvements are necessary to develop the OHIT. An improved Maritime Street and other roadways are also vital to the success of the project. By undertaking the necessary infrastructure and site preparation measures necessary to prepare the area for trade and logistics businesses, OHIT will attract private investment to contribute to the funding of the project.

Within the intermodal terminal will be new transloading warehouses and container freight stations which transfer cargo between containers. Ocean-going vessels typically use containers no larger than 45' in length, however US railroad and highway equipment can accommodate up to 53' long boxes. Transloading warehouses and container freight stations can transfer cargo from domestic boxes to international boxes and vice versa within the intermodal terminal, reducing the need to truck these domestic boxes to a separate site within the region and back to the Port. Similarly, these transloading warehouses and container freight stations can sort cargo at the Port and re-stuff the containers with a mix of freight that is all destined for the same location.

Improved rail infrastructure and intermodal facilities will make the Port of Oakland more attractive to shipping lines, which then will be more likely to bring their discretionary inland cargo through Oakland. Every container handled at the proposed OHIT will also be handled by one of the Port's marine terminals, leading to additional longshore jobs at the Port of Oakland, additional drayage jobs within the Port, as well as additional jobs for locomotive engineers, terminal operating staff and other railroad employees. The Port has been in discussions with a number of different shipping lines that are considering bringing additional intermodal container business through the Port of Oakland. In November 2009, Port officials and their private partners traveled to the World Shipping Summit in Qingdao, China, to negotiate further with potential tenants and coordinate recruitment efforts with other West Coast Ports. A larger share of intermodal business will lead shipping lines to use Oakland as their first port-of-call in North America for certain vessels, providing shorter transit times for local importers, versus a more typical arrangement, where the ships arrive first in another west coast port before calling at Oakland.

In addition, OHIT will generate environmental benefits for our region and the state by providing the capability of moving more goods by rail rather than by trucks. By including the preparation of land for

the potential construction of supporting facilities in the plan, truck trips to off-site storage and repackaging locations will be eliminated, reducing congestion and pollution. The use of electric powered RMGs at the terminal will also minimize the carbon footprint of the facility and be consistent with the Port's maritime air quality policy statement and proposed air quality improvement plan. OHIT will also benefit the Port and community by bringing continued trade growth and economic benefits to the region, including support for jobs in the region's and state's important technology and agricultural sectors and business and employee payments to local and state tax revenues. See a map of OHIT in Exhibit B-2.

C. Project satisfies TCIF screening criteria

Eligibility: Included in appropriate adopted regional goods movement or transportation plan and has commitment of 1:1 funding match.

- Project is included in GMAP, Cal-MITSAC, trade infrastructure and goods movement plans adopted by regional transportation planning agencies, or an adopted regional transportation plan.

| Project | GMAP | Cal-MITSAC | Adopted Regional Goods Movement Plan | RTP |
|---------|--------------------|-------------|--------------------------------------|-------------------|
| OHIT | X pp. V-4, V-23 | X pg. 81 | X | X Proj # 22760 |

*****Check the box if Project is identified in the above plan.*****

Many of the regional transportation planning agencies in Northern California, led by the Metropolitan Transportation Commission, Sacramento Area Council of Governments (COG), San Joaquin COG, and Stanislaus COG have worked together to develop a Northern California Trade Corridors Strategy. This strategic vision, coupled with a specific program of projects, aims to address the growing needs of goods movement along the primary trade corridors in Northern California. The coalition is also supported by the six remaining Councils of Government in the Central Valley, including Kern County, the Ports of Oakland, Stockton and Sacramento, and business leaders from throughout Northern California. This coalition identified OHIT as a top tier priority for Northern California for the TCIF program.

- Specific description of entire cost

| Project | Total project cost | TCIF request | Identified matching funds | State of matching funds | Match source | Other funding | Source |
|---------|--------------------|---------------|---------------------------|---------------------------|-----------------------------|---------------|--------|
| OHIT | \$274 million | \$132 million | \$142 million | Financing Plan Identified | Port of Oakland Partnership | | |

Funding for the project will come from a partnership between the Port of Oakland and private sector investors through a proposed Master Lease Agreement. The Port entered into an exclusive negotiating agreement with AMB Property Corporation and California Capital Group on August 21, 2009 to discuss the terms and conditions of a long term agreement, which will include a substantial capital investment in the Port's facilities by the private developers.

- Description of public benefit

With the development of the proposed OHIT, the public will receive significant economic benefits including an increase in both direct and indirect jobs, and lower cost of transport for their goods. These benefits come with reduced traffic impact on the regional highways and can be built and operated while supporting the Port's stated air quality improvement goals.

Stimulate Northern California's Economic Engine. Goods movement through the Port of Oakland impacts 450,000 jobs statewide, \$12.3 billion in personal income, and \$1.3 billion in tax proceeds for California and its local governments.

Job Growth. The Port of Oakland supports a significant economic base in the region. In addition to direct jobs at the waterfront, transportation workers, warehouses and retailers all are stimulated by the success of the commercial seaport. The development of the OHIT project is estimated to contribute an estimated nearly 4,000 new direct jobs which are part of 12,000 new total jobs supported. Subsequent vertical development will yield additional jobs beyond those estimated here.

Lower Cost Goods. The people of the state of California benefit from additional freight rail capacity. The intermodal terminal in Oakland will help reduce the cost of goods shipped to and from Oakland, helping to reduce the cost of products on store shelves, and the cost of exported products to foreign markets.

Regional Traffic Congestion. Keeping much of the Port traffic confined to the Port and the rail network that serves the Port keeps trucks off the road and allows the roads to move more efficiently. The additional support facilities will further reduce the number of trucks on regional highways. Adding more and more trucks only slows down our highways and everyone else who are on them. Future additional support facilities will further reduce the number of trucks on regional highways.

Air Quality Benefits. Rail transport produces less CO₂, less particulate matter and less nitrogen oxides than trucks on a ton-mile basis. The state will be able to breathe a little easier with more of our freight moving on the railroad instead of the highway. Additionally, the new intermodal terminal will utilize electrified RMGs and other low emission technologies which will allow for growth in container movements through the Port while staying consistent with the Port's maritime air quality policy statement, which sets a goal of 85% reduction in human health risk due to diesel particulate matter from 2005 to 2020. Lastly, the allocation of space for port-supporting storage, office, and logistics facilities will further reduce the number of truck trips throughout the region, eliminating the CO₁ produced by those shipments.

Deliverability:

Like any large infrastructure construction project, there are certain risks to the project that, while not insurmountable, may create obstacles that will be difficult to overcome. One particular risk to the project is the health of the global economy and the continued demand for goods movement through the Port of Oakland. Though we are currently in an unprecedented period of a downturn in global trade, this is expected to be short-term in nature. The long-term trend in goods movement has been steady, stable annual growth. The Port is facing stiff competition for long-haul intermodal service from other West Coast ports, as well as the longer, but potentially less costly trans-Pacific route to the US East Coast via the Panama Canal. The anticipated completion of the Panama Canal expansion in the coming years will accommodate larger vessels, but at a significantly higher cost than today. Greater intermodal service through Oakland depends on the offering of competitive price and service by the railroads, terminal operators, the Port, and shipping lines to businesses around the globe.

The OHIT has begun the preliminary design phase, with further design, environmental analysis, agency review and right-of-way acquisition scheduled to continue. The Port is currently under an Exclusive Negotiating Agreement with a Master Developer, who is prepared to begin the project as soon as an agreement is in place. The first phase of construction is planned for November of 2011, and it is to be coordinated with the proposed 7th Street Grade Separation and Roadway Improvement project. Once that project is completed, the proposed OHIT can be physically connected to the existing intermodal terminals in the Port, creating an integrated intermodal terminal network that can be operated more efficiently than three independent facilities. However, construction of the terminal will continue even if the 7th Street project is delayed. See Exhibit B-3 for the project schedule.

Environmental Contamination is a potential risk to project cost. Over \$50 million has been allocated to environmental remediation of the OHIT area, but unforeseen contamination on the site may drive up project costs and induce potential schedule delays. However, the Port has jointly purchased an insurance policy with the City of Oakland to limit the Port's exposure to unforeseen conditions within the site. Ongoing investigations and remediations continue to progress without undue delay. Though environmental remediation areas exist on the site, they have not been significantly more extensive than anticipated.

D. Project addresses the TCIF evaluation criteria.

1. Freight System (Goods Movement)

- Throughput: Project provides for increased volume of freight traffic through capacity expansion or operational efficiency.

The project provides an opportunity to expand both the existing intermodal terminals at the Port by integrating them with the proposed OHIT development. These integrated facilities will be able to accommodate longer trains with improved coordination between OHIT and the existing terminals. Operating this way minimizes switching within the yard and provides an even greater economy of scale than any of the facilities could achieve independently.

Locating the trade and logistics facilities adjacent to the tracks will allow for much more efficient management of cargos. Rather than sending cargo to Fremont or Tracy for sorting and processing, these activities can be performed within the Port complex, thereby saving time and reducing truck trips.

- Velocity: Project increases the speed of freight traffic moving through the distribution system.

Multiple tracks under wide-span Rail Mounted Gantry (RMG) cranes: With a crane spanning only a single track, it cannot perform work while the train is being moved to/from the loading area. The crane that spans multiple tracks is much more productive. It can unload a train on one track while a different track is being switched out for maintenance or departure for its destination. Each crane can operate more efficiently, loading and unloading more containers per day than a typical intermodal terminal configuration.

The train operations will be 24 hours per day, but the marine terminals in Oakland are open only during the day in Oakland. The large capacity of the container stacks will allow continuous 24 hour per day loading / unloading operations, allowing the terminal to schedule train departures throughout the night, and loading/unloading operations continuously, even though the containers can only be exchanged with the marine terminals during normal business hours. With the direct connection to the PAOH marine terminal, cargo will be able to be interchanged between the two facilities, despite the marine terminal's public gate remaining closed.

• Reliability-Project-reduces-the-variability-and-unpredictability-of-travel-time

RMGs can reach across the container stacking lot. The RMGs can efficiently transfer containers from the stacks to the train. Placing the stack within the reach of the RMG allows it to load and unload without waiting for a truck to pick up or drop off cargo for the train. When it would otherwise have to wait for a truck, the crane can perform other tasks, such as loading and unloading containers from the train and the stack, or it can sort the container stack so that the containers on the bottom, if they need to be moved, can be more easily accessed. The versatility of this crane allows it to perform nearly all the functions in the rail yard, reducing its dependence on other equipment to hand the containers to. This reduces the potential delays due to equipment breakdowns or trucker delays.

Cranes are highly-productive since there is almost always a track to work. When maintenance or switching activities are happening on a track, the crane can proceed to service a separate train on a separate track. With the crane able to work multiple tracks, it can nearly continuously load and unload trains without interruption from other on-terminal activities. This will ensure that a major maintenance event doesn't prevent the cranes from continuing to be productive.

Live-lift capabilities to directly service trucks using RMG cranes. If a high priority import container arrives, the terminal staff can identify it at the gate and bypass the container stack entirely, sending the truck and container directly underneath the RMG for placement onto the train. This will allow late arriving containers to be quickly placed on the train, or vice versa, so as not to jeopardize either the ship or train schedule because of late arriving containers.

2. Transportation System (Priorities)

- Safety: Project increases the safety of the public, industry workers, and traffic.

Wide track spacing under the crane allows workspace for maintenance and terminal staff. Up to 25' wide working track spacing will be provided to allow crews to inspect and maintain the railcars, and remove or place the interbox connectors that secure the top and bottom containers on the train. These wide spaces will allow the railyard staff to operate in a secure work space without encroaching onto adjacent tracks.

GPS tags on crews, locomotives and vehicles can provide safe operations. Workers can be outfitted with GPS devices on their vehicles and persons which the cranes can identify so that the cranes are locked out of worker areas. This will keep workers away from any active loading or unloading operations to protect them from potential hazards around the crane.

Fewer trucks on the highway. If the Port of Oakland doesn't build the proposed OHIT, cargo will continue to arrive in Oakland, or other West Coast ports, and require rail service to its final destination. If new facilities can't be built in Oakland, additional facilities in Northern California may be built to support this cargo, such as the recently constructed intermodal terminals in Lathrop and Stockton. Intermodal cargo may be transported via truck between the Port and the Sacramento/San Joaquin Valleys to intermodal terminals in that region. This would put many more inter-regional trucks on the highway and further strain major truck routes such as I-80 and I-880/238/580. Trucking, as an industry, is not as safe as transport by rail, with more accidents, injuries and fatalities per mile than rail transport. Constructing additional intermodal capacity is best provided at the Port complex, rather than places nearly 100 miles away such as Sacramento and Stockton. In addition, by preparing the land for future construction of on-site facilities for storage, repackaging, and assembly of goods for import and export, future congestion along the aforementioned major truck routes will be reduced, as containers can be prepared for train transport on-site. This reduction in traffic will increase the safety of the roadways.

| Alternate Intermodal Terminal Location | dist. to Oakland | est. truck trips | Annual VMT |
|--|------------------|------------------|-------------|
| Lathrop | 86.1 | 721,154 | 62,091,359 |
| Stockton | 84.5 | 721,154 | 60,937,513 |
| Total | | 1,442,308 | 123,028,872 |

Alternatively, if the OHIT is not built, the growth in Port business may be stymied as shipping lines elect to move this cargo through other gateways in the US, Mexico and Canada. This would significantly reduce the number of new jobs and economic impact described in the public benefits section. New intermodal capabilities, and supporting facilities, will attract shipping lines.

- Congestion Reduction/Mitigation: Project reduces daily hours of delay on the system and improves access to freight facilities.

In 2006, approximately 31% of the Port's total container traffic was transported by rail through its intermodal rail yards. As the Port grows, it anticipates that the percentage of intermodal cargo will increase up to approximately 50%. Increasing intermodal transport will reduce the relative volume of Port containers transported by truck on regional roadways. The existing highway transportation system serving the Bay Area is constrained. Anticipated increases in cargo throughput in the next five to twenty years could induce a considerable amount of truck traffic onto the transportation system. Any cargo that is moved by train from the Port benefits the overall transportation system by reducing truck trips to or from the Port of Oakland. In addition, by preparing the land for future construction of on-site facilities for storage, repackaging, and assembly of goods for import and export, future congestion along the aforementioned major truck routes will be reduced, as containers can be prepared for train transport on-site.

Every train that is loaded at the Port carries the equivalent of 750 truck trips considering westbound and eastbound cargo, bob-tail moves associated with one-way truck trips, and chassis repositioning required with off-dock transfers.

The use of a grounded container stacking area adjacent to the tracks will reduce, if not eliminate the need for on-terminal yard trucks to shuffle containers to and from the cranes. Rubber Tired Gantry (RTG) cranes require up to 6 tractors each to efficiently load/unload a train. The high capacity of the trackside container stacks eliminates these on-terminal diesel truck movements.

- Key Transportation Bottleneck Relief Project relieves key freight system bottlenecks where forecasts of freight traffic growth rates indicate infrastructure or system needs are inadequate to meet demand.

The long-term Portwide rail capacity demand is in the range of 3.0 million TEUs. This demand can be addressed by throughput capabilities at the two existing rail facilities combined with the potential capability of the OHIT facility. The existing intermodal terminals at the Port can handle approximately 1.0 million TEUs. The OHIT facility is anticipated to provide approximately 2.0 million TEUs of capacity at full build-out and would attract Ports America development with the potential for an additional 3.5 million TEUs annually.

The limiting element to growth at the Port of Oakland is intermodal rail service. Shippers continue to demand high volume intermodal service corridors between the Pacific Coast and the middle and eastern United States. Intermodal capacity is much higher in Southern California. However, the existing

intermodal facilities and rail connections are nearing their full capacity. Oakland has seen only limited intermodal cargo growth because of, among other things, its relatively low capacity to handle intermodal cargo. Construction of the proposed OHIT will provide significant additional capacity in Oakland to handle a larger share of the trans-Pacific intermodal cargo market. Greater capacity in Oakland will incrementally reduce congestion in the Los Angeles / Long Beach ports as they have been absorbing the lion's share of intermodal traffic for the entire continent.

- Multi-modal Strategy: Project employs or supports multi-modal strategies to increase port and transportation system throughput while reducing truck vehicle miles/hour traveled (VMT/VHT).

Every train that is loaded at the Port can eliminate 750 truck trips considering westbound and eastbound cargo, bob-tail moves associated with one-way truck trips, and chassis repositioning required with off-dock transfers.

- Interregional Benefits: Project links regions/corridors to serve statewide or national trade corridor needs.

OHIT will improve the efficiency of Northern California's freight rail service, which is part of the transcontinental freight rail system. This will further share the burden borne for such service by Southern California ports and communities, while increasing the West Coast's ability to accommodate increased transcontinental freight rail traffic. The rail diversion due to OHIT is projected to remove up to 1.5 million annual truck trips and 120 million VMT from the regional highway network.

OHIT provides the capacity at the Port to create an alternative to long-haul movement by truck over state highways, having a cumulative effect of reducing wear on the state's surface infrastructure as well as contributing to improved roadway safety and reduced congestion and diesel air emissions.

3. Community Impacts

- Air Quality Impact

With development of intermodal terminal enhancements, the Port of Oakland will be prepared to efficiently handle intermodal cargo growth through the foreseeable planning horizon while minimizing environmental impacts.

This project will provide significant regional air quality benefits due to the avoidance of emissions from potential over-the-road and bobtail trucks associated with transporting cargo by truck to its final destination or to the nearest (non-Oakland) railyard. Further, all proposed OHIT equipment - the electric rail mounted cranes and genset switchers - represent the cleanest available technology for the movement of containers between drayage trucks and railcars, and on rail within the facility. The on-site cargo handling equipment will be approximately 90% cleaner than conventionally powered cranes and yard tractors, in terms of particulate emissions (including diesel), and will also avoid emissions of other criteria pollutants, including NOx, CO, ROG, as well as CO2. The genset switchers emit approximately 80% less particulate matter than typical switchers, and their use will also avoid emissions of other pollutants, as described above.

Finally, the design of the OHIT includes state-of-the-art features that allow for efficient and timely movement of drayage trucks, and therefore avoid queuing and idling emissions. These include the proposed entrance/exit gate system and the intermodal connector that runs across Maritime Street, which will employ green technology to transport containers from the redeveloped Berths 20-24 to the new railyard. The accompanying construction of the 7th Street Grade Separation will also reduce queuing by

improving the Port's connection to 1-880. Exhibit B-5 provides preliminary estimates of the emission benefits (i.e. avoided emissions) for several pollutants of concern.

- Community Impact Mitigation

OHIT will be operated using state-of-the-art equipment to reduce the emissions generated at the facility. This is a critical issue for the neighboring West Oakland community. The OAB site lends itself well to constructing the facility without impacting surrounding property. The development of OHIT will also provide both short-term construction and long-term logistics jobs for residents of West Oakland and invite port-supporting industries to relocate out of the residential neighborhoods of West Oakland and into the new facilities made possible by the OHIT development.

Under the terms of the OAB EIR, the Port has established, and will continue to ensure the reservation of a 15 acre parcel within the former OAB for local truck parking and trucking related services. The 15 acre parcel will be provided in combination with a similar sized parcel within the City of Oakland's portion of the former Oakland Army Base. In total, 30 acres of truck parking will help to minimize the number of truck related activity in surrounding residential communities.

The Port has also implemented a Comprehensive Truck Management Plan, which includes grants to truckers for the purchase of cleaner burning diesel engines that meet today's emissions standards. This program helps to reduce smog from older, higher pollution truck engines with more efficient, less polluting new vehicles. This program reduces the pollutants produced at the Port from older trucks.

- Economic/Job Growth

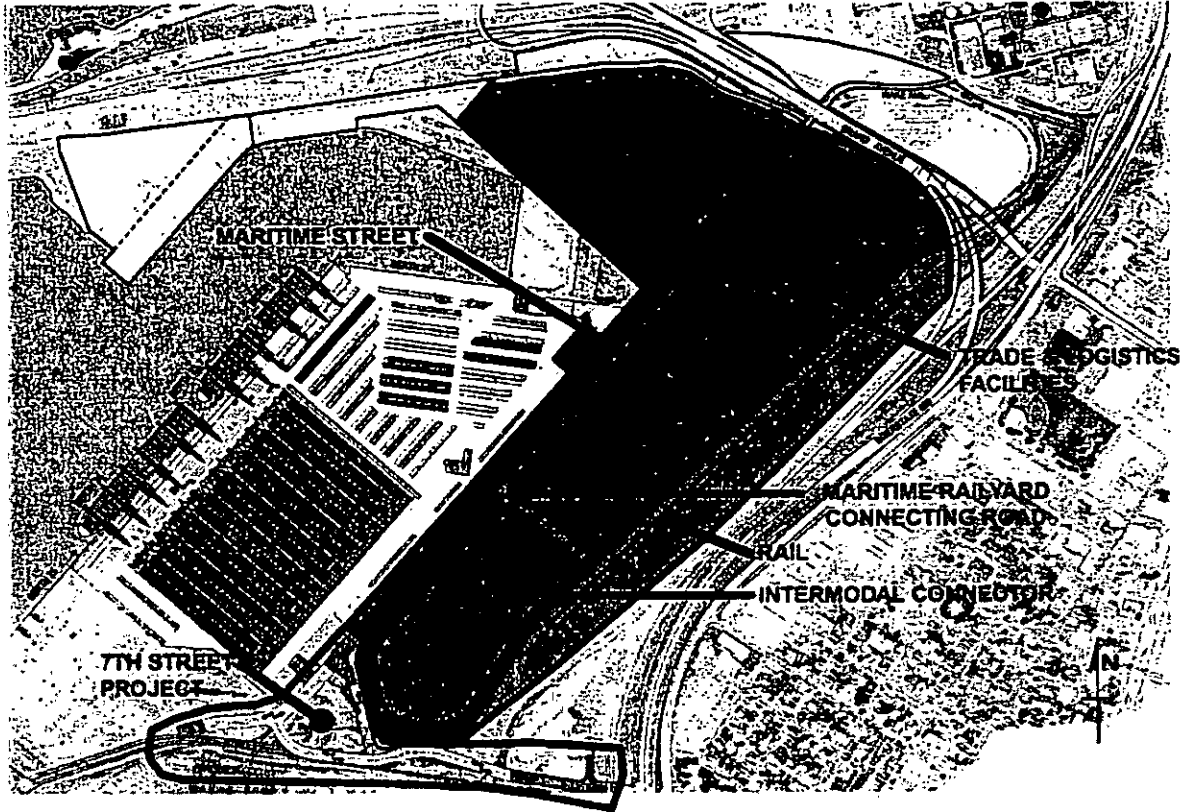
The Port of Oakland has continued to improve its facilities to accommodate the larger container shipping vessels which continue to be brought on-line. Along with recent Port-funded terminal enhancements, including redevelopment of former military facilities, the Port is deepening its berths and navigational channel to be able to bring in these larger vessels as first port-of-call services that enable more cargo to flow through the Port's facilities. Construction and operation of the proposed OHIT will generate new jobs along the waterfront, and move valuable cargo for national and regional businesses by rail to and from other parts of the world. In addition to the estimated nearly 4,000 direct jobs generated by the project, the ensuing growth in containers handled at the Port will lead to an estimated 12,000 total jobs at full-utilization.

Construction of the OHIT project is anticipated to require hundreds of construction workers for a period of approximately three to five years. Local residents in the communities surrounding the Port and the region will benefit the most from employment in the construction jobs needed to build the rail yard. Operation of the OHIT will support a wide range of maritime industry jobs, including railroad, ILWU longshore, trucking, tug companies, freight forwarders and shipping agents, warehousing, container repair and leasing, ship pilots and terminal employees. Furthermore, the OHIT will benefit the Port and community by bringing continued trade growth and economic benefits to the region, including support for jobs in the region's and state's important technology and agricultural sectors and business and employee payments to local and state tax revenues.

To ensure that local residents benefit from growth in international trade, the Port is involved in community collaborations that address specific issues related to workforce and economic development; these include working with the local Chambers of Commerce, local government, education and community agencies.

EXHIBIT B-2

OHIT MAP



OHIT & 7TH STREET PROJECTS

EXHIBIT B-4

OHIT PROJECT

Sources/Uses

| PROJECT SOURCES | | | |
|---------------------------------|--|----|--------------------|
| Non-TCIF Funding | | | |
| | Port of Oakland Partnership | \$ | 142,406,558 |
| | Total | \$ | 142,406,558 |
| TCIF Funding | | | |
| | TCIF Ask | 9 | 131,889,911 |
| | Total | \$ | 131,889,911 |
| TOTAL | | \$ | 274,296,469 |
| PROJECT USES | | | |
| Overall Land Remediation | | | |
| | Demolition | \$ | 10,893,153 |
| | Toxic Remediation | \$ | 50,370,000 |
| | Import/Surcharge | \$ | 40,212,381 |
| | Underground Improvements | \$ | 6,033,501 |
| | On-Site Improvements | \$ | 7,929,397 |
| | Other/Miscellaneous | \$ | 2,911,109 |
| | Total | \$ | 118,349,655 |
| Rail Yard | | | |
| | Rail Improvements | \$ | 49,265,000 |
| | Rail Yard Lifts | \$ | - |
| | Total | \$ | 49,265,000 |
| Street Improvements | | | |
| | New Maritime | \$ | 3,560,897 |
| | Maritime Surface Improvements | \$ | 2,506,425 |
| | Total | \$ | 6,067,322 |
| Intermodal Connections | | | |
| | PAG-Railyard Connector Grade Separation | \$ | 38,372,000 |
| | Maritime-Railyard Connecting Road | \$ | 2,916,894 |
| | Total | \$ | 91,788,894 |
| Community Benefits | | | |
| | Monitoring, Enforcement and Job Training | \$ | 8,824,593 |
| | Total | \$ | 8,824,598 |
| TOTAL | | \$ | 274,296,469 |

EXHIBIT B-5

Air Quality Supporting Information **Outer Harbor Intermodal Terminal (OHIT) Project**

Emissions Analysis Summary

Based on our analysis of air emissions for the Outer Harbor Intermodal Terminal (OHIT) project, we estimate the following benefits:

- The transport of Interior-Point-Intermodal (IPI) cargo by rail would avoid approximately 100 million VMTs and 2,000 trucks in the design year (full build-out) of 2030. For the years 2015, 2020 and 2030, the VMT savings are, respectively, 10 million, 66 million, and 100 million. These savings are also associated with savings of approximately 500 tons NO_x, 79 tons PM, and 1.7 million tons CO₂.
- Green rail technologies would avoid approximately 1,900 tons NO_x, 22 tons PM, and 94,000 tons CO₂ above and beyond emission reductions expected from existing State regulations.

Additional improvements to air quality, which are not readily quantifiable at this time, will result from non-rail-specific components of the OHIT project. These components will reduce truck trips, dray distances, truck idling, and promote the use of cargo handling equipment over trucks for certain limited types of drayage.

In performing our analyses, the Port took into account the extra throughput would result given cargo throughput growth. The estimates presented in this report are preliminary.

OHIT Rail Yard

For the OHIT rail yard, the Port evaluated the benefits of:

- (1) "green" technology
- (2) rail vs. trucking

For both analyses, emission benefits were calculated given (a) baseline emissions in 2005 (Port's 2005 Seaport Emissions Inventory), and (b) scaling emissions with lifts, up to 1,000,000 lifts at the OHIT rail yard in 2030. For analysis (2) in particular, it was necessary for the Port to analyze the benefits of the railyard using a baseline assumption that growth in interior-point-intermodal (IPI) cargo would occur with or without the OHIT project. This assumption is reasonable because while California ports do compete with one another, they also function as a network that will be relied upon to efficiently accommodate the expected growth in cargo into the future.

Green Technology: The Port evaluated emission benefits (i.e. avoided emissions) associated with electric cargo handling cranes and genset or 'low emission' engines for switching locomotives.

Table 2. Estimated emission benefits of electric cranes with full ARB Cargo Handling Equipment rule implementation at OHIT rail yard capacity activity levels in 2030

| | | ROG | CO | NOX | PM10 | PM2.5 | SOX |
|-----------------------------|---------------|-----|-----|-----|------|-------|-----|
| Cumulative from 2015 – 2030 | Totals (tons) | 6 | 113 | 31 | 1.2 | 1.1 | 1 |

Note: The calculated emission benefits are above and beyond those expected to come from implementation of the Cargo Handling Equipment Rule.

Table 2a. Estimated emission benefits of electric cranes with full ARB Cargo Handling Equipment rule implementation at OHIT rail yard capacity activity levels in 2030 at the OHIT rail yard (CO₂ only)

| | Fuel (gallons) | CO ₂ (tons) |
|-----------------------------------|----------------|------------------------|
| Cumulative total from 2015 – 2030 | 6,758,850 | 76,502 |

Note: The calculated emission benefits are above and beyond those expected to come from implementation of the Cargo Handling Equipment Rule.

Table 3. Estimated emission benefits of genset switcher engines with future operations levels at the OHIT rail yard.

| | Emissions (tons) | | | | |
|---------------------------|------------------|----|-----------------|------|-----------------|
| | HC | CO | NO _x | PM | CO ₂ |
| Cumulative 2015 thru 2030 | 40 (ROG = 49) | 56 | 1,829 | 19.2 | 17,695 |

Note: ROG is 1.21 times HC

These emission benefits (from electric cranes and clean switcher engines) would all be local. Further, it should be noted that we expect gensets equipped with particulate filters would be available by 2015 (though the technology is currently not available), therefore greater PM benefits are likely to be achieved between 2015 and 2030; however, we are not able to quantify this benefit at this time.

Rail vs. Trucking: The Port evaluated emission benefits for the OHIT rail yard relative to the alternative drayage of cargo to the BNSF and UP rail yards in Stockton and Lathrop. The Port did not evaluate the benefits of the OHIT rail yard relative to trucking cargo to the Midwest, because we do not believe this is a meaningful comparison.

Table 4. Estimated emission benefits with rail in place of truck drayage

| | Emissions (tons) | | | | |
|-------------------------------------|------------------|-------|-----------------|------|-----------------|
| | ROG | CO | NO _x | PM10 | CO ₂ |
| Average Cumulative from 2015 – 2030 | 194 | 1,121 | 504 | 79.3 | 1,746,312 |

Because trucks and locomotives are on different turnover and retrofit/replacement schedules under State and Federal agreements and regulations, locomotives will continue to get cleaner long after trucks are as clean as possible under foreseeable standards. Therefore, we expect that the benefit of using rail instead of trucks to move cargo will increase with time.

Finally, we estimate that the transport of IPI cargo by rail would avoid approximately 100 million Vehicle Miles Traveled (VMTs) and 2,000 trucks in the design year (full build-out) of 2030. It is important to note that VMT savings occur every year. We looked at the years 2015, 2020 and 2030.

In these years, the VMT savings are, respectively: 10 million, 66 million, and 100 million. Benefits of rail would be both focal and regional.

OHIT – Other Components (“non-rail-specific”)

The OHIT project includes non-rail-specific components which will additionally reduce emissions of air pollutants; however, it is difficult to quantify the expected reductions at this time. Still, the following can be determined:

Maritime Street Grade Separation

This grade separation will reduce pollutant emissions by (a) eliminating gate transactions for trucks carrying cargo from the Berths 20-24 marine terminal to the OHIT project area, and (b) allowing cargo handling equipment to dray containers to the OHIT project area. Reducing or eliminating gate transaction time is important because it avoids idling typically associated with queues or congested roadways. Drays performed by cargo handling equipment can be an air quality benefit because such equipment is subject to stringent regulatory controls (ahead of truck regulations) and because significant potential exists to electrify (or hybrid) this equipment.

It should be noted that the Berths 20-24 marine terminal complex, from which drays will occur via the Maritime Street Grade Separation, is planned and designed to be a highly efficient marine terminal that leverages the newest technologies. These new technologies (for example, electric rail-mounted cranes) will increase the speed of operations while reducing or eliminating air pollutant emissions; the gains in efficiency will in turn reduce pollutant emissions.

Trade and Logistics Complex

Currently, much of the trans-loading and cross docking associated with the re-packaging and delivery of containerized goods to/from their ultimate retail/wholesale destinations occurs outside the Port area. This requires that containers be drayed by truck from marine terminals to locations in cities such as Oakland, Hayward, San Leandro, Fremont, Union City, and Stockton. The proposed OHIT trade logistics complex would enable trans-loading and cross docking to occur in very close proximity to the marine terminals, in effect reducing truck drays to current logistics facilities.

**Trade Corridor Improvement Fund
Project Benefits Form**

Project Title: Outer Harbor Intermodal Terminals

Project Category: Port / Rail

Project Type: New Intermodal Rail Yard
Trade and Logistics Facilities
Marine Terminal Improvements
Grade Separated Connector between Marine and Intermodal Terminals
Rehabilitated Maritime Street

Outputs: Approximately 20 additional track miles added to the Oakland railroad terminals.
Modification of approximately 1 mile of existing railroad track
Elimination of one track of a two track at-grade crossing
4,000,000 square feet of trade and logistics facilities. New, state-of-the-art rail terminal

Outcomes: Outcome Performance Measure

| | |
|----------------------|---|
| Throughput | At full build-out, the intermodal terminal will handle what may otherwise be handled in Lathrop/Stockton, which would require an additional 1.4 million annual truck trips through the region. |
| | Increased intermodal terminal capacity of approximately 2 million TEU/year year, bringing total Port rail capacity to approximately 3 million TEU/year. |
| | Increase Port of Oakland total international containerized cargo handling capacity to as much as 6 million TEU annually. |
| | Maintain Port of Oakland share of US West Coast container market at approximately 11%. |
| Velocity | Maintain average container dwell times of less than 48 hours in the Port. |
| Reliability | Electrified cranes will be powered by the local power provider, which is estimated to be more consistent than maintenance and repair associated with diesel powered equipment. |
| Safety | Maintain less than 2 Lost Workdays due to Injury Per 100 Employees Railroad Industry-wide. |
| Congestion Reduction | Modal shift to rail will handle the equivalent of 10,000 truck trips per 3,500 TEU moved by rail. |
| Emissions Reduction | Handling of forecasted intermodal cargo growth in Oakland versus drayage from the Port of Oakland to the Stockton/Lathrop intermodal terminals will reduce ROG emissions by an estimated 194 tons/year. |
| | Handling of forecasted intermodal cargo growth in Oakland versus drayage from the Port of Oakland to the Stockton/Lathrop intermodal terminals will reduce NOX emissions by an estimated 504 tons/year. |
| | Handling of forecasted intermodal cargo growth in Oakland versus drayage from the Port of Oakland to the Stockton/Lathrop intermodal terminals will reduce PM10 emissions by an estimated 79.3 tons/year |
| | Handling of forecasted intermodal cargo growth in Oakland versus drayage from the Port of Oakland to the Stockton/Lathrop intermodal terminals will reduce CO2 emissions by an estimated 1.7 million tons/year. |

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**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

RESOLUTION NO. 09144

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO BASELINE AGREEMENTS WITH THE CALIFORNIA TRANSPORTATION COMMISSION ("CTC") AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION ("CALTRANS") TO RECEIVE UP TO \$253,500,000 OF TRADE CORRIDOR IMPROVEMENT FUNDS ("TCIF") FOR THE 7TH STREET GRADE SEPARATION AND THE OUTER HARBOR INTERMODAL TERMINAL ("OHIT") PROJECTS.

RESOLVED that the Board of Port Commissioners ("Board") hereby authorizes the Executive Director to enter into Baseline Agreements with the CTC and CALTRANS to receive up to \$253,500,000 of TCIF funds for the 7th Street Grade Separation and the OHIT Projects, all in accordance with Agenda Report Item No. M-1; and be it

FURTHER RESOLVED that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of Baseline Agreements in accordance with the terms of this resolution. Unless and until separate Baseline Agreements are duly executed on behalf of the Board as authorized by this resolution, are signed as approved as to form and legality by the Port Attorney, and are delivered to the other contracting parties, there shall be no valid or effective Baseline Agreements.

At the regular meeting held on October 6, 2009

Passed by the following vote:

Ayes: Commissioners Calloway, Gonzales, Gordon, Katzoff, and President Uno - 5

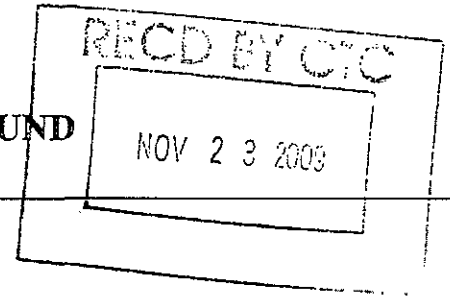
Excused: Commissioners Batarse and Head - 2

Noes: None

Exhibit D

Copy of 7th Street Baseline Agreement

**TRADE CORRIDORS IMPROVEMENT FUND
PROJECT BASELINE AGREEMENT**



1. PARTIES AND BATE

1.1 This Project Baseline Agreement (Agreement) for the 7th Street Grade Separation and Roadway Improvements, effective on December 10, 2009, is made by and between the California Transportation Commission (Commission), the California Department of Transportation (Caltrans), and the Port of Oakland (Project Sponsor), sometimes collectively referred to as the "Parties".

2. RECITAL

2.1 Whereas at its April 10, 2008 Meeting the California Transportation Commission programmed the Trade Corridors Improvement Fund and included in this program of projects the 7th Street Grade Separation and Roadway Improvements, the parties are entering into this Project Baseline Agreement to document the project cost, schedule, scope and benefits, as detailed on the Project Programming Request Form attached hereto as Exhibit A, the 2009 Amended TCIF Funding Nomination for the 7th Street Grade Separation and Roadway Improvements attached hereto as Exhibit B, and the Project Benefits Form attached hereto as Exhibit C, as the baseline for project monitoring by the California Transportation Commission and its Project Delivery Council. The undersigned Project Sponsor certifies that the funding sources cited are committed and expected to be available; the estimated costs represent full project funding; and the scope and description of benefits is the best estimate possible.

3. GENERAL PROVISIONS

The Project Sponsor and Caltrans agree to abide by the following provisions:

- 3.1 To meet the requirements of Government Code Section 8879.23(c)(1), as added by Proposition IB, and of Government Code Section 8879.50, as enacted through implementing legislation in 2007 (Senate Bill 88 and Assembly Bill 193).
- 3.2 To adhere to the provisions of the California Transportation Commission Resolution TCIF-P-0708-0 1, "Adoption of Program of Projects for the Trade Corridors Improvement Fund (TCIF)," dated April 10, 2008.
- 3.3 To adhere to the California Transportation Commission's Trade Corridors Improvement Fund Guidelines.
- 3.4 To adhere to the California Transportation Commission's Accountability Implementation Plan and policies, and program and baseline amendment processes.
- 3.5 The Sponsoring Agency agrees to secure funds for any additional costs of the project. Any change to the funding commitments outlined in this agreement requires an amendment.

- 3.6 To report to the California Transportation Commission on a quarterly basis on the progress made toward the implementation of the project, including scope, cost, and schedule.
-
- 3.7 To report to the California Transportation Commission on the progress, on a quarterly basis, and outcomes, at the end of the environmental phase, of the environmental process with regard to air quality impacts due to emissions from diesel or other particulates and related mitigation strategies. Whereas the Bond Act mandates that the Commission shall allocate TCIF for trade infrastructure improvements in a manner that places emphasis on projects that improve trade corridor mobility while reducing emissions of diesel particulate and other pollutant emissions, the Department of Transportation, the Sponsoring Agency, and the Corridor Coalition understand and agree that the California Transportation Commission will only allocate TCIF to projects that can demonstrate compliance with applicable environmental requirements. If environmental clearance is conditioned to the implementation of mitigation measures, the sponsoring agency must commit, in writing, to the implementation of those mitigation measures.
- 3.8 To maintain and make available to the California Transportation Commission and/or its designated representative, all work related documents, including engineering and financial data, during the course of the project and retain those records for four years from the date of the final closeout of the project. Financial records will be maintained in accordance with Generally Accepted Accounting Principles.
- 3.9 The California Transportation Commission and/or its designated representative, has the right to audit the project records, including technical and financial data, of the Department of Transportation, the Sponsoring Agency, and any subconsultants at any time during the course of the project and for four years from the date of the final closeout of the project. Audits will be conducted in accordance with Generally Accepted Government Auditing Standards.

4. SPECIFIC PROVISIONS AND CONDITIONS

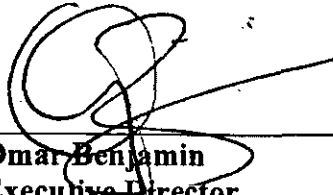
- 4.1 Project Schedule and Cost
See Project Programming Request Form, attached as Exhibit A.
- 4.2 Project Scope
See Project Study/Project Study Report Equivalent, attached as Exhibit B.
- 4.3 Project Benefits
See Project Benefits Form, attached as Exhibit C.

4.4 Other Project Specific Provisions and Conditions

- ~~4.4.1~~ The Project Baseline Agreement is subject to the provisions of the Charter of the City of Oakland (the "Charter") which, among other things, prescribes the order of priority that the Board of Port Commissioners (the "Board") for the City of Oakland must use and apply Port revenues. Nothing in this Project Baseline Agreement shall be interpreted to conflict with such requirements.
- 4.4.2 The approval of any project by the Board of Port Commissioners is subject to the requirements of the California Environmental Quality Act (CEQA) where applicable. The execution of this Project Baseline Agreement does not constitute an approval by the Port of the proposed project that is the subject of the Agreement. In particular, the Port reserves all of its rights and duties under CEQA with respect to the proposed project, including without limitation the authority to do any and all of the following: (a) to prepare an environmental study evaluating the impacts of the proposed project, feasible alternatives to the project, and feasible mitigation measures; (b) to adopt any feasible alternatives and/or feasible mitigation measures to lessen any significant environmental impacts resulting from the proposed project; (c) to determine that any significant environmental impacts of the proposed project that cannot be mitigated are acceptable due to overriding considerations; and/or (d) decide to deny its approval of the proposed project, and not to proceed with the project, due to any significant, unmitigated environmental impacts.
- 4.4.3 Subject to Section 4.4.2, the current funding program for the project, including the TCIF funds, is described in the attached Exhibit B. Subject to Section 4.4.2, Port funds, as required to satisfy any remaining matching requirements for the outside funding after these outside funds have been expended, will be provided from Port Revenues. Subject to Section 4.4.2, the Port of Oakland will continue to pursue additional sources of Federal, State, and Regional funds to augment the funding already programmed for the project as indicated in Exhibit B.

SIGNATURE PAGE
TO

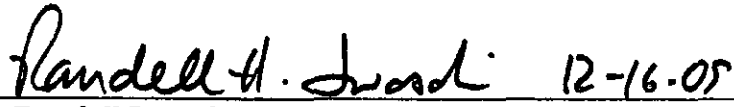
TRADE CORRIDORS IMPROVEMENT FUND
PROJECT BASELINE AGREEMENT
7th Street Grade Separation



Omar Benjamin
Executive Director
Port of Oakland

11.19.09

Date



Randell Iwasaki
Director
California Department of Transportation

12-16-09

Date



Bimla Rhinehart
Executive Director
California Transportation Commission

12/21/09

Date

EXHIBIT A
PROJECT PROGRAMMING REQUEST FORM



2008 Project Programming Request

(Project Information)

General Instructions

| | | | | | |
|---|---------------------|---|--------------------------|--------------------------|-------------|
| <input checked="" type="checkbox"/> New Project | | <input type="checkbox"/> Amendment (Existing Project) | | Date: | 11/13/09 |
| Caltrans District | EA | PPNO | MPO ID | TCRP No. | |
| 04 | | | | | |
| County | Route/Conidor | Project Sponsor/Lead Agency | | MPO | Element |
| ALA | | Port of Oakland | | | |
| Project Title | | | | | |
| 7th Street Grade Separation and Roadway Improvements | | | | | |
| PM Bk. | PM/Asst | Project Mgr/Contact | Phone | E-mail Address | |
| | | | | | |
| Location, Project Limits, Description, Scope of Work, Legislative Description | | | | | |
| The 7th Street Grade Separation will separate truck traffic on 7th St. from rail movements between expanded rail facilities and the rail mainline to the north of 7th St. and the existing rail facilities to the south. 7th Street, which accesses the Port of Oakland from the east, parallels the Bay Area Rapid Transit (BART) aerial structure and crosses above the underground portion of the BART line. | | | | | |
| Component | Implementing Agency | | AB 3090 | Letter of No Prejudice | |
| PA&ED | Port of Oakland | | <input type="checkbox"/> | <input type="checkbox"/> | |
| PS&E | Port of Oakland | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Right of Way | Port of Oakland | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Construction | Port of Oakland | | <input type="checkbox"/> | <input type="checkbox"/> | |
| Legislative Districts | | | | | |
| Assembly: 16 | | | Senate: 9 | | |
| Congressional: CA 9th | | | | | |
| Purpose and Need | | | | | |
| The proposed 7th Street Grade Separation will elevate 7th Street above the rail lines that will connect the BNSF and UP terminals to the new, expanded rail yard of OHIT. The Project will also improve traffic operations and expand roadway capacity through the reconstruction of 7th Street along a new alignment--at an elevated grade--between I-880 and Maritime Street, the reconfiguration of 7th /Maritime Street intersection into an elevated 3-way intersection, the realignment of Maritime Street, and various bicycle and pedestrian access improvements. | | | | | |
| Project Benefits | | | | | |
| The 7th Street Grade Separation will separate truck traffic on 7th St., one of three freeway gateways into the Port, from increased rail movements between Oakland intermodal terminals and the rail mainline to the north of 7th St. and the existing rail facilities to the south, thereby reducing conflicts between trucks and trains at a major intersection adjacent to the proposed OHIT. This project will also improve safety for pedestrian, bicycle and automobile movements to and from Middle Harbor Shoreline Park, a major public access point along the shore of San Francisco Bay. | | | | | |
| Project Milestone | | | | | Date |
| Project Study Report Approved | | | | | 07/31/02 |
| Begin Environmental (PA&ED) Phase | | | | | 01/01/02 |
| Circulate Draft Environmental Document | | | Document Type: EIR | 04/29/02 | |
| Draft Project Report | | | | | 02/29/10 |
| End Environmental Phase (PA&ED Milestone) | | | | | 09/30/10 |
| Begin Design (PS&E) Phase | | | | | 12/15/09 |
| End Design Phase (Ready to List for Advertisement Milestone) | | | | | 12/09/10 |
| Begin Right of Way Phase | | | | | 12/10/10 |
| End Right of Way Phase (Right of Way Certification Milestone) | | | | | 11/24/11 |
| Begin Construction Phase (Contract Award Milestone) | | | | | 11/25/11 |
| End Construction Phase (Construction Contract Acceptance Milestone) | | | | | 10/24/13 |
| Begin Closeout Phase | | | | | 10/25/13 |
| End Closeout Phase (Closeout Report) | | | | | 04/25/14 |

| Existing Total Project Cost | | | | | | | | | Implementing Agency |
|---|----------|----------|---------------|---------------|----------------|----------|----------|----------------|---------------------|
| Component | Prior | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14+ | Total | |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proposed Total Project Cost (thousands) | | | | | | | | | |
| E&P (PA&ED) | 0 | 0 | 10,281 | 10,282 | 0 | 0 | 0 | 20,563 | |
| PS&E | 0 | 0 | 3,510 | 3,510 | 0 | 0 | 0 | 7,020 | |
| RAW SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW | 0 | 0 | 0 | 6,891 | 0 | 0 | 0 | 6,891 | |
| CON | 0 | 0 | 0 | 0 | 185,030 | 0 | 0 | 185,030 | |
| TOTAL | 0 | 0 | 13,791 | 20,883 | 185,030 | 0 | 0 | 220,504 | |

| Existing Funding | | | | | | | | | Funding Agency |
|------------------------------|----------|----------|---------------|---------------|---------------|----------|----------|----------------|----------------|
| Component | Prior | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14+ | Total | |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proposed Funding (thousands) | | | | | | | | | Notes |
| E&P (PA&ED) | 0 | 0 | 10,281 | 10,282 | 0 | 0 | 0 | 20,883 | |
| PS&E | 0 | 0 | 3,510 | 3,510 | 0 | 0 | 0 | 7,020 | |
| RAW SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW | 0 | 0 | 0 | 6,891 | 0 | 0 | 0 | 6,891 | |
| CON | 0 | 0 | 0 | 0 | 75,778 | 0 | 0 | 75,778 | |
| TOTAL | 0 | 0 | 13,791 | 20,883 | 75,778 | 0 | 0 | 110,252 | |

| Existing Funding | | | | | | | | | Funding Agency |
|------------------------------|----------|----------|----------|----------|----------------|----------|----------|----------------|----------------|
| Component | Prior | 08/09 | 09/10 | 10/11 | 11/12 | 12/13 | 13/14+ | Total | |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TOTAL | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| Proposed Funding (thousands) | | | | | | | | | Notes |
| E&P (PA&ED) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| PS&E | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON SUP (CT) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| RAW | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| CON | 0 | 0 | 0 | 0 | 110,252 | 0 | 0 | 110,252 | |
| TOTAL | 0 | 0 | 0 | 0 | 110,252 | 0 | 0 | 110,252 | |

EXHIBIT B
PROJECT STUDY REPORT / PROJECT STUDY REPORT EQUIVALENT

2009 Amended TCIF Funding Nomination for
the 7th Street Grade Separation and Roadway Improvements
submitted by Port of Oakland

A. Project description and background (including purpose and need).

7th Street is the key roadway accessing the Port of Oakland from the east. It parallels the Bay Area Rapid Transit (BART) aerial structure, beneath I-880 and two railroad bridges before returning to grade at an intersection with Maritime Street. As the BART dives below ground into the transbay tube, 7th Street crosses over the tube to Middle Harbor Shoreline Park and ends at the Ben E. Nutter Container Terminal. As it runs through the Port complex, 7th Street includes a bicycle path out to the Middle Harbor Shoreline Park and Port View Park.

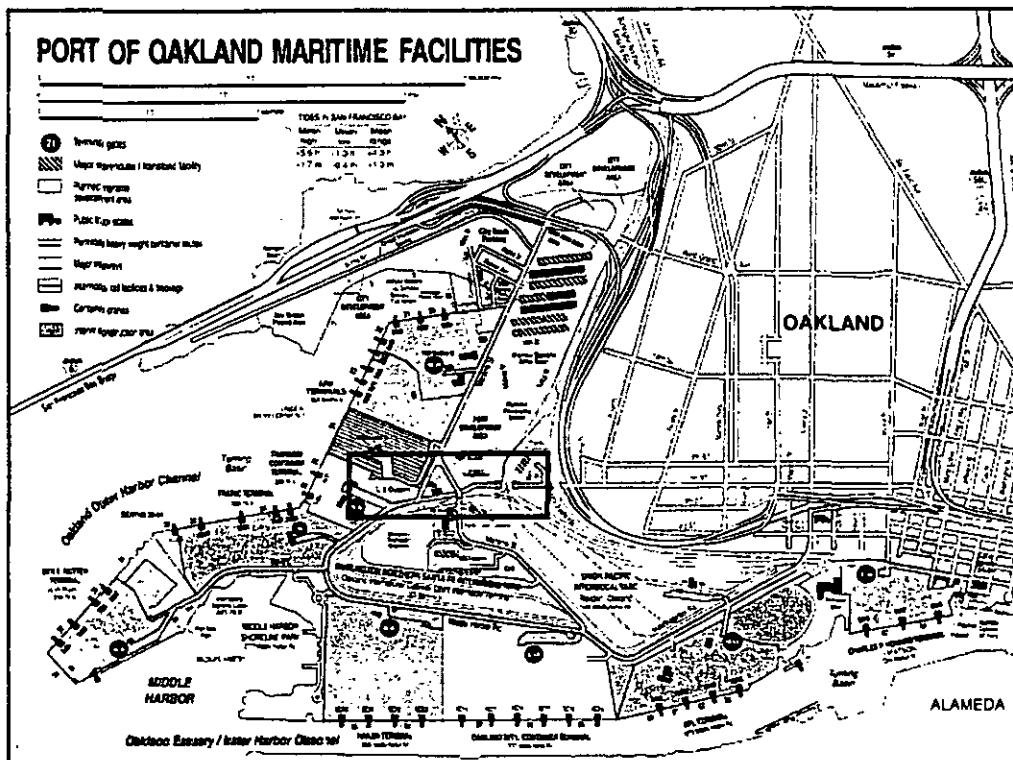


Figure I Port of Oakland Maritime Facilities

The 7th Street Grade Separation and Roadway Improvements (7th St. Project) will construct an elevated roadway to improve rail access into Oakland's two intermodal terminals, while reducing traffic delay between the Port facilities and I-880. The 7th and Maritime Street intersection will be modified into a new configuration which will better accommodate projected traffic flow. The improved rail access will also allow direct connections between the Port's proposed Outer Harbor Intermodal Terminals (OHIT) project and the existing rail terminals for greater coordination and functionality of the different facilities. This project will also improve safety for pedestrian, bicycle and automobile movements to and from Middle Harbor Shoreline Park, a major public access point along the shore of San Francisco Bay.

In anticipation of the acquisition of portions of the former Oakland Army Base and of other development opportunities, the Port completed a Maritime Development Alternative Study (MDAS) in 2004 to help guide it through infrastructure decisions. The MDAS reviewed the marine terminals, intermodal yards and roadway network in the Port complex, and made recommendations on improvement projects and the

sequencing of each such project. The MDAS estimates that “the existing rail system will constrain Port capacity at between 2.5 and 3.5 million TEU per year.” (MDAS, p. 2). The MDAS recommended improving the 7th Street and Maritime Street intersection (among others) to dramatically increase the Port roadway network capacity.

The Port of Oakland’s cargo volume makes it the fifth busiest container port in the United States, handling 99% of the waterborne goods moving through Northern California, the nation’s sixth largest metropolitan market. The Port has been, and continues to be, the premier export seaport for California’s agricultural goods from the Central Valley and the wine country. However, imports have grown by over 80% between 2001 and 2006, nearly 8 times faster than the growth in exports. The outsourcing of manufacturing to foreign countries with low labor costs, primarily in Asia, has increased trans-Pacific imports at the Port of Oakland and other ports of entry. The Port’s strength in both exports and imports indicate that it is well positioned for the future. Though the global economic slowdown that started in 2008 has reduced Port growth over the past two years, based on the Port’s historical growth pattern of four to five percent annually, the Port anticipates a continued increase in commerce through Oakland over the next 10 to 15 years.

Eight marine terminals and two rail terminals currently serve the Port. The Union Pacific (UP) and BNSF railroad facilities are located across the street from the marine terminal areas, providing reliable and efficient movement of cargo between ships and trains. UP’s existing intermodal rail facility at the Port is the “Railport Oakland” and BNSF’s intermodal rail facility at the Port is the “Oakland International Gateway” (OIG). In addition to these intermodal terminals, the Port is proposing additional intermodal terminal capacity with the proposed OHIT project.

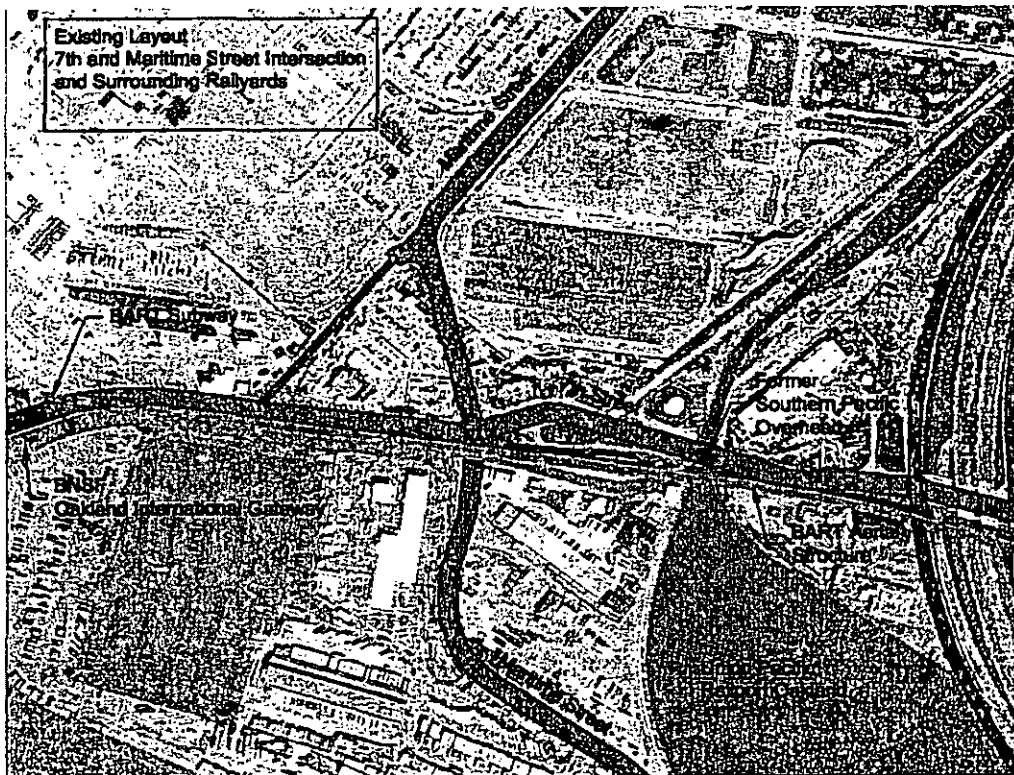


Figure 2 Existing 7th Street Project Area

The Port has three key motor vehicle access points in the south, east and north, at Adeline Street, 7th Street and West Grand Avenue, respectively. All three access points connect to highways, including

Interstates 80, 880, 580 and State Route 24. The internal Port roadway network has sufficient redundancy to allow vehicles to use any of the three access points, regardless of which Port terminal they are doing business at. 7th Street enters the Port complex below I-880 and continues below grade under both the Union-Pacific mainline and the former Southern-Pacific overhead. West of the Union-Pacific property, the roadway rises up to grade at the 7th & Maritime Street signalized intersection. The parallel Bay Area Rapid Transit (BART) aerial structure descends into the transbay tube towards San Francisco, while the roadway crosses over the tunnel, following the OIG tracks to a signalized intersection with Middle Harbor Road. 7th Street turns 90 degrees at this intersection and continues west along Middle Harbor Shoreline Park and Portview Park where the street ends at the Ben E. Nutter marine terminal. An adjacent bicycle path runs along the westerly end of 7th Street, between the parks and the below grade portion of 7th Street.

The Port anticipates a significant increase in intermodal cargo handled via Oakland which will likely exacerbate the existing train-roadway conflicts within the Port. Constructing this grade separation project will significantly reduce vehicle delays, particularly as the Port looks to expand its intermodal capacity with new projects such as the proposed OHIT.

Currently, rail traffic into the two intermodal terminals from the north is severely limited by the existing infrastructure. The BART aerial structure and Transbay Tube portal next to 7th Street has a limited vertical clearance and a number of columns which restrict track alignments, particularly into the OIG. The track into the OIG has a very sharp curve which requires more caution and less speed as the long trains enter the terminal via the existing at-grade crossing. The proposed project significantly alleviates the rail bottleneck by elevating 7th Street above grade and abandoning the former Southern Pacific overhead, thus opening the space underneath to allow an improved access to the OIG and greater connectivity between the OHIT project and the two existing railyards. See Exhibit B-1.

B. Project scope, function and anticipated benefits.

The proposed 7th Street Grade Separation will provide new grade separated rail crossings of 7th Street for the existing intermodal terminals and the proposed OHIT, while improving bicycle access, vehicle safety, and minimizing vehicle delay and vehicle emissions through the seaport. The Project will also improve traffic operations and expand roadway capacity through the center of the Port by reconfiguring the 7th Street and Maritime Street intersection. See a map of the 7th Street Grade Separation and Roadway Improvements in Exhibit B-1.

Currently, both Railport Oakland and the OIG intermodal terminals are accessed from the north across a single railroad bridge over 7th Street, the former Southern Pacific overhead. To reach the BNSF intermodal terminal, trains must negotiate an extremely sharp curve from the former Southern Pacific overhead, threading through BART columns then west, parallel to BART, and into the OIG. When the proposed OHIT project is completed, the OIG tracks can be connected to the proposed OHIT tracks, creating greater track lengths which can accommodate longer trains with minimal switching. The streets would be reconfigured and elevated above the OIG tracks to allow greater operational fluidity for both street traffic and the railroads. Exhibit B-1 shows the proposed reconstruction of 7th Street and the potential integration of the OHIT development with the existing intermodal terminals.

UP's Oakland terminal is split by 7th Street, with all yard activity forced across the narrow former Southern Pacific overhead, including not only UP's intermodal cargo, but other regional cargo that is sorted and managed at UP's Oakland hub. Under the proposed project, 7th Street, west of I-880 would rise out of its existing trench and over the tracks on the former Southern Pacific overhead. The elevated section would continue west to Maritime Street before descending back to grade. The current 7th Street alignment below the former Southern Pacific overhead would be abandoned and backfilled.

Previously, the Port had considered replacing the former Southern Pacific overhead, and rebuilding 7th Street below it, but elevating the roadway above it and abandoning the aging structure severely reduces construction phasing, eases concerns about deep excavation work in a location that has a shallow groundwater table and avoids significant utility relocations.

There are multiple safety concerns in the 7th Street corridor that require improvement. The former Southern Pacific overhead, a critical element to the Port's transportation network, has been physically damaged by excessive height trucks. The flow of goods to and from the Port complex would be severely hindered if this structure were damaged to the point of failure. In addition, the structure's narrow width underpass increases the risk of collisions between two vehicles or collisions with the structure itself. The lack of shoulders exacerbates traffic delays associated with disabled vehicles.

Pedestrian and bicycle access is also limited by the narrow sidewalk on the westbound 7th Street subway beneath the former Southern Pacific overhead. This is the main route for pedestrians and bicyclists to Middle Harbor Shoreline Park. Bicyclists are required to dismount and walk through the subway sidewalk or ride through the narrow street among the tracks.

Elevating 7th Street will be the most cost-effective solution to the constraints facing the Port because:

1. Of all the gateways into the Port, 7th Street is currently most constrained due to the old railroad bridge. The width and number of lanes is inadequate for the projected capacity need.
2. The other two gateways (Adeline to the South and West Grand to the North) are at the extreme ends of the seaport. Traffic through those entrances is only designed to serve a limited area (Outer Harbor for West Grand and Inner Harbor for Adeline). 7th Street is centrally located and serves both Inner and Outer Harbor container terminals.
3. The improvements to 7th Street are necessary for improved rail access into both of the existing Oakland intermodal terminals. The interconnection of the intermodal rail terminal facilities north of 7th Street such as the proposed OHIT development with the existing terminals will also be facilitated with the 7th Street project. The connections between the new and existing tracks on either side of 7th Street cannot reasonably be made without this grade separation project.
4. The cost for the upgrade of the other portals would be large, but would not provide the same benefits for similar costs.

Initially, the project included a complete replacement of the existing below grade portion of 7th Street between I-880 and Maritime Street with a relocated, deeper trench, for future railroad bridges which were envisioned to better link Union Pacific's yard tracks north of 7th Street with its tracks south of 7th Street. The Port determined that much of the improvements to the trench portion of 7th Street could be avoided by elevating 7th street above the former Southern Pacific overhead without compromising the Port's design capacity objectives.

C. Project satisfies TCIF screening criteria

Eligibility: Included in appropriate adopted regional goods movement or transportation plan and has commitment of 1:1 funding match.

- Project is included in GMAP, Cal-MITSAC, trade infrastructure and goods movement plans adopted by regional transportation planning agencies, or an adopted regional transportation plan.

| Project | GMAP | Cal-MITSAC | Adopted Regional Goods Movement Plan | RTP |
|---|------|------------|--------------------------------------|--------------|
| 7 th Street Grade Separation | X | X | X | X |
| | | | | Prqj # 22082 |

*****Check the box if Project is identified in the above plan.*****

This project is part of the State Goods Movement Action Plan.

Many of the regional transportation planning agencies in Northern California, led by the Metropolitan Transportation Commission, Sacramento Area Council of Governments (COG), San Joaquin COG, and Stanislaus COG have worked together to develop a Northern California Trade Corridors Strategy. This strategic vision, coupled with a specific program of projects, aims to address the growing needs of goods movement along the primary trade corridors in Northern California. The coalition is also supported by the six remaining Councils of Government in the Central Valley, including Kern County, the Ports of Oakland, Stockton and Sacramento, and business leaders from throughout Northern California. This coalition identified the 7th Street Grade Separation as a top tier priority for Northern California for the TCIF program.

- Specific description of entire cost

| Project | Total project cost | TCIF request | Identified matching funds | State of matching funds | Match source | Other funding | Source |
|---|--------------------|------------------|---------------------------|---------------------------|-----------------------------|---------------|--------|
| 7 th Street Grade Separation | \$220.5 million | \$110.25 million | \$110.25 million | Financing Plan Identified | Port of Oakland Partnership | | |

Funding for the project will come from a partnership between the Port of Oakland and private sector investors through a proposed Master Lease Agreement. The Port entered into an exclusive negotiating agreement with AMB Property Corporation and California Capital Group on August 21, 2009 to discuss the terms and conditions of a long term agreement, which will include a substantial capital investment in the Port's facilities by the private developers.

By implementing the changes proposed in the project scope, the project costs are reduced from an original \$427 million cost to \$220.5 million. The reduction in project costs changes the Port's TCIF request, from an initial state allocation of \$175 million to a proposed \$110.25 million state share. The Port's share, as the local project sponsor, would be 50%.

- Description of public benefit.

The public benefits from this project in multiple ways. First, the project improves the flow of commerce to and from the seaport, providing greater business opportunity for the region, and increasing the positive economic impact of international trade for the state of California. An improved 7th Street at the Port will make it easier for importers and exporters to do business at the Port, attracting more cargo across the Port's wharves. Along with the terminal enhancements the Port has made, the 50' harbor deepening program has positioned the Port to be able to bring in first port-of-call vessels which enable more cargo to flow through the Port's facilities. However, to allow these improvements to deliver jobs, tax revenue and other benefits to the region and the state, the Port, in collaboration with the railroads, shipping lines and

additional partners must also implement landside access improvements, such as the 7th Street Grade Separation.

The 7th Street Grade Separation project relieves the rail bottleneck at the 7th Street / former Southern Pacific overhead (which is currently used to access both Oakland intermodal yards). As roadway traffic volumes continue to grow throughout the Port complex, this project upgrades the traffic signals and roadway geometries to increase roadway capacity to meet the projected demand and mitigate congestion. The new grade separated railway-roadway crossings improve safety by preventing conflicts between trucks and trains at major intersections in the middle of the Port.

The 7th Street project significantly improves rail access to and from the existing intermodal terminals, allowing them to more efficiently handle additional intermodal business at the Port of Oakland. The more cargo handled by the Port's intermodal terminals, the lower the fraction of cargo handled by the region's highways. Having improved intermodal facilities in Oakland will reduce the need for intermodal containers to be hauled by truck to inland intermodal terminals such as Stockton and Lathrop, reducing the impact on the region's highways. In addition to the traffic impacts, trucking uses over 5 times more fuel, emits twice as much PM-10 and 4 times more CO₂ per ton-mile than a train.

Construction of the project is anticipated to involve hundreds of construction workers for a period of two to three years. The completed grade separation will allow continued growth and increased economic impact. Continued growth in trade at the Port of Oakland will proportionally increase the number of jobs in the region, and local and state tax revenues.

Deliverability:

Like any large infrastructure construction project, there are certain risks to the project which, while not insurmountable, may create obstacles that will be difficult to overcome. One particular risk to the project is the health of the global economy and the continued demand for goods movement through the Port of Oakland. Though we are currently in an unprecedented period of a downturn in global trade, this is expected to be short-term in nature. The long term trend in goods movement has been steady, stable annual growth.

The 7th Street Grade Separation has completed the preliminary design phase, with further design, environmental analysis and right-of-way acquisition scheduled to continue. The proposed elevated design eliminates the need for relocation and protection of major utilities prior to construction of the roadway. Completion of the roadway relocation and grade separation structures are anticipated to take approximately two to three years.

The 7th Street Grade Separation project was described within the Oakland Army Base Redevelopment Area Environmental Impact Report (EIR) approved in 2002. However, the Port plans to prepare additional environmental analysis prior to approval of construction documents which will discuss specific impacts that were not directly addressed in the original analysis.

The project includes property currently outside of the existing 7th Street public right of way. A portion of this property is owned by the Port, and a portion is owned by the Union Pacific. The Port will be required to modify multiple leases with US Customs & Border Protection, the Berths 25-26 marine terminal, and the Berths 20-24 marine terminal. The Port will also negotiate with Union Pacific on the new street location, and with the City of Oakland on the vacation and rededication of the public right of way. Lastly, the Port will have to negotiate an access agreement with BART, which currently has access to the transbay tube off of 7th Street. All these property issues are anticipated to take 1.5 years and will be commenced immediately.

Construction risks include the extent of potential remediation and removal of contaminated soils required within the project area and the potential escalation of material prices for steel, concrete and fuel. These risks have been anticipated by the Port, with escalation factors assumed for materials and labor on an annual basis. Since the funding for this project is dependent on TCIF monies, delay in the appropriation of money may lead to project delays and additional material cost escalations accordingly.

D. Project addresses the TCIF evaluation criteria.

1. Freight System (Goods Movement)

- Throughput: Project provides for increased volume of freight traffic through capacity expansion or operational efficiency.

Based on the Port's planning estimates, "the existing rail system will constrain Port capacity at between 2.5 and 3.5 million TEU per year." (MDAS, p. 2). The 7th Street and Maritime Street intersection is one of 5 key intersections that the MDAS recommended for improvement to dramatically increase the Port roadway network capacity. The construction of the 7th Street project, enables the OHIT project to be linked to the existing intermodal terminals, which will increase its economy of scale and enable the Port to reach its throughput goal.

The project will allow both the OIG and Railport Oakland tracks to be extended into the OHIT project area to accommodate longer trains with less switching within the Oakland terminals. The longer tracks will allow for multiple trains to be assembled, disassembled, and inspected prior to departure or immediately following arrival at the terminal.

According to the OAB EIR, level of service at the 7th / Maritime St intersection will reach LOS F in the year 2025 based on redevelopment plans at the former Oakland Army Base. Reconstruction of 7th Street and the associated intersection improvements will improve conditions to LOS D or better during the peak hour.

- Velocity: Project increases the speed of freight traffic moving through the distribution system.

The elevated portion of the 7th Street Grade Separation project will allow the OIG lead tracks to be reconfigured for improved access to the main line. Currently, trains must negotiate a tight curve under BART and across the existing 7th Street underpass. Construction of the project will allow trains entering the OIG to take a more direct route, around the BART West Oakland portal, and into the main line, along a higher speed route with less risk of derailment.

- Reliability: Project reduces the variability and unpredictability of travel time.

According to the OAB EIR, level of service at the 7th / Maritime St intersection will reach LOS F in the year 2025 based on redevelopment plans at the former Oakland Army Base. Reconstruction of 7th Street and the associated intersection improvements will improve conditions to LOS D or better during the peak hour. This will improve the reliability of truck travel time through the intersection.

The project will allow both the OIG and Railport Oakland tracks to be extended into the OHIT project area to accommodate longer trains with less switching within the Oakland terminals. The longer tracks will allow for multiple trains to be assembled, disassembled, and inspected prior to departure or immediately following arrival at the terminal.

2. Transportation System (Priorities)

- ~~Safety: Project increases the safety of the public, industry workers, and traffic.~~

There are multiple safety concerns in the 7th Street corridor that require improvement which the 7th Street Grade Separation will address. The former Southern Pacific overhead on 7th Street between Maritime Street and I-880 has been physically damaged by excessively tall trucks and other vehicles. The structural integrity of the overhead has not been analyzed; however, further damage by excessive height vehicles will increase the risk of its failure.

In addition to the low vertical clearance, the horizontal clearance through the structure is severely limited by traffic lanes that are less than 11' wide and minimal shoulders. The narrow underpass increases the risk of collisions between two vehicles and collisions with the structure itself.

The 7th Street Grade Separation will improve safety for pedestrian, bicycle and automobile movements to and from Middle Harbor Shoreline Park, a major public access point along the shore of San Francisco Bay. Pedestrian and bicycle access is also limited by the narrow sidewalk on the westbound 7th Street subway beneath the former Southern Pacific overhead, on the main route for pedestrians and bicyclists to Middle Harbor Shoreline Park. Bicyclists are required to dismount and walk through the subway sidewalk or ride through the subway in the street.

- **Congestion Reduction/Mitigation:** Project reduces daily hours of delay on the system and improves access to freight facilities.

In 2006, approximately 31 percent of the Port's total container traffic was transported by rail through its intermodal rail yards. As the Port grows, it anticipates that the percentage of intermodal cargo could increase to approximately 50 percent. However, this critical bottleneck for both rail and truck traffic must be addressed for rail service to be effective. Increasing intermodal transport will reduce the relative volume of Port containers transported by truck on regional roadways, which are already constrained and expected to become even further constrained from future local and regional growth. Any cargo that is moved by train from the Port benefits the overall transportation system by reducing truck trips to or from the Port of Oakland.

The proposed project will reduce the potential delay and improve level of service at the crossing. Anticipated growth in shipping will result in additional congestion at the 7th Street / Maritime Street intersection. By reconfiguring this intersection, the Port anticipates reducing total vehicular delay by 62,000 hours annually when compared to the no-build scenario. See Exhibit B-2 for more information about this delay reduction.

The proposed project would facilitate the movement of cargo to rail facilities, notably the proposed OHIT, and is therefore key to leveraging the benefits of rail transport for additional future throughput. Additionally, the project will reduce existing congestion and delays on local roadways, which currently results in undesirable environmental effects such as truck and other vehicle idling.

- **Key Transportation Bottleneck Relief:** Project relieves key freight system bottlenecks where forecasts of freight traffic growth rates indicate infrastructure or system needs are inadequate to meet demand.

The 7th Street Grade separation will eliminate the delays in traffic movements due to the current and future volume of rail movements. The rail growth forecast in the MDAS indicates that the LOS will

degrade to level F when Port of Oakland TEU volume is between 2.6 and 3.5 million. The Port is currently moving approximately 2 million TEUs annually. During peak traffic periods there are delays to traffic along 7th Street when rail movements occur at the current TEU volume.

Currently all Port intermodal traffic is forced to thread below the BART columns at the 7th Street grade separation structure that has only a limited width and has the risk of being further damaged by excess height vehicles because of its low vertical clearance. Construction of the 7th Street grade separation project will allow the undercrossing to be expanded for new tracks, and so accommodate the projected increase in vehicle traffic.

- **Multi-modal Strategy:** Project employs or supports multi-modal strategies to increase port and transportation system throughput while reducing truck vehicle miles/hour traveled (VMT/VHT).

Every train that is loaded at the Port can eliminate 750 truck trips, encompassing westbound and eastbound cargo movements, bob-tail moves associated with one-way truck trips, and chassis repositioning required with off-dock transfers. This calculation makes the following assumptions, which are conservative to avoid overestimating truck reduction benefits: eastbound train carries 280 containers, westbound carries 240 containers, bob tail moves add 35% and chassis repositioning adds 10% to the total truck trips. The Port intermodal yards could eliminate over 10,000 truck trips for every 3,500 intermodal containers unloaded and 3,000 intermodal containers loaded at the wharf.

- **Interregional Benefits:** Project links regions/corridors to serve statewide or national trade corridor needs.

OHIT will improve the efficiency of Northern California's freight rail service, which is part of the transcontinental freight rail system. This will decrease the burden borne for such service by Southern California ports and communities, while increasing the West Coast's ability to accommodate increased transcontinental freight rail traffic. The 7th Street Grade Separation is necessary to minimize the impacts of OHIT on the local freight delivery system.

3. Community Impacts

- **Air Quality Impact**

With development of the 7th Street Grade Separation, the Port of Oakland will be prepared to efficiently handle intermodal cargo growth through the foreseeable planning horizon while continuing to progress towards its goal of reducing human health risk associated with diesel PM by 85% by the year 2020 (from 2005 levels).

The 7th Street project will mitigate the congestion that will likely result given anticipated cargo throughput growth. The Port of Oakland has estimated the air quality impacts of the proposed project by evaluating future traffic congestion and delay. The emissions benefits of the proposed project are presented in Exhibit B-3. Based on previous traffic analyses, the Port projected the no build scenario to be LOS D by 2015 rising quickly to LOS F in 2020. In performing its analysis, the Port assumed full implementation of the ARB Port Truck Rule, which was adopted by ARB on 12/6/07. Emissions from trucks in 2020 are not expected to differ significantly from those in 2030 because the ARB rule making will be fully implemented by 2020.

- **Community Impact Mitigation**

The 7th Street Grade Separation will also improve safety for pedestrian, bicycle and automobile movements to and from Middle Harbor Shoreline Park, a major public access point along the shore of San Francisco Bay.

Under the terms of the OAB EIR, the Port has established, and will continue to ensure the reservation of a 15 acre parcel within the former OAB for local truck parking and trucking related services. The 15 acre parcel will be provided in combination with a similar sized parcel within the City of Oakland's portion of the former Oakland Army Base. In total, 30 acres of truck parking will help to minimize the number of truck related activity in surrounding residential communities.

The Port, as a department of the City of Oakland, will continue to be a good neighbor in the local community, advancing a number of initiatives to mitigate the impact of the Port on its local community, including:

Maritime Air Quality Policy Statement. The Port has adopted a goal of reducing the human health risk due to diesel particulate matter by 85% from 2005 levels, by the year 2020.

Maritime Air Quality Improvement Program. The Port has finalized its MAQIP, which maps out the steps the Port will take to achieving its goals set forth in the policy statement.

Truck Replacement Program. The Port has been working with truck owners to bring the drayage trucks that do business with the Port into compliance with strict state and federal guidelines on truck emissions, and advancing initiatives to replace or retrofit some of the oldest trucks at the Port.

- Economic/Job Growth

The Port has completed its harbor deepening project to accommodate the latest generation of larger container shipping vessels. Along with recent Port-funded terminal enhancements, including redevelopment of former military facilities, the harbor deepening has positioned the Port to be able to bring in first port-of-call vessels that enable more cargo to flow through the Port's facilities. However, to allow these improvements to deliver jobs, tax revenue and other benefits to the region and the state, the Port and the railroads must also implement landside access improvements, such as the 7th Street Grade Separation.

Construction of the 7th Street project is anticipated to involve hundreds of construction workers for a period of approximately two to three years. The Port's local hiring goals for public works projects, such as 7th Street, are targeted at ensuring that local residents in the communities surrounding the Port benefit the most from construction jobs. The adopted goal is for:

- 50% of the total hours worked by residents of the Port's Local Impact Area (LIA) (Oakland, Alameda, San Leandro and Emeryville).
- 20% of apprentice hours worked by LIA residents.
- Local Business Area residents (Alameda and Contra Costa Counties) to work when LIA residents are not available.

Although the completed grade separation will not provide any direct employment, it's indirect benefits to the Port and community will allow continued trade growth and increased economic impact. Continued growth in trade at the Port of Oakland will proportionally increase the number of jobs in the region, and local and state tax revenues.

To ensure that local residents benefit from growth in international trade, the Port is involved in community collaborations that address specific issues related to workforce and economic development;

these include working with the local Chambers of Commerce, local government, education and community agencies. See Exhibit B-4 for more information regarding economic impacts of the project.

EXHIBIT B-1

PROJECT MAP & DESCRIPTION

As shown in the figure below, the light green section indicates the new elevated sections, which will raise the roadway alignment to accommodate a new roadway bridge west of the existing former Southern Pacific overhead. The red colored lines indicate the OHIT tracks which are proposed to connect to the existing Railport Oakland

The darker green areas indicate the location of the new roadway approaches. The red lines indicate proposed tracks running below the new elevated 7th Street roadway. 7th Street runs underneath I-880 and the UP main line, and the proposed new elevated section would rise out of the existing trench, reaching full height above the former Southern Pacific overhead, above the existing railroad tracks. The elevated section continues above Maritime Street and a future OHIT-OIG rail connection, into a new three-way intersection before descending back to grade.

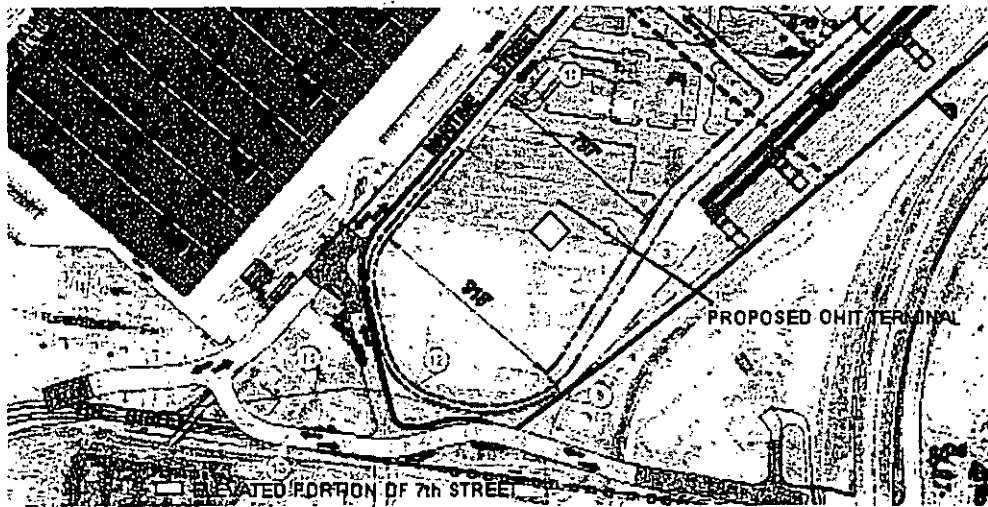


EXHIBIT B-2

DELAY REDUCTION DUE TO PROJECT

| Intersection | | Unmitigated 2025 Peak Hour Average Vehicle Delay (sec) | | Mitigated 2025 Peak Hour Average Vehicle Delay (sec) | |
|--------------|-----------------------|--|------|--|------|
| | | AM | PM | AM | PM |
| 7th Street | I-880 / Frontage Road | 43.1 | 33 | 43.1 | 33 |
| 7th Street | Maritime Street | 126.8 | 78.5 | 53.1 | 31.9 |

| Intersection | | Estimated Future Peak Hour Volume (veh/hr) | |
|--------------|-----------------------|---|-------|
| | | AM | PM |
| 7th Street | I-880 / Frontage Road | 1,729 | 1,636 |
| 7th Street | Maritime Street | 1,149 | 1,226 |

| Intersection | | Estimated Future Unmitigated Annual Vehicle Delay (hrs) | Estimated Future Mitigated Annual Vehicle Delay (hrs) |
|--------------|-----------------|---|---|
| | | 7th Street | I-880 / Frontage Road |
| 7th Street | Maritime Street | 105,000 | 43,000 |

EXHIBIT B-3

AIR POLLUTION MITIGATION DUE TO PROJECT

Average emissions and emissions benefit.

| Scenario | Emissions (tons/year) | | | | |
|---|-----------------------|------|------|------|--------|
| | ROG | CO | NOx | PM10 | CO2 |
| No build | 1.0 | 8.8 | 5.5 | 0.20 | 4,718 |
| Alt. 1-2 | 0.8 | 8.0 | 4.9 | 0.18 | 4,176 |
| Alt. 6-0 | 0.8 | 7.9 | 4.8 | 0.17 | 4,076 |
| 2015-2030 Cumulative Emission Reductions (tons) | | | | | |
| Alt. 1-2 | 3.3 | 13.3 | 10.0 | 0.4 | 8,677 |
| Alt. 6-0 | 3.8 | 15.7 | 11.8 | 0.5 | 10,267 |

Note: ARB Port Truck Rule built into the analysis. That is, we have calculated benefits above and beyond those expected to come from implementation of the Port Truck Rule

EXHIBIT B-4

ECONOMIC BENEFITS OF 7TH STREET
(AS AN ENHANCEMENT TO OHIT)

| Job Category | Number Generated |
|---------------|------------------|
| Direct jobs | 3,773 |
| Induced jobs | 5,152 |
| Indirect jobs | 3,437 |
| Total jobs | 12,362 |

| Income Category | Dollars (millions) |
|----------------------------|--------------------|
| Direct personal earnings | \$169.1 |
| Responding and consumption | \$456.9 |
| Indirect income | \$141.8 |
| Total income | \$767.8 |

| Direct Local Economic Impact | Dollars (millions) |
|------------------------------|--------------------|
| Business revenue | \$1,582.2 |
| Local purchases | \$375.8 |
| State & local taxes | \$79.1 |

EXHIBIT C
PROJECT BENEFITS FORM

**Trade Corridor Improvement Fund
Project Benefits Form**

Project Title: 7th Street Grade Separation and Roadway Improvements

Project Category: Grade Separation / Port / Rail / Road Construction / Bridges

Project Type: Grade separation project including roadway elevation, new turning lanes, pedestrian and bicycle access improvement. The grade separation will reduce the conflict between truck and rail traffic in the most commonly used access to and from the Port.

Outputs: Reduce multiple future at-grade crossings of expanded rail terminal.
Modification of approximately 2 miles of existing railroad track
Roadway Modification of approximately 4 lane miles

Construction of one new bridge

Outcomes: Outcome Performance Measure

| | |
|----------------------|--|
| Throughput | Accommodate increase in projected peak hour traffic volume to approximately 1,700 vehicles. Link the planned rail expansion with the two existing Oakland intermodal terminals. This integration will result in a net increase in Port intermodal capacity of 2 million TEU without cutting off roadway access. Ensure roadway access does not negatively impact Port's service quality for shippers as demand for Port container traffic increases to between 5 and 6 million TEU annually. |
| Velocity | Reduce future peak hour delay from an estimated average of over 2 min. to under 1 min. per vehicle at the 7th St. and Maritime St. intersection. |
| Reliability | Intersection traffic signals will be fully-actuated, providing delay reduction of approximately 1 minute per vehicle during the peak hour, and minimal delay during the off-peak periods. |
| Safety | Elimination of potential future conflicts between rail and truck, vehicular, bicycle and pedestrian traffic along 7th St. and Maritime Street. The grade separation will improve the safety of railway-roadway crossings by reducing conflicts between trucks and trains. |
| Congestion Reduction | Versus a no-build scenario, the project will reduce projected total delay from an estimated 105,000 hours/year to 43,000 hours/year. |
| Emissions Reduction | Versus a no-build scenario, the project will reduce projected vehicle delay through the 7th Street corridor. The delay reductions will reduce emissions of ROG from 1.0 tons/year to 0.8 tons/year through the corridor. Versus a no-build scenario, the project will reduce projected vehicle delay through the 7th Street corridor. The delay reductions will reduce emissions of NOx from 5.5 tons/year to 4.8 tons/year through the corridor. Versus a no-build scenario, the project will reduce projected vehicle delay through the 7th Street corridor. The delay reductions will reduce emissions of PM-10 from 0.20 tons/year to 0.17 tons/year through the corridor. Versus a no-build scenario, the project will reduce projected vehicle delay through the 7th Street corridor. The delay reductions will reduce emissions of CO2 from 4,718 tons/year to 4,076 tons/year through the corridor. |
| Economic Benefits | Draws commerce by making it easier for importers and exporters to do business at the Port's wharves. Along with the terminal enhancements the Port has made, the 50' harbor deepening program has positioned the Port to be able to bring in first port-of-call vessels which enable more cargo to flow through the Port's facilities. In order to deliver jobs, tax revenue and other benefits to the region and the state, the Port, in collaboration with the railroads, shipping lines and additional partners must also implement landside access improvements, such as the 7th Street Grade Separation. As a major utility corridor, the elevated design eliminates need to relocate underground utilities and allows for future growth. |

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**BOARD OF PORT COMMISSIONERS
CITY OF OAKLAND**

RESOLUTION NO. 09144

RESOLUTION AUTHORIZING THE EXECUTIVE DIRECTOR TO ENTER INTO BASELINE AGREEMENTS WITH THE CALIFORNIA TRANSPORTATION COMMISSION ("CTC") AND THE CALIFORNIA DEPARTMENT OF TRANSPORTATION ("CALTRANS") TO RECEIVE UP TO \$253,500,000 OF TRADE CORRIDOR IMPROVEMENT FUNDS ("TCIF") FOR THE 7TH STREET GRADE SEPARATION AND THE OUTER HARBOR INTERMODAL TERMINAL ("OHIT") PROJECTS.

RESOLVED that the Board of Port Commissioners ("Board") hereby authorizes the Executive Director to enter into Baseline Agreements with the CTC and CALTRANS to receive up to \$253,500,000 of TCIF funds for the 7th Street Grade Separation and the OHIT Projects, all in accordance with Agenda Report Item No. M-1; and be it

FURTHER RESOLVED that this resolution is not evidence of and does not create or constitute (a) a contract, or the grant of any right, entitlement or property interest, or (b) any obligation or liability on the part of the Board or any officer or employee of the Board. This resolution approves and authorizes the execution of Baseline Agreements in accordance with the terms of this resolution. Unless and until separate Baseline Agreements are duly executed on behalf of the Board as authorized by this resolution, are signed as approved as to form and legality by the Port Attorney, and are delivered to the other contracting parties, there shall be no valid or effective Baseline Agreements.

At the regular meeting held on October 6, 2009

Passed by the following vote:

Ayes: Commissioners Calloway, Gonzales, Gordon, Katzoff, and President Uno – 5

Excused: Commissioners Batarse and Head – 2

Noes: None

Exhibit E

Definitions

“**2002 EIR**” shall have the meaning set forth in the second Recital of this Agreement.

“**7th Street Baseline Agreement**” shall have the meaning set forth in the ninth Recital of this Agreement.

“**7th Street Project**” shall have the meaning set forth in the seventh Recital of this Agreement.

“**Agency**” shall have the meaning set forth in the preamble of this Agreement.

“**Agency Board**” shall mean the governing body of the Agency as determined in accordance with the California Community Redevelopment Law (Health and Safety Code Sections 33000, et seq.

“**Agency/City Indemnified Parties**” shall have the meaning set forth in Section 6.02b of this Agreement.

“**Agency Lands**” shall have the meaning set forth in the fourth Recital of this Agreement.

“**Agreement**” shall have the meaning set forth in the preamble of this Cost Sharing and Lead Agency Designation Agreement.

“**ARMOA**” shall have the meaning set forth in Section 2.01a of this Agreement.

“**Baseline Agreement**” or “**Baseline Agreements**” shall have the meaning set forth in the ninth Recital of this Agreement.

“**CalTrans**” shall have the meaning set forth in the eighth Recital of this Agreement.

“**CEQA**” shall have the meaning set forth in the second Recital of this Agreement.

“**City**” shall have the meaning set forth in the preamble of this Agreement.

“**City Charter**” shall mean the Charter of the City of Oakland originally adopted by the people of the City of Oakland on November 5, 1968, as amended from time-to-time.

“**CTC**” shall have the meaning set forth in the seventh Recital of this Agreement.

“Losses” shall have the meaning set forth in Section 6.02a of this Agreement.

“Public Improvements” shall mean all improvements to either the Agency Lands or the Port Lands paid for by public funds, including without limitation, any Agency funds, Port funds, TCIF funds, other state funds, or federal funds and without regard to whether such funds are grants or loans. As currently contemplated by the Agency and the Port, Public Improvements includes all rail improvements, all street and utility improvements, and all site preparation work (both on public roadways and adjacent lands) including without limitation, the capping and/or removal of old existing utilities, any environmental remediation and/or compliance work, any soil surcharging, any grading and paving, and any other work needed to prepare the land for construction.

“JERF” shall have the meaning set forth in Section 2.01a of this Agreement.

“JIDF” shall have the meaning set forth in Section 2.01b of this Agreement.

“OAB” shall have the meaning set forth in the second Recital of this Agreement.

“OAB Project Area” shall have the meaning set forth in the first Recital of this Agreement.

“OHIT” shall have the meaning set forth in the seventh Recital of this Agreement.

“OHIT Baseline Agreement” shall have the meaning set forth in the eighth Recital of this Agreement.

“Plan Dispute Notice” shall have the meaning set forth in Section 5.03d of this Agreement.

“Port” shall have the meaning set forth in the preamble of this Agreement.

“Port Area” shall have the meaning set forth in the third Recital of this Agreement.

“Port Board” shall mean the Board of Port Commissioners as duly appointed pursuant to Section 702 of the City Charter.

“Port Indemnified Parties” shall have the meaning set forth in Section 6.02a of this Agreement.

“Port Lands” shall have the meaning set forth in the fifth Recital of this Agreement.

“Project” shall have the meaning set forth in the sixth Recital of this Agreement.

“RAP/RMP” shall mean that certain Remediation Action Plan/Risk Management Plan dated September 27, 2002 and approved by the California Department of Toxic Substance Control on September 26, 2002.

“Redevelopment MOU” shall have the meaning set forth in the third Recital of this Agreement.

“Redevelopment Plan” shall have the meaning set forth in the first Recital of this Agreement.

“Responsible Agency” shall have the meaning set forth in Section 1.03b of this Agreement.

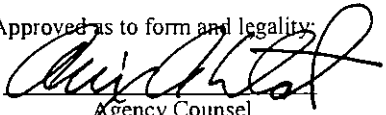
“TCIF” shall have the meaning set forth in the seventh Recital of this Agreement.

“TCIF Projects” shall have the meaning set forth in the seventh Recital of this Agreement.

“TEU” or **“TEUs”** shall have the meaning set forth in the second Recital of this Agreement.

FILED
OFFICE OF THE CITY CLERK
OAKLAND
SEP 16 2010
5:34 PM

Approved as to form and legality:


Agency Counsel

REDEVELOPMENT AGENCY OF THE CITY OF OAKLAND

RESOLUTION No. _____ C.M.S

RESOLUTION AUTHORIZING THE AGENCY ADMINISTRATOR TO EXECUTE A COST SHARING AGREEMENT AMONG THE REDEVELOPMENT AGENCY, THE CITY AND THE PORT OF OAKLAND FOR THE DEVELOPMENT OF INFRASTRUCTURE INCLUDING PUBLIC UTILITIES AND PUBLIC STREETS ON THE FORMER OAKLAND ARMY BASE

WHEREAS, the Redevelopment Agency and the Port of Oakland own respective parcels of the former Oakland Army Base; and

WHEREAS, the Oakland Army Base Reuse Plan and 2002 Environmental Impact Report document the need to install all new public utilities and streets to serve new development of the former Oakland Army Base; and

WHEREAS, the cost for new rail and street systems, utilities, streets, open space, and safe public access is estimated at \$500,000,000; and

WHEREAS, the Agency Board adopted Resolution No. 2010-0088 C.M.S., authorizing the establishment of an Army Base Joint Infrastructure Development Fund in the initial amount of \$16,300,000; and

WHEREAS, the Agency Board adopted Resolution No. 2010-0049 C.M.S., authorizing the establishment of a Army Base Joint Environmental Remediation Fund with an Agency contribution of \$5,741,477, matched by Port of Oakland contributions of an additional \$5,741,477 to share the costs of required environmental remediation on the former Oakland Army Base; and

WHEREAS, the Agency has been awarded a \$2,000,000 TIGER II grant from the U.S. Department of Transportation, \$1,600,000 of which will go directly towards infrastructure planning and design for the former Army Base, with a match requirement of up to \$3,010,000; and

WHEREAS, the Port of Oakland has been awarded an allocation of more than \$242,000,000 in State Trades Corridor Improvement Funds to be used for the construction of infrastructure improvements within the East and Central Areas of the former Oakland Army Base; and

WHEREAS, the Agency Board adopted Resolution No. 2010-0089 C.M.S., authorizing the Agency Administrator to negotiate a Cost Sharing Agreement with the Port of Oakland to improve rail and surface transportation systems and public utilities that are essential to attract private investment for the development of the former Army Base to its best and highest use; now, therefore be it

RESOLVED: That the Agency Administrator is authorized to execute a Cost Sharing Agreement with the Port of Oakland for the development of infrastructure and other improvements on the former Oakland Army Base committing an initial total Sixteen Million Three Hundred Thousand dollars (\$16,300,000) of Agency Fund 9572 to the development, in addition to the \$5,700,000 already approved for the Joint Environmental Remediation Fund 9579; and be it

FURTHER RESOLVED: That the Agency shall appropriate and allocate up to an additional \$10,000,000 in Army Base Redevelopment Area tax increment funds (9570) over the course of FY 2011-2012 through FY 2018-2019 through the Redevelopment Agency Policy Budget process for specific infrastructure planning, design and construction projects within the East and Central Gateway Areas of the former Army Base; and be it

FURTHER RESOLVED: That the Agency is authorized by way of the Cost Sharing Agreement to accept up to \$62,000,000 in Port of Oakland Trades Corridor Improvement Funds over the course of the Agreement for the construction of infrastructure and other site preparation projects within East and Central Gateway Areas; and be it

FURTHER RESOLVED: That this action complies with the California Environmental Quality Act (CEQA) for the following reasons, each of which provides a separate and independent basis for CEQA compliance: (1) most of the activities covered under the proposed Cost Sharing Agreement have already been evaluated by the previously certified 2002 EIR, such as hazardous materials remediation; (2) certain activities covered under the proposed Cost Sharing Agreement are statutorily exempt from CEQA, such as planning and feasibility studies, including detailed design and engineering efforts, pursuant to CEQA Guidelines section 15262; (3) the funding mechanisms under the proposed Cost Sharing Agreement are not subject to CEQA environmental review, pursuant to CEQA Guidelines section 15378(b)(4); and (4) this action is exempt from CEQA pursuant CEQA Guidelines section 15061(b)(3), because this Agreement only sets forth the terms and conditions for the Agency's funding of certain design work associated with the TCIF Projects, and it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment; and be it

FURTHER RESOLVED: That the Environmental Review Officer shall cause to be filed appropriate Notices of Exemption/Determination; and be it

FURTHER RESOLVED: That the Agency Administrator and his or her designee is authorized to take whatever action is necessary with respect to negotiating and executing a Cost Sharing Agreement with the Port of Oakland in support of the development of public improvements on the former Oakland Army Base consistent with this Resolution and its basic purposes.

IN AGENCY, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

AYES – BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF, AND
PRESIDENT REID

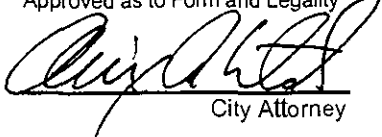
NOES –

ABSENT –

ABSTENTION –

ATTEST:

LATONDA SIMMONS
Secretary of the Redevelopment Agency
of the City of Oakland, California


City Attorney

OAKLAND CITY COUNCIL

RESOLUTION No. _____ C.M.S.

RESOLUTION AUTHORIZING THE CITY ADMINISTRATOR TO EXECUTE A COST SHARING AGREEMENT AMONG THE CITY, THE REDEVELOPMENT AGENCY AND THE PORT OF OAKLAND FOR THE DEVELOPMENT OF INFRASTRUCTURE INCLUDING PUBLIC UTILITIES AND PUBLIC STREETS ON THE FORMER OAKLAND ARMY BASE

WHEREAS, the Redevelopment Agency and the Port of Oakland own respective parcels of the former Oakland Army Base; and

WHEREAS, if the state legislature eliminates redevelopment agencies, the City will assume ownership of the Agency's portion of the former Oakland Army Base, including the assumption assets and liabilities associated with the environmental remediation and economic redevelopment of the property; and

WHEREAS, the Oakland Army Base Reuse Plan and 2002 Environmental Impact Report document the need to install all new public utilities and streets to serve new development of the former Oakland Army Base; and

WHEREAS, the cost for new rail and street systems, utilities, streets, open space, and safe public access is estimated at \$500,000,000; and

WHEREAS, the Agency Board adopted Resolution No. 2010-0088 C.M.S., authorizing the establishment of an Army Base Joint Infrastructure Development Fund in the initial amount of \$16,300,000; and

WHEREAS, the Agency Board adopted Resolution No. 2010-0049 C.M.S., authorizing the establishment of a Army Base Joint Environmental Remediation Fund with an Agency contribution of \$5,741,477, matched by Port of Oakland contributions of an additional \$5,741,477 to share the costs of required environmental remediation on the former Oakland Army Base; and

WHEREAS, the Agency has been awarded a \$2,000,000 TIGER II grant from the U.S. Department of Transportation, \$1,600,000 of which will go directly towards infrastructure planning and design for the former Army Base, with a match requirement of up to \$3,010,000; and

WHEREAS, the Port of Oakland has been awarded an allocation of more than \$242,000,000 in State Trades Corridor Improvement Funds to be used for the construction of infrastructure improvements within the East and Central Areas of the former Oakland Army Base; and

WHEREAS, the Agency Board adopted Resolution No. 2010-0089 C.M.S., authorizing the Agency Administrator to negotiate a Cost Sharing Agreement with the Port of Oakland to improve rail and surface transportation systems and public utilities that are essential to attract private investment for the development of the former Army Base to its best and highest use; now, therefore be it

RESOLVED: That the City Administrator is authorized to execute a Cost Sharing Agreement with the Port of Oakland for the development of infrastructure and other improvements on the former Oakland Army Base, which agreement commits an initial total Sixteen Million Three Hundred Thousand dollars (\$16,300,000) of Agency Fund 9572 to the development, in addition to the \$5,700,000 already approved for the Joint Environmental Remediation Fund 9579; and be it

FURTHER RESOLVED: That the City is authorized to appropriate and allocate up to an additional \$10,000,000 in Army Base Redevelopment Area tax increment funds (9570) over the course of FY 2011-2012 through FY 2018-2019 through its role as the successor to the Oakland Redevelopment Agency for specific infrastructure planning, design and construction projects within the East and Central Gateway Areas of the former Army Base; and be it

FURTHER RESOLVED: That the City is authorized by way of the Cost Sharing Agreement to accept up to \$62,000,000 in Port of Oakland Trades Corridor Improvement Funds over the term of the Agreement for the construction of infrastructure and other site preparation projects within East and Central Gateway Areas; and be it

FURTHER RESOLVED: That this action complies with the California Environmental Quality Act (CEQA) for the following reasons, each of which provides a separate and independent basis for CEQA compliance: (1) most of the activities covered under the proposed Cost Sharing Agreement have already been evaluated by the previously certified 2002 EIR, such as hazardous materials remediation; (2) certain activities covered under the proposed Cost Sharing Agreement are statutorily exempt from CEQA, such as planning and feasibility studies, including detailed design and engineering efforts, pursuant to CEQA Guidelines section 15262; (3) the funding mechanisms under the proposed Cost Sharing Agreement are not subject to CEQA environmental review, pursuant to CEQA Guidelines section 15378(b)(4); and (4) this action is exempt from CEQA pursuant CEQA Guidelines section 15061(b)(3), because this Agreement only sets forth the terms and conditions for the Agency's funding of certain design work associated with the TCIF Projects, and it can be seen with certainty that there is no possibility that the project may have a significant effect on the environment; and be it

FURTHER RESOLVED: That the Environmental Review Officer shall cause to be filed appropriate Notices of Exemption/Determination; and be it

FURTHER RESOLVED: That the City Administrator and his or her designee is authorized to take whatever action is necessary with respect to negotiating and executing a Cost Sharing Agreement with the Port of Oakland in support of the development of public improvements on the former Oakland Army Base consistent with this Resolution and its basic purposes.

IN COUNCIL, OAKLAND, CALIFORNIA, _____, 2011

PASSED BY THE FOLLOWING VOTE:

**AYES - BROOKS, BRUNNER, DE LA FUENTE, KAPLAN, KERNIGHAN, NADEL, SCHAAF and
PRESIDENT REID**

NOES -

ABSENT -

ABSTENTION -

ATTEST: _____
LaTonda Simmons
City Clerk and Clerk of the Council
of the City of Oakland, California