

CITY OF OAKLAND

AGENDA REPORT

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OFFICE OF THE CITY CLERK
OAKLAND
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TO: Office of the City/Agency Administrator
ATTN: Dan Lindheim
FROM: Community and Economic Development Agency
DATE: July 15, 2008

RE: **Supplemental Report Regarding the Selection of a Master Developer for a 108-Acre Portion of the Former Oakland Army Base**

SUMMARY

On July 8, 2008, the Community and Economic Development Committee heard a report from staff recommending a Request for Proposals (RFP) process to complete the selection of a master developer for the former Oakland Army Base. This supplemental report provides additional information to address questions that were raised by the Committee.

KEY ISSUES AND IMPACTS

1. Economic Benefits of the Port

The Committee requested more specific information on how the Port of Oakland benefits Oakland – as opposed to the East Bay region in general – in terms of jobs, revenue, local business opportunities, and other economic indicators. Attachment A includes selected excerpts from a Port publication that summarizes its economic and other benefits to the community. Unfortunately, the Port's statistics are not specific to Oakland, and at the time of publication of this report no further information was available. Staff will work with the Port to provide more specific economic data and report back to the Committee.

2. Consideration for PCC Logistics

The Committee requested more information on the PCC submittal. PCC Logistics was one of the 13 RFQ responses received by the Agency – as summarized in the table in Attachment B. As shown in Attachment B, PCC is proposing to build up to 140,000 square feet of warehouse space on 14 acres of land, thereby achieving a Floor-to-Area Ratio (FAR) of 0.23. This FAR is in the low range of the RFQ responses received, and also yields a relatively low rate of jobs per acre compared with the higher FAR responses. This project would retain 200 existing jobs, thus achieving about 14.3 jobs per acre on the Army Base. The recommendations of the RFQ Review Panel included a preference for “high density to achieve a critical mass of key land uses, generate more jobs...the Floor-to-Area Ratio of each proposed use should be considered in planning the site.” Staff would propose to work with PCC to increase the density of its project to maximize the FAR, and also to ensure that any change would not negatively affect PCC's revenues. Attachment C includes the PCC submittal in its entirety.

Item: _____
ORA/City Council
July 15, 2008

3. Review of Draft RFP

The Committee expressed a desire to see a draft of the RFP before it is issued. In order to expedite the RFP process – and thereby to assist in maintaining developer interest in the process – staff is proposing to distribute a draft RFP to Councilmembers during the Council Recess to collect any feedback before returning with the draft RFP to the first Council meeting in September.

RECOMMENDATION

Staff recommends the Agency direct staff to prepare a draft RFP for a Master Developer for the Gateway Development Area and submit it to the Council for approval at the first Council meeting in September.

Respectfully submitted,



Dan Lindheim, Director
Community and Economic Development Agency

Reviewed by: Gregory Hunter
Deputy Director, Economic Development and
Redevelopment

Prepared by:
Alex Greenwood
Urban Economic Coordinator, Redevelopment Division

APPROVED AND FORWARDED TO
THE COMMUNITY AND ECONOMIC DEVELOPMENT COMMITTEE:



Office of the City/Agency Administrator

Attachments:

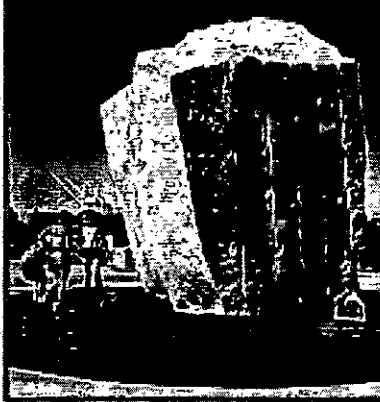
- Attachment A: Selected Excerpts of: “Working For You to Make A Difference: Building Community, Economic Development & Environmental Stewardship” (Port of Oakland, 2007)
- Attachment B: Comparison Matrix of RFQ Responses
- Attachment C: RFQ Response from PCC Logistics

Attachment A

**Selected Excerpts of: “Working For You to Make A Difference: Building Community,
Economic Development & Environmental Stewardship” (Port of Oakland, 2007)**



PORT OF OAKLAND
working
for **YOU**
to make a
Difference



A MESSAGE FROM OMAR BENJAMIN, PORT OF OAKLAND EXECUTIVE DIRECTOR

I am proud to be the Executive Director of the Port of Oakland. I grew up and went to school here. My father was a Merchant Marine and I remember going to the Port to meet him when his ship would come in. As a child, of course, I would never have thought that one day I'd be working at the port... let alone being its Executive Director. I certainly did not understand the impact that the Port of Oakland has on our community.

Today, I often bring my son, family and friends to the Port. We enjoy the parks. We use Oakland's airport when we travel, and I really enjoy going to Yoshi's in Jack London Square, which is one of the world's best places to hear music.

Middle Harbor Shoreline Park is another one of my favorite places at the Port. It was designed with a great amount of community input and, with its location right next to the seaport, is a great example of what we can do when we work together with the community.

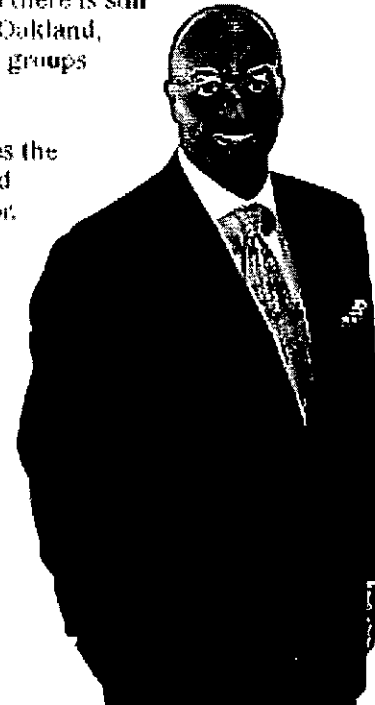
There has been considerable change at the Port over the past generation and there is still much for us to do. It will require our working together...the Port, the City of Oakland, our neighboring communities, our customers, and the many individuals and groups who have an interest in the Port and its business.

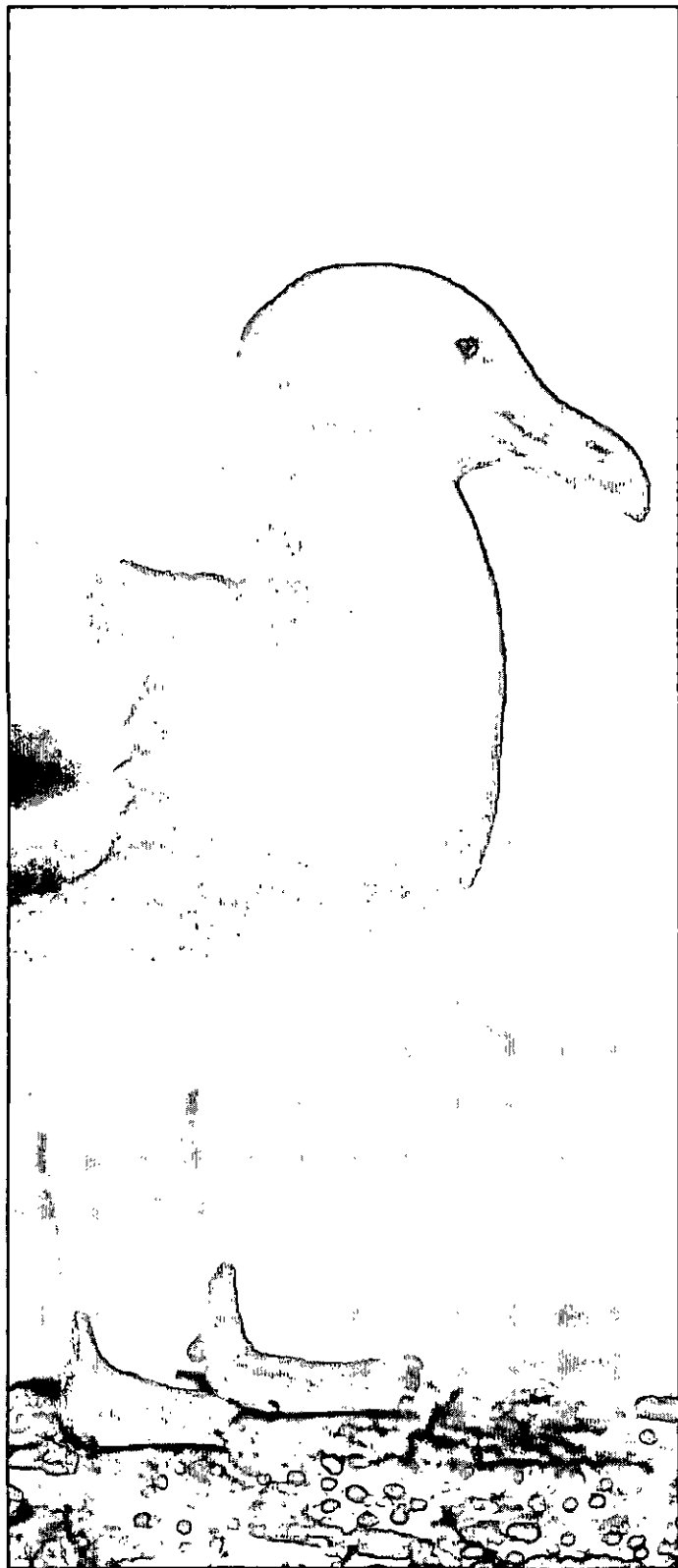
This is why we must grow our Port in a way that is responsible and improves the environment and quality of life while bringing economic benefits to Oakland and our region. This is a priority and is my major goal as Executive Director.

I want us to be bold in building on our successes. We have an opportunity to do the right thing and make a difference in Oakland. We will continue listening to our neighbors and working to improve our community and our Port. We are committed to sharing our expertise and will promote every opportunity for local employment and local business.

Like many families in Oakland, I, too, want to walk down safe, busy streets; I want to have confidence that my child is getting a good education in our public schools; know that there are great places to shop and places to have a good time. I want to be able to say with pride that "The Port of Oakland was a part of helping make this happen."

**We are committed to listening to our neighbors and
working with you to improve the community.**





Port of Oakland Building Community, Economic Development & Environmental Stewardship

BUILDING COMMUNITY

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Profile:

ENRICHING YOUNG PEOPLE'S LIVES THROUGH ENTREPRENEURSHIP

For nearly 13 years, the Port of Oakland has partnered with Castlemont High School to offer a unique training program on entrepreneurship. Students working at Knight's Café in the Oakland International Airport not only have a job, but also learn how to run a business. Training Grounds - a similar food concession run by Oakland-based Youth Employment Partnership - just opened in Terminal 2.



ECONOMIC DEVELOPMENT

LOCAL JOBS, LOCAL HIRING

Local jobs provide income for residents and generate tax revenue for the community. The Port's Maritime & Aviation Project Labor Agreement (MAPLA) supports hiring and training local workers on construction and environmental projects. Since 1999, MAPLA has doubled the participation of local businesses and tripled the involvement of apprentices in various construction trades. Last year,

60% of the workers hired on MAPLA projects from 1999-2007 were from the Port's Local Business Area (Alameda and Contra Costa counties).

82% of the apprentice hours worked on the Airport Terminal 2 project, wharf and embankment construction projects were worked by local apprentices.

90% of MAPLA project dollars in 2005 went to local general contractors.

55,000 jobs are generated by Port operations annually.

\$330,000 was contributed to the Social Justice Trust Fund to help local residents prepare for jobs in the building trades.



As part of MAPLA, every contractor contributes to the Social Justice Trust Fund. This money is used to assist workers who have been historically disadvantaged in the construction industry. The fund supports a tutoring program, workplace skills training classes and a loan fund for apprentice fees, dues and tools.

GIVING SMALL BUSINESS THE BUSINESS

Several programs ensure that small businesses get their share of the many public works, professional and concession contracts at the Port. The numbers tell the story of their success:

21% of the concession stands at Oakland International Airport are run by disadvantaged business enterprises.

86% of the businesses hired to work on the Oakland International Airport Terminal 2 projects were local; 20% were minority or woman owned.

\$4 million is available through the Port's Surety Bond and Financing fund to give small local firms access to the working capital and bonding needed to bid on contracting opportunities.

\$619 million has been awarded to local construction businesses under the Port's innovative Project Labor Agreement.

Profile:

EMPLOYMENT AND MORE

"I love my job" exclaims Diana Rivera, a cashier at Beverages & More in Jack London Square. "And I really appreciate the help the Port of Oakland gave me in getting hired."

Rivera stopped by the Port's Employment Resources Development Program (ERDP) office on a friend's recommendation. ERDP helps local residents find jobs with Port tenants. In 2006, ERDP helped nearly 200 job seekers find employment. Together, they earned \$1 million in wages for local families.

"The candidates ERDP sends over are pre-qualified, which saves us a step," says Ron Young, assistant manager at the store—the fifth busiest of Beverages & More's 70 outlets. "We also like to hire people from the neighborhood. They know the area and it's a good way to support the community."

With the help of Pamela Bell in the ERDP office, Rivera applied for a couple of jobs and was delighted to be hired at Beverages & More in Jack London Square. "I live in Alameda, so it is very easy to get to work. When people shop here for special occasions we talk about the party or wedding they are planning. I even met my fiancé here at work, so I'll have my own wedding to plan."

Rivera's previous job was in a warehouse. "Here, I can go outside at lunch, shop at the farmers market and feed the birds. It is beautiful," she says.





PACIFIC COAST CONTAINER

**Response to City of Oakland Redevelopment Agency RFQ
for the Oakland Army Base**

Submitted to:

The Redevelopment Agency of the City of Oakland
Gregory Hunter, Executive Director

March 10, 2008

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TRANSMITTAL LETTER

March 10, 2008

Mr. Gregory Hunter
Deputy Director
Economic Development and Redevelopment City of Oakland
City of Oakland Community and Economic Development Agency
250 Frank Ogawa Plaza, Suite 5313 (5th Floor)
Oakland, CA 94612

Dear Mr. Hunter:

PCC Logistics (PCC) is pleased to submit this proposal in response to the City of Oakland's Request for Qualifications for a Master Developer of the Oakland Army Base. We are responding as an Owner/Operator of a trucking logistics company that has been operating at the Port of Oakland since 1988.

We are seeking property on the Army Base to develop a new, modernized **Container Freight Station Warehouse** facility. We are requesting the 14-acre parcel in the Eastern Gateway to continue to operate our facility. PCC Logistics will engage a local team consultants to implement and support all aspects of the project. We have a proven commitment to the City of Oakland, with over 400 employees at our three Oakland locations, including 200 employees in the Eastern Gateway in Building 808 of the Army Base.

We look forward to working with you in the months ahead on this exciting project. If you would like additional information, please feel free to contact me directly at (510) 433-1005.

Very truly yours,

PCC Logistics

Michael McDonnell
President

Pacific Coast Container Direct Delivery
2498 21st Street, Bldg. 808 Oakland, CA 94607
Phone (510) 433-1005

Owner/Operator



PCC Logistics- Direct Delivery
2498 21st Street, Bldg. 808
Oakland, CA 94607
Phone (510) 433-1005
Fax (510) 433-1878

Michael McDonnell, President

PCC Logistics, a division of Pacific Coast Container, Inc., is an Oakland-based company that currently operates a 250,000 square foot warehouse facility in the Eastern Gateway of the Oakland Army Base that provides ancillary maritime services at the Port of Oakland. The full service container freight station (CFS) and warehouse is located in Building 808 on a 12-acre facility that provides a variety of transportation and distribution services to numerous import and export clients.

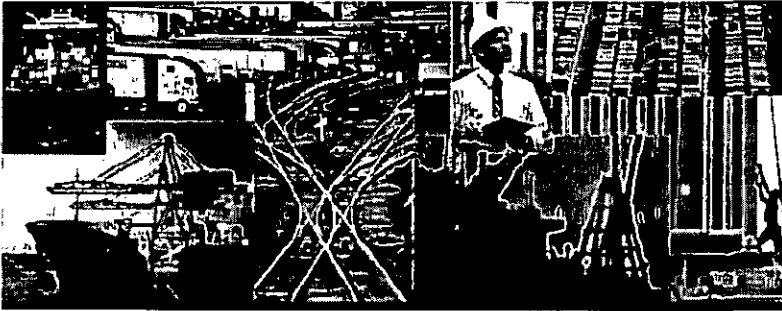
Pacific Coast Container entered the West Coast warehousing and trucking marketplace in Oakland in 1988. Initially, the company operated out of a 10,000 square foot facility specializing in the cross docking of export frozen product while offering other general warehouse services. Over time, Pacific Coast Container was re-branded as PCC Logistics, developed a reputation for dependability and customer focused service, and as our business grew, so did our range of services. Today, we are a full service bonded warehouse organization serving Fortune 1000 companies and operate facilities in seven locations in four major west coast ports occupying more than 1,000,000 total sq. ft. of space.

We operate container freight stations in three locations at the Port of Oakland, offering a diversified service platform in one large and two small warehouse facilities. The 80,000 square foot facility on 7th Street offers crossdocking and transshipment services, along with cold storage services. At the 80,000 square foot Bay Street facility, we also offer crossdocking and transshipment services along with **cold storage and inspections for USDA, FDA and Fish and Wildlife Services**. These two facilities are perfectly designed to accommodate efficient rail to container transfer of export goods, which is our primary business. The much larger, 250,000 square foot Building 808 facility on Maritime Street is the only facility that provides our customers with adequate space to house the **US Customs Inspection** office, and to offer the capability for vehicle loading, over-dimensional cargo handling, bulk trans-loading and short-term storage warehouse. Our ability to provide these services at the Port of Oakland is key to Oakland's competitive position in the ancillary

DEVELOPMENT TEAM

maritime service industry. Most importantly, PCC Logistics is the sole provider of customs inspections in support of the Port of Oakland and Homeland Security.

We are proposing to remain in the Eastern Gateway and to renovate our existing facility or develop a “greener”, modern facility on adjacent property that will complement the Port’s planned Outer Harbor Intermodal Terminal project.



Pacific Coast Container Inc.

LIST OF SERVICES

PCC Logistics provides the following services at the Port of Oakland:

- Bonded Container Freight Stations
- USDA, US Customs and FDA Inspections
- Temperature Sensitive Cargo Handling and Storage
- Local and Long Haul Trucking
- Trans-loading/Cross Docking
- Warehousing and Distribution
- Rail Services
- Over Dimensional Cargo Handling
- Pick and Pack Services

A leader in the industry, PCC Logistics also finds itself positioned as the only full service operator of Bonded Container Freight Stations to have a key presence throughout all major West Coast Ports. We are the only firm in the Port area that provides inspections of imported meats. We have been “Green Friendly” since the company was started, and we continue to vigorously pursue the most efficient transportation solutions in our business practices to reduce truck turns per day thereby reducing emissions, traffic congestion and fuel consumption. Most importantly, we strive to reduce overall pollution in our community and the Port of Oakland, while creating a variety of career opportunities for our community.

PCC Logistics has been serving the local trucking industry in Oakland for years. As a contributor and beneficiary of the economic development of Oakland, we continue to generate a demand for local labor. PCC Logistics creates permanent jobs that range from warehouse workers, truck drivers, forklift operators and customer service representatives to upper management opportunities.

We believe that PCC has been a longstanding supporter and promoter for the Port and Oakland community in several capacities.

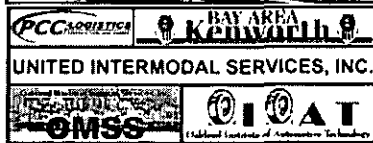
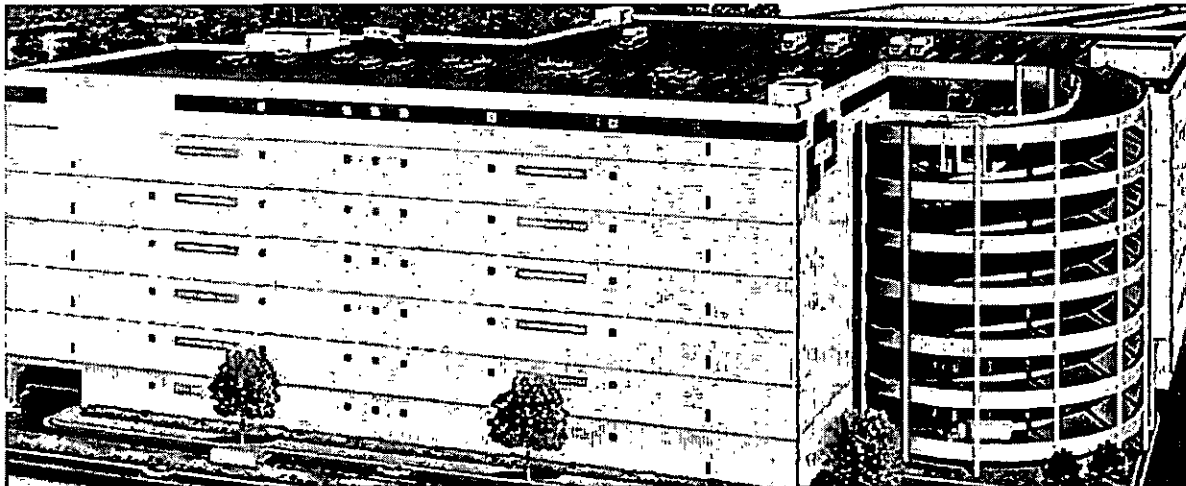
- First, with three facilities within the Port, we have been instrumental in providing hundreds of secure, well-paying union jobs to local residents.
- Second, we have furnished the port with substantial revenues generated by marketing PCC's unique ability to handle freights of all kinds, thereby making the Port of Oakland one of the primary West Coast gateways for import and export cargo.
- Third, by PCC also acting as Northern California's sole Department of Homeland Security inspection facility, better known as the CET Exam Site within the port, we have become an integral factor in insuring that the port is able to accommodate the growing need for container inspections without causing interruptions and delays of goods movement.

PCC Logistics is an active member of Maritime Industrial Support Compound (**MISC**), a not-for-profit advocacy group whose small business membership provides ancillary support services to the independent trucking community on the Oakland Army Base. The membership of MISC includes **Bay Area Kenworth**, one of the premiere truck dealerships in the country with annual payroll of over \$3.5 million and gross sales receipts of more than \$40 million; **Oakland Maritime Support Services**, a comprehensive truck support and service company, providing truck parking, truck scales, transloading facilities, container storage, truck repair, medical & occupational testing, food service and other services to local truckers; **Pacific Coast Container (PCC) Logistics**, a full-service container freight station and warehouse company that employs nearly 200 people in its Oakland facility and provides container inspection services on behalf of Homeland Security and the USDA; the **Oakland Institute of Automotive Technology (OIOAT)**, a non-profit training center which prepares qualified, job-ready mechanics and maintenance technicians for employment in the automotive and trucking industries and the **West Oakland Environmental Indicators Project (WOEIP)** an organization that tracks environmental and social conditions, and represents a broad range of concerns, including air quality, environmental toxins, land use, housing affordability, transportation and civic engagement in West Oakland.

Our member companies are part of Oakland's regional goods movement industry cluster, a group of industries that collectively provide freight transportation services to the Bay Area. The US Census Bureau in 1997 estimated that goods movement industries accounted for more than 126,000 jobs in the Bay Area in trucking, warehousing, distribution, shipping and cargo related industries with nearly 38,000 of these jobs were in Alameda County alone. MISC companies are the group of Oakland-based businesses supporting the Port's maritime operations by providing ancillary maritime services at the Oakland Army Base. In the aggregate, we employ nearly 400 persons, generate in excess of \$65 million in gross revenue for the local economy and contribute significantly to the local tax base. Over the years, we have employed and trained Oakland residents in each of our respective companies. As MISC members, we share a commitment to West Oakland, the Army Base and the Port.

MISC

MARITIME INDUSTRIAL SUPPORT COMPOUND



Now that the Port of Oakland is modernizing and expanding, we are advocating for a shift toward greener maritime industries, maintaining that one of the main goals of trucking-related industries at the Army Base must be to modernize, operate more efficiently and incorporate environmentally-sensitive practices to the fullest extent possible. By 2020, the volume of goods that need to flow through the Port is expected to double due to increased international trade. All Port related industries will have to adapt a more sustainable, “smart growth” approach to increase their collective capacity to handle more business in a compact configuration.

The Shared Vision for the Army Base

Earlier this year, the Mayor’s Green Economy Task Force recommended that the entire Army Base be designated a “Green Enterprise Zone” for mixed-use and clean-industrial use, and be redeveloped with world-class facilities that compose a “green technology park”. This recommendation echoed the Oakland Army Base Final Reuse Plan released in 2002, which explicitly called for a business/technology park to be developed along with the expansion of maritime industries on the Army Base. This means the operator of the ancillary maritime services (AMS) uses on the Agency property must also plan for future development to be clean, green and high quality.

Ancillary maritime services are so important to the regional economy that Bay Conservation and Development Commission (BCDC) is requiring that the Port and City of Oakland each reserve at least 15-acres of former Army Base land (or a minimum of 30 acres) for the development of trucking-related AMS uses. Currently, MISC companies occupy more than 75 acres of land on the Army Base. When market conditions improve, we are willing to

consolidate our operations through the coordinated, phased development of a “green”, modern logistics support facility. The proposed six-story building will contain at least 10 acres of building area on each floor, thereby providing 60+ acres of FAR to accommodate the MISC companies. The additional five acres of Agency land will be used to provide ramps and circulation. Another 15 acres are needed on adjacent property to provide container depot services. This new, state-of-the-art facility will enable MISC companies to downsize to a more productive, 30-acre layout on land owned by the Agency and the Port of Oakland on the eastern side of Maritime Street. In the future, when the redevelopment of the Army Base is well underway and there is sufficient demand for a mid-rise trucking logistics facility like the one we proposed in the our RFP response to the Agency in August 2007, we remain ready to assemble and willing to pursue the MISC concept.

MISC – LOGISTICS SUPPORT CENTER

The concept of the MISC Green Logistics Support Center is to deliver a modern, state-of-the-art ancillary maritime services facility that includes truck parking, container storage/depot services, new and used truck sales, truck parts and service, transload services, office space, warehouse space and retail on a 30-acre to 40-acre development site.

Based on leading-edge concepts in flexibility, technology, traffic & security, strategic location, and sustainability, the Logistics Support Center would consist of a Vertical Truck Parking /Storage Warehouse and a Container Depot Services yard in a six-story concrete structure with a 10-acre footprint that would allow MISC to offer their combined services in a secure, “smart” facility. The entire facility would comprise approximately 2.0 million square feet of state-of-the-art logistics support services.

Over the next 20 years the Port of Oakland will need to become increasingly more efficient to remain competitive and cutting edge as well as to provide for the needs of population growth and increased product demand in the region. MISC’s Green Business Park and Logistics Support Center is the way for Oakland to keep pace with upcoming national and global growth in trade within the shipping and transportation industry. As the costs of fossil fuels continue to increase, the use of alternative/renewable energy sources will eventually make adaptive maritime operations more efficient and cost-effective. Working with the MISC companies, the Port and the City will have the unique opportunity to work together with local small businesses and the community to build a state-of-the-art facility.

In order for the Port of Oakland to remain effective, competitive, and sustainable for the future, MISC proposes an all-encompassing scheme to provide one-stop services in a centralized location. We want to create a synergistic campus where all AMS services are provided for within the Port of Oakland thereby drastically decreasing the need for trucking services to intermingle with the residential areas of the City of Oakland. Coupled with the use of alternative and biodegradable energy solutions, the MISC plan will reduce emissions, spare the environment and transform trucking-related services into a greener industry at the Army Base.

Owner's Representative



Greenstone Development, LLC
1211 Embarcadero Suite 700
Oakland, CA 94607
info@greenstonedev.com
www.greenstonedevllc.com

Jai Jennifer Chief Executive Officer

Greenstone Development is an Oakland-based real estate development company led by Jai Jennifer, longtime real estate consultant and strategist, and founder of Northern Real Estate, the Oakland-based real estate and economic development consulting firm started in January 2000.

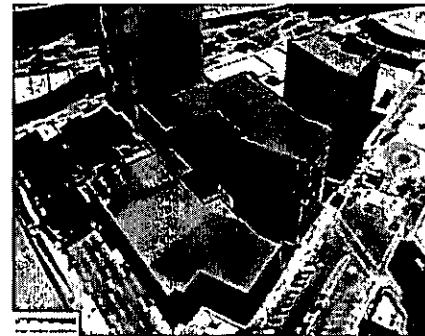
Northern Real Estate is an Oakland-based real estate consulting company. Jai Jennifer, founder and principal, has provided real estate and economic development consulting services to companies and government agencies in the San Francisco Bay Area for nearly 10 years.

Northern Real Estate has been prominent in the project planning and predevelopment of numerous, large master planned developments in Oakland – particularly smart growth developments located near transit, on the waterfront, on former military bases and in distressed urban communities within redevelopment areas like East Oakland and West Oakland. Most recently, Northern Real Estate has completed work on the West Oakland Main Street project (a San Pablo Avenue corridor analysis), and an independent analysis of Oakland's capacity to support a World Trade Center district.

As the Owner's Representative for PCC Logistics, Greenstone brings extensive local market knowledge and a comprehensive understanding of the current planning and development climate in Oakland today. Greenstone CEO, Jai Jennifer, serves as development manager of projects in City Center, the Elmhurst neighborhood, and on the Oakland Army Base.



Hill - Elmhurst



Adcock - Joyner



Thomas Berkley Square - NCS&C

Design / Consulting Team

- Architect/Land Use Planner - TBD
- Financial Consultant - TBD
- Environmental/Geotechnical Engineer - TBD

PROJECT NARRATIVE

The Port of Oakland was the first major West Coast port to build a terminal to receive container ships. Today, Oakland has become the fourth largest port in the country, behind the West Coast giants, Los Angeles and Long Beach. In continuation of its growth, the Port of Oakland is embarking on the construction and operation of the new Outer Harbor Intermodal Terminal (OHIT), a new intermodal transfer facility on the Oakland Army Base. This project is designed to generate new business for the Port and to remove the bottleneck that now constrains goods movement from container ships to rail at 600,000 containers per year, and allow up to 1.2 million containers per year.

The parcel of land designated for the OHIT project includes sections of the Army Base and surrounding areas of waterfront that are occupied by existing businesses like PCC Logistics. PCC Logistics currently operates a 250,000 square foot warehouse facility in Building 808 of the Eastern Gateway that provides a variety of transportation and distribution services to a number of import and export clients.

PCC Logistics has now been in business in Oakland for twenty years servicing and working with Steamship lines that call on the Port of Oakland, the railroads that service the Port and the customers and shippers who utilize port facilities. However, we now find ourselves facing the prospect of being forced to relocate this facility to accommodate the new OHIT project and Agency plans to redevelop the Army Base. As the only Customs appointed CET facility, PCC handles all the high risk Customs cargo that enters into Oakland. Our objective is to stay at the Army Base.

PCC Logistics is interested in entering into an Exclusive Negotiating Agreement with the City of Oakland to explore the possibility of acquiring or leasing property within the immediate Port area that will be suitable for the construction of a warehousing, transloading, distribution and ancillary support facility. More specifically, we are requesting the 14-acre parcel that is remaining in the Eastern Gateway adjacent to the parcels earmarked for Bay Area Kenworth and OMSS. The type of facility we operate must be close to the port, and be "state of the art" to accommodate the high tech movement of goods quickly to the end user. We need to make an investment in the land and physical improvements that allows us to maintain a reasonable cost structure to attract the customers, and we need a pool of trainable labor to support the high volumes of cargo that need to be moved in a highly efficient and affordable manner to the end user,

This new facility would support all the government agencies that are our current clients such as the USDA, FDA, Department of Homeland Security, US Customs and other entities that are charged with the protection of the United States and our people. PCC is willing to discuss several options to insure the ongoing provision of services that support the

maritime interest of the Port of Oakland:

- Lease of property and a facility built by the Port or the City;
- Purchase or ground lease of a 14-acre parcel to build a modern, green facility
- Remain in our existing Building 808 facility and renovate into a modern, greener trucking and container freight station

Currently, PCC Logistics' client base is approximately 85% export and 15% import related. Our existing facility, Building 808 in the Eastern Gateway of the Army Base, is well-suited to the types of services that we provide and the client base that we serve. PCC is willing to stay in our current location if this option can be arranged by the Redevelopment Agency.

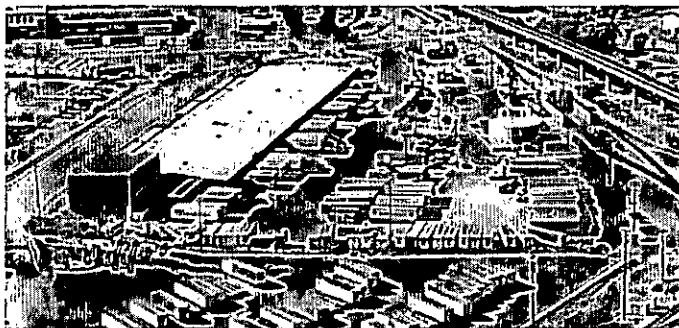
For a new facility, we have prepared two (2) preliminary site plans for the 14-acre parcel which accommodate a 120,000 square foot facility, or about 1/2 the size of Building 808. This parcel would allow us to continue to satisfy our current requirements and allow us to meet our commitments to the import/export community with the possibility of additional expansion as global trade continues to increase. We would utilize the entire parcel to build and operate a modern, "green" full service container freight station (CFS) and warehouse on the Oakland Army Base facility.

AGENCY GOALS

Gateway Development

The Eastern Gateway of the Army Base is the gateway for the goods movement industry to provide services related to international trade and the Port of Oakland. Along with Bay Area Kenworth and Oakland Maritime Support Services, we intend to build a green trucking and logistics facility on the Eastern Gateway and designate this area for ancillary maritime services. The range of services that PCC Logistics provides is different from and complementary to both of these companies.

Oakland is an international trade destination and gateway. PCC Logistics provides a critical set of unique services and inspections that are essential and create synergy with the Port of Oakland.



Existing PCC Logistics – 7th Street Facility at the Port of Oakland

Job Creation.

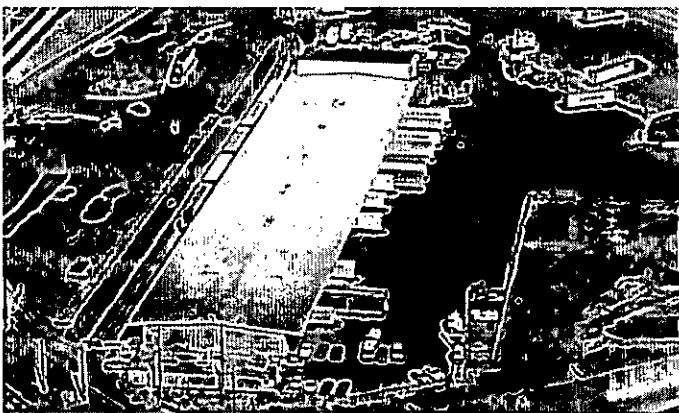
PCC Logistics currently employs more than 400 workers at the Port of Oakland in a range of skill levels and income levels. The Building 808 facility alone has more than 200 employees. Our annual payroll for our combined Oakland facilities is in excess of \$5 million. In addition, PCC Logistics' payments to local independent truckers that work exclusively for us, have ranged from \$8 million to \$12 million per year for at least the last five years.

1. Retention of Local Jobs

One of the clearly stated goals of the redevelopment agency is job creation and retention. PCC Logistics currently employs more than 200 workers at the Building 808 Direct Delivery facility on Maritime Street, and more than 400 employees combined at our three locations in Oakland. The proposed PCC Logistics modern facility will enable over 200 employees to be retained in Oakland.

2. Job Training and Opportunities for Advancement

PCC Logistics will continue to utilize local training programs to hire Oakland residents. These programs include the Oakland Institute of Automotive Technology, the West Oakland Environmental Project, and Outside Lane, a new program that teaches low income persons to drive trucks. We also recruit employees (new hires) from the City of Oakland is the Unemployment Office, The Job Consortium, Heald College, Temp Services, and postings at local community colleges. PCC Logistics provides on the



Existing PCC Logistics – Bay Street Facility at the Port of Oakland

job training and certification programs to local residents that we hire. The job training and certifications that we provide to office and warehouse employees include:

Forklift Certification (annual)
HazMat Handling Training (annual)
Customer Service Training (quarterly)

3. Employment of West Oakland Residents

PCC Logistics employs many local residents from West Oakland. Over the years, we have employed and promoted several Oakland residents. Two profiles of current employees are provided here as an illustration of the positive impact that we actually have on our employees.

4. Case Profiles of Current PCC Employees

Nichole Daugherty
PCC Logistics
CFS/Import Supervisor

Nichole Daugherty has worked for PCC Logistics for the last four years. When she first started, she did not plan to be there for long. She thought it was another dead end job that was not going to get her anywhere. She started there as a receptionist answering phones, and four years later she gained the experience to become a supervisor.

When Nichole started working for PCC she was living in Oakland with her two sons. They were living on Low Income Housing in a low income neighborhood. Nichole was very determined to get away, but didn't know how. She had worked other jobs before, but she didn't think that this one would be any different. While working at PCC as a receptionist she was asked to be involved in other projects. Her voice and opinion mattered. She began to enjoy working for the company and was eager to learn more about the business. It became clear that this job was for her, that she had a future at PCC. This is when she knew things were going to soon change for her and her boys.

Within a year of working for PCC, she was promoted to Lead Customer Service Rep. for the Imports Department. She was starting to grow professionally. This allowed her to become more independent and self sufficient. She was able to move to a better neighborhood and acquire better schools for her sons. Now she is the CFS/Import Supervisor for PCC and sees nothing but great things for her future employment there. PCC is dedicated to their employees and Nichole Daugherty is proof. They are very open with their employment and will help anyone who is willing to help themselves. They believe in second chances, and if it wasn't for them Nicole doesn't believe she would be where she is today. PCC brought the best out of her, a potential that she had no idea was even there. They allowed her to be a part of something. Her employment at PCC has been encouraging. It has brought tremendous growth to her life professionally and economically.

Rosa DeAnda
PCC Logistics
Facility Manager

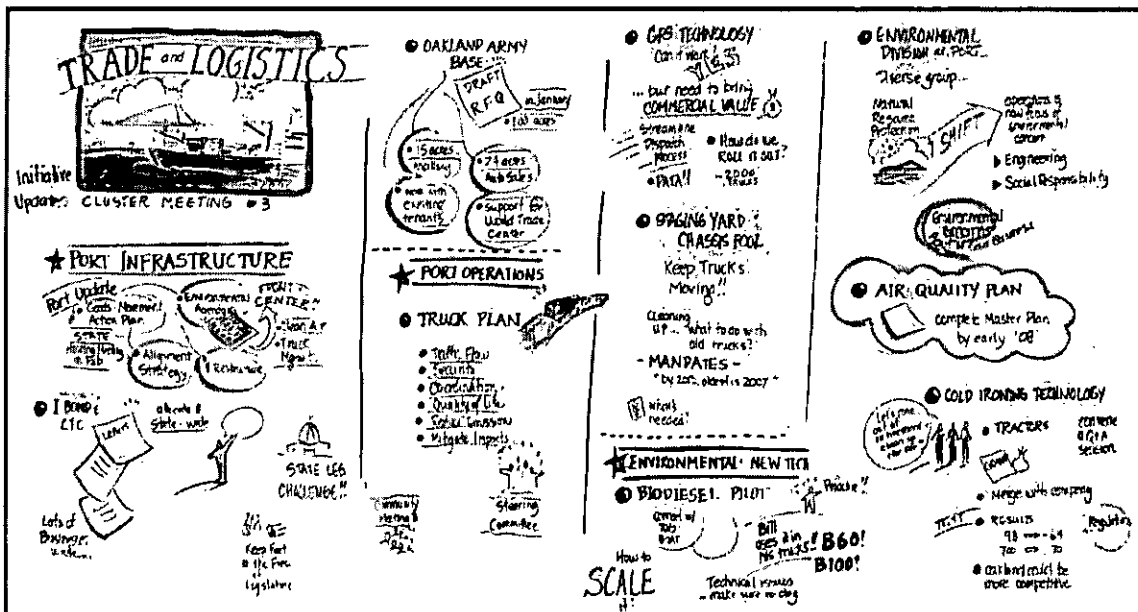
Born and raised in Oakland, Rosa DeAnda is an excellent example of the positive effect that PCC has had on the community workforce. Rosa is currently the Facility Manager of the Customs and Import/Export operations, a promotion she received after 3 years with the company. When Rosa started her career she was working in customer service for another logistics company as a summer job. At that time she was prepared to leave the industry because she didn't believe in the business

philosophy and the vision of the company. Instead, she was recruited to PCC, where she was quickly promoted as her supervisor pushed her to believe in herself and her abilities.

With one-on-one training, her business and people skills grew until she gained enough knowledge to run her departments as an entire business unit, responsible for all aspects of the operation. Growing up, Rosa never believed that she would be in such a powerful position. Currently, she is the youngest Facility Manager in the company, responsible for the operations of the largest and most profitable West Coast facility with the highest sales.

Working at PCC empowered Rosa by offering not only job skills, but life skills as well, teaching self-sufficiency and giving opportunities to grow. She describes the company as flexible and fun, also caring and saving jobs. Whether it's accommodating the schedule of a single parent or applying the "Never Say No" motto, the company has proven its commitment to their human resources. Rosa interviews every applicant, confident that there is a job even for an unlikely candidate; it's only a matter of finding a position to fit their needs. It's important to think outside the box, she says. Rosa recently bought a home, and plans to continue growing with PCC, a place where the people are considered family.

The Trade & Logistics Cluster Group



The Trade & Logistics cluster is one of the economic cluster groups that emerged out of Mayor Ronald V. Dellums' Task Force process and the Oakland Partnership. Business leaders in the Trade & Logistics industries have convened on several occasions to discuss issues of importance related to the future of trade and logistics in Oakland. As a result of our work, the following recommendations were made to the City of Oakland:

- Improve operations at the maritime Port to enhance efficiency, improve service, reduce wait times, and increase capacity and through put.
- Allow a significant portion of the City of Oakland's portion of the old Oakland Army Base to be used for maritime trade and logistics uses. This will allow greater customer support provide

such as a trans-shippers and cross-doc loaders., like PCC Logistics. The report submitted by the Trade & Logistics cluster requested that local colleges better integrate schooling / training for Warehousing/Logistics, etc. PCC is willing to participate and support this initiative by enrolling as a source of employment for graduates.

Green Development

PCC Logistics will utilize "green" development principles in construction, building materials, use of alternative energy sources, technology, and traffic management. Our goal is to continue to facilitate the adoption of cutting-edge environmental and logistics technologies that will allow the Port and its tenants t address air quality concerns while improving price and service and the Port's overall ability to compete with other international Ports.

Labor Relations

PCC Logistics' working relationship with unions spans more than 10 years, and most of our employees are members of Local 886. All warehouse employees are union.

Coordination & Support for Port Projects.

The Port provides an important economic engine for Oakland and the region, and its long-term competitiveness should be supported. The maritime Port, however, operates at only 55% capacity. Companies providing goods and services to the Port and its tenants, as well as the Port's existing and potential customers, are hampered by a number of physical and price constraints that impact the long-term viability of the maritime Port. From 2001-06, the trade and logistics sector lost employment at annual rate of -2.1 percent (CAGR) despite the dramatic increase in global trade during this period.

As the Port proceeds to modernize and expand its operations, PCC Logistics will continue work to coordinate our facilities, services and capacity to suit the Port's growing needs. Our new facility will incorporate cold storage and inspections services, like our existing facility, to maintain safety and security at the Port, and will allow us to continue to provide quality service the prestigious list of clients we currently serve. PCC Logistics supports the Port's maritime activities, as follows:

- **National Security and regional safety**
PCC Logistics employs over 400 staff of which more than half are local residents from West Oakland. PCC's entire staff of mechanics are Oakland residents.
- **Preservation of Existing Business on Army Base**
PCC Logistics is an existing business on the army base that provides a crucial service in support of the Port of Oakland and Homeland Security. We operate container freight stations with a diversified service platform in three (3) Oakland locations: 7th Street, the 808 Building on Maritime Street near Grand Avenue and Bay Street.
- **Major Port and Trade Customers Served by PCC Logistics**
PCC Logistics serves the following major vendors and steamship lines:
 - ★ Tyson's Foods
 - ★ Hyundai
 - ★ Hanjin
 - ★ Swift

- ★ Cargill, Inc.
- ★ DHL Express
- ★ Expeditors
- ★ Hapag-Loyd
- ★ APL
- ★ K-Line
- ★ OOCL
- ★ Maersk
- ★ Cosco - China Shipping Co.
- ★ All terminals: SSA, TTI, Trapac
- ★ Union Pacific
- ★ BNSF
- ★ Oakland Terminal Railway (OTR)

- **Relationships with Suppliers, Vendors and Other Small Businesses**

PCC Logistics works with and supports many small businesses in Oakland who are suppliers, vendors, and clients. We share an interdependence with these vendors as businesses on the Army Base involved in goods movement, and rely on each other as part of a team engaged in import and export industries.

Government Revenue

PCC Logistics currently employs more than 400 workers at the Port of Oakland which generates in excess of \$5 million in annual payroll and the associated direct payroll taxes. In addition, PCC Logistics' annual payments to local independent truckers that work exclusively for us, have ranged from \$8 million to \$12 million per year for at least the last five years. These are direct payments that PCC Logistics injects into the local economy.

Project Quality & Delivery

PCC Logistics intends to work with the Redevelopment Agency to select a fee-based developer with a good track record of demonstrated expertise that can construct a build-to-suit warehouse facility on behalf of PCC Logistics. By building a facility to suit, PCC Logistics can keep our effective costs of our new facility to a minimum, as opposed to a facility built by a Master Developer which may carry higher profit margins or return on investment from a real estate project.

Urban Design Principles

PCC Logistics would work with other companies on the Eastern Gateway to coordinate the design of a new facility or the rehabilitation of the existing Building 808 facility to ensure the coordination of infrastructure planning and design. PCC Logistics' development plan allows the Agency to either (1) continue to reuse Building 808 to provide ancillary maritime services or (2) work in partnership with PCC Logistics to develop a modern, green facility with architectural elements that capture the distinctive style of the 800 series buildings. We have built flexibility and scalability into our plan through our affiliation with MISC, so that the MISC companies that currently operate logistics facilities on the Army Base can eventually come together to develop a modern, green high-rise logistics facility when market conditions make this scale of development financially feasible.

Economic Development & Sector Support

PCC Logistics currently employs more than 400 workers in three facilities that serve the Port of Oakland. We are a locally-grown leader in the industry engaged in the Trade and Logistics cluster discussions of the Oakland Partnership facilitated by the Metropolitan Chamber of Commerce.

DEVELOPMENT DESCRIPTION

PCC Logistics currently operates a 250,000 square foot warehouse facility in Building 808 of the Eastern Gateway that provides a variety of transportation and distribution services to a number of import and export clients. The proposed development concept is to build a 14-acre full service container freight station (CFS) and warehouse on the Oakland Army Base adjacent to the existing PCC Logistics facility that has provided ancillary maritime services at the Port of Oakland since 1988.

Given the fact that PCC Logistics' existing Maritime Street facility is contained within CEDA's Oakland Army Base RFQ and partly within the 15-acre AMS property on which Oakland Maritime Support Services (OMSS) is seeking to develop a new, long-term headquarters, our proposal is to develop a new modern facility on the 14-acre parcel remaining on the Eastern Gateway that is being offered in the RFQ and to operate the new facility under long-term ground lease with the Oakland Redevelopment Agency.

LIST OF TYPES OF USES

The PCC Logistics Container Freight Station will provide the following services:

- Bonded Container Freight Station
- Customs Examination Station
- Over Dimensional Cargo Handler
- Vehicle Loading
- Steamship Lines and Terminals' Support
- Bulk Transloading

A brief description of each of our import/export container freight services is provided in the Qualifications section.

LAND AREA / FLOOR AREA SUMMARY

The total land area and floor area dedicated to each land use in the proposed PCC Logistics facility is presented below. The Container Freight Station warehouse buildings in Alternate A are envisioned as 70,000 and 52,500 square feet each. In Alternate B, the warehouse buildings are 122,500 and 20,000 square feet each. In both scenarios, the warehouse buildings will provide cross-dock and trans-loading services, along with cold storage, bulk grain loading and container parking.

SUMMARY

PCC Logistics is prepared to redevelop its facility in Building 808 into a “greener”, modern container handling and truck support facility. We are prepared to move forward with this proposal because we believe that the City of Oakland and the West Oakland community will truly benefit from the kind of pioneering investment that we are willing to make in the revitalization of the Oakland Army Base.

Our response to CEDA’s Request for Qualifications is based on hands-on experience serving the Port of Oakland for 20 years. With the planned expansion of trade activity in Oakland, the usage of the Port, the Port’s intention to build the OHIT project to expand rail capacity and the potential for redevelopment of the entire Army Base, we believe that the need for ancillary maritime services AMS is very likely to increase over the next 10 years. The demand for the specific services offered by PCC Logistics at the Maritime Street location in the Eastern Gateway, especially the customs inspections, will increase at the Port of Oakland. Therefore, we believe that a location should be earmarked for our new facility. Our current location offers rail access (which we need) and proximity to other trucking and container related business services such as Bay Area Kenworth (planned to be at corner of Grand and Maritime Street) and Oakland Maritime Support Services (OMSS) which is underway with its plans to develop a truck service and support facility along Maritime Street.

QUALIFICATIONS



Sole Provider of US Customs Inspections at the Port of Oakland

As a community member for almost 20 years, PCC has been a longstanding supporter and promoter for the Port and Oakland community in several capacities. First, with three facilities within the Port we have been instrumental in providing hundreds of secure, well paying union jobs for local residents. Secondly, we have furnished the port with substantial revenues generated by marketing PCC's unique ability to handle freights of all kinds, thereby making the Port of Oakland one of the primary West Coast gateways. Thirdly, by PCC also acting as Northern California's sole Department of Homeland Security inspection facility, better known as the CET Exam Site within the port, we have become an integral

factor in insuring that the port will be able to accommodate the growing need for container inspections without causing interruptions and delays of goods movement.



PCC Logistics, a leader in the industry for over 20 years, finds itself positioned as the only full service operator of Bonded Container Freight Stations to have a key presence throughout all major West-Coast Ports. We have been "Green Friendly" since then, as well and PCC today, continues to vigorously pursue more efficient transportation solutions in its business mix to eliminate truck turns per day thereby reducing congestion, fuel consumption and most importantly pollution in our community and Port, while still creating a wide variety of career opportunities for our community. As a participant in the economic development of our city, PCC creates jobs that range from warehouse workers, truck drivers, customer service representatives to upper management opportunities.



PCC Logistics, conveniently located within the Port of Oakland, is a full service container freight station (CFS). Until recently, the primary emphasis has been on temperature sensitive cargoes such as meat, poultry and produce. However, import and export general cargo is now a larger part of our day-to-day business

makeup. From delicate freight like computers, crated goods or autos, to other general freight like large machinery and wheeled construction/bus vehicles; we can handle them all.

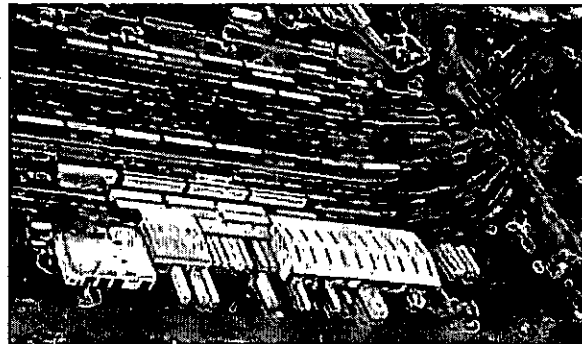
PREVIOUS DEVELOPMENT EXPERIENCE

PCC Logistics is an owner and operator of container logistics facilities, and not a developer. As a long-term member of the Oakland business community involved in trade, we are making a formal request to secure our future on the Oakland Army Base.

- Request for Sale or Long-term ground lease of 12 to 15 acres to develop a build-to-suit facility, preferably in the Eastern Gateway;
- Hire a fee-based developer to do a Build to Suit project, and work in coordination with the Master Developer, as needed;
- Prefer not to be tenants in a building owned by a developer; we understand that the eventual monthly costs of the facility can be much lower if we would build the facility because we don't require the same return on invested capital as a developer who borrows debt and equity from other sources;

In 2003, PCC Logistics completed a \$1 million cold storage warehouse improvement project to install chilled rooms and freezers. This investment attracted a new customer segment to PCC Logistics and the Port. At PCC Logistics, we believe that the "partnership" between our customers and ourselves is vital in providing them with the very best service we can. Pacific Coast Container's success has come by consistently delivering a service product that meets or exceeds the expectations of our customers and designing a service environment for them which is characteristically:

1. Customer focused
2. Innovative / Continuous Quality Service Improvement
3. Quality assured
4. Managed and operated by experienced industry professionals
5. Superior modern operations and facilities
6. Specialized handling and distribution programs



Existing PCC Logistics 7th Street Facility

PCC Logistics is a full service container freight station and warehouse with an initial emphasis on temperature sensitive cargoes such as meat, poultry and produce. We also handle import and export general cargo and are one of the few nominated Central Examination Stations (CES) in Oakland. We have CFS agreements with all trans-pacific carriers as well as carriers in many other trade lanes. The handling of over-dimensional and odd sized freight is also a specialty at PCC Logistics. Special attention is given to the entire loading process with assurances that proper equipment will be provided, i.e., cranes, heavy forklifts, strapping, cabling, blocking, bracing and permits when necessary. Overweight container movements are made with one of Pacific Coast's 36 tri-axle chassis within the designated overweight Oakland city and port areas. All PCC facilities in

Oakland are located within the Port harbor area and less than two miles from any steamship line pier. Major highways are readily accessible including Interstate 80 and state highways 580-880-980 and 24. All Oakland facilities are adjacent to the Union Pacific (and former Southern Pacific) ramps and the BN Santa Fe now has reciprocal switch access to two of the facilities. Because of our ability to handle large numbers of railcars, we pay special attention to all inbound railcars to make sure demurrage and extra switching never become a problem. We also trace the whereabouts of each railcar daily via on-line communication with the railroads and advise the customer accordingly of their inbound railcar location and status.

Local terminal transportation is handled by Pacific Coast Transportation, Pacific Transportation Services and Pacific Coast Northwest. Direct Delivery, a new addition to Pacific Coast Transportation Division, handles all your needs for short hauls outside the terminal area, intra and inter-state through it's vast network of transportation providers.

Two facilities in Oakland have freezers, each approximately 100,000 cubic feet, fully racked with blast freezing capabilities. Both facilities also have chilled transload/storage areas, completely enclosed and maintained at 29 degrees F to ensure maximum product freshness for chilled meats and dairy products. The temperature can also be adjusted to handle delicate fresh produce, candy and even flowers.

PCC Logistics will also coordinate all local or government inspection needs. Whether just a product survey or a government CES, CET, MET, USDA (export and import) or FDA examination, we can do them all. PCC Logistics completed an internally financed, \$1 million improvement project that installed cold storage and freezer handling at the Bay Street Facility which has an approved import FSIS inspection site and has been

approved for warehouse and freezer handling of Russian exports of poultry and pork. Oakland facilities are fully bonded by the Department of the Treasury and operates under Customs House License # 628. Bond applications for the Seattle facilities are pending approval.

As the owner/operator of multiple container freight stations in the Oakland Army Base, PCC has 20 years of experience providing logistics services from rail to trucking to support the import/export industry. More than 80% of our business is export related, generating tax revenues for the city, state and federal levels and contributing to the gross domestic product of the United States.

The services provided by PCC Logistics are described briefly on the following pages.

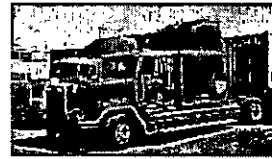


Direct Delivery

A full service trucking company.

A partial listing of our services:

- Local Drayage
- OTR / Long Haul
- Flat Beds
- Low Boys / Drop
- Over Dimensional
- Over Weight
- 3-Axle Super Chassis
- Brokerage
- LTL
- FTL
- Bonded
- 48' and 53' Dry



BONDED CONTAINER FREIGHT STATION



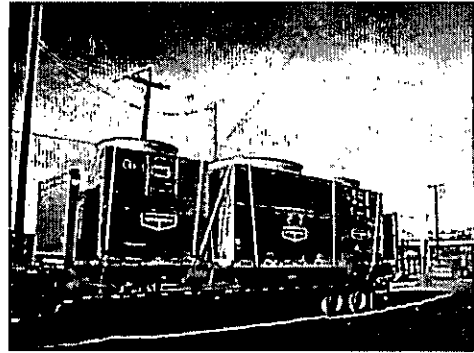
PCC has dedicated warehouse space for bonded cargo traveling from all across the U.S. and overseas. We are the receiving warehouse for consolidated cargo, prior to clearing through customs. Our specialized personnel are able to assist the first time importer while educating the customer step by step through Customs regulations. Our bond allows the importer to have a 15 - day extension to clear the goods through customs.

CUSTOMS EXAMINATION STATION



PCC was awarded its initial CET and CES contract five years ago and was recently selected for a second five-year term by Department of Homeland Security and Customs and Border Protection. This is a responsibility we do not take lightly. We have been able to support Homeland Security and CBP in the day -to- day high- risk operation. Again, PCC is situated in an optimal location. Due to this CBP has kept the potential "ticking bombs" from traveling through the main arteries

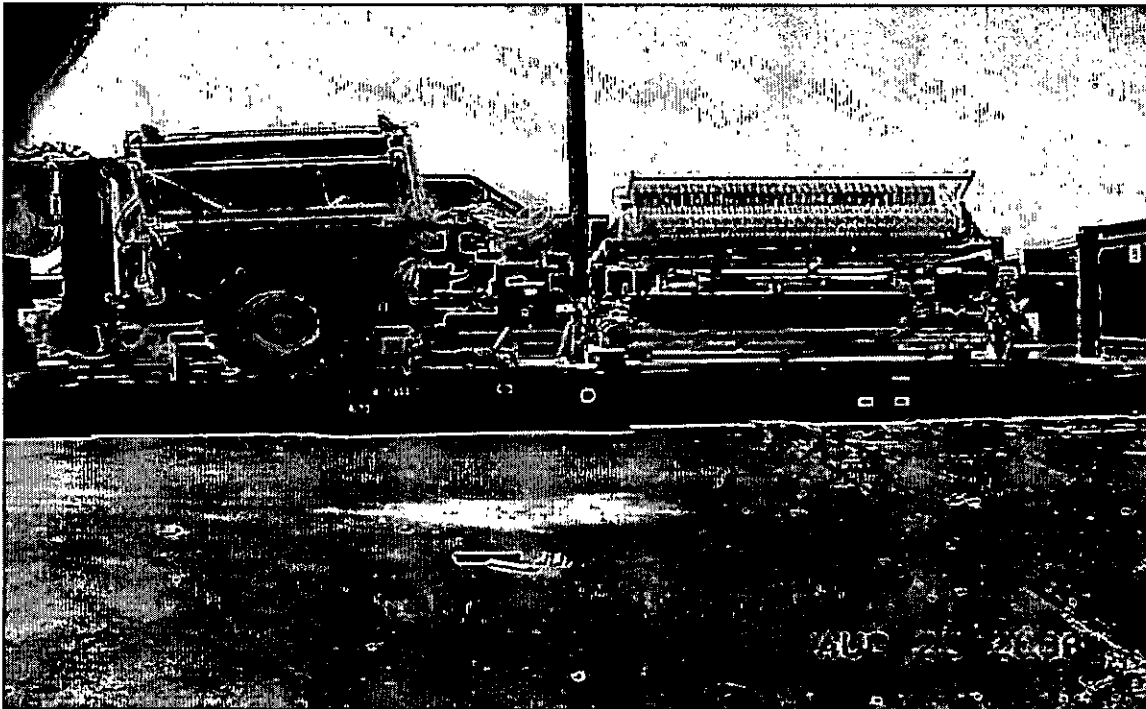
of the bay area. The officers are also able to respond and arrive at the inspection site within a few minutes of being notified due to the proximity of CBP's office to PCC's warehouse. The cargo is closely tracked from the port directly across the street to PCC's yard. The container is at the facility within minutes of it departing the terminal. Travel distance is less than 1 mile. Careful consideration should be given to this important issue as it relates to the continued Homeland Security presence within the confines of the Port.



PCC is the only inspection site for all CET exams. Our certified drivers transport the high risk containers from the port directly to PCC's secured yard where the cargo will be unloaded by our staff and is safely stored in a confined secured and supervised area that is under 24 hour protection per CBP's needs. Currently, our warehouse is the only one that meets all of Homeland Security criteria for this type of operation within the City and Port of Oakland.

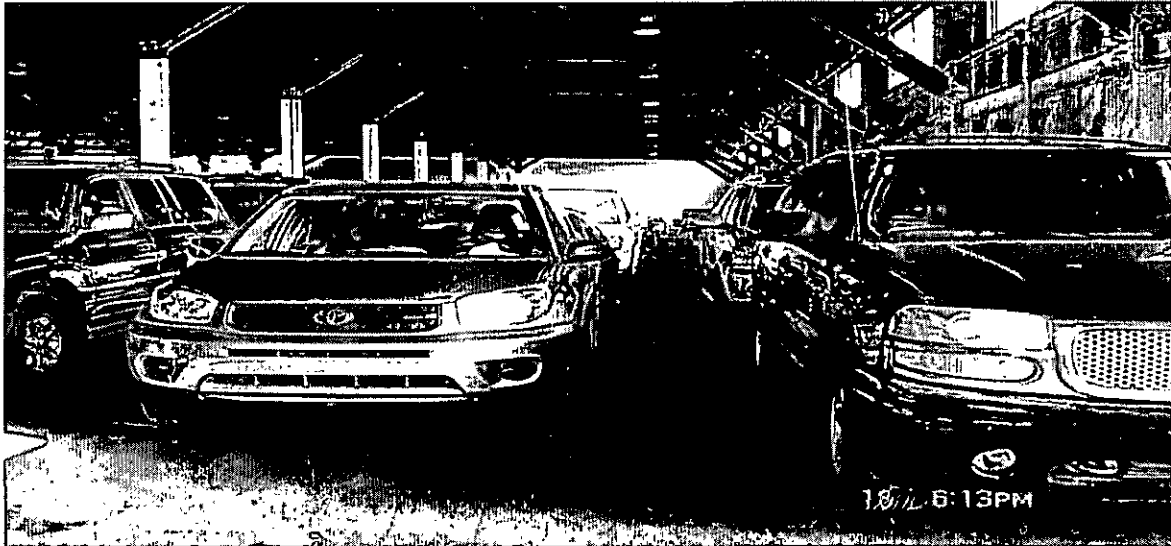
Due to our strategic warehouse location we are able to service a segment of the industry that specialize in exporting and importing oversized cargo through the port of Oakland. The green belt allows us to transport the oversize cargo safely only but .75 miles to PCC warehouse where the cargo will be reduced and delivered to final destination legally and safely. Avoiding the danger of an oversized load through the freeways' traffic.

OVER DIMENSIONAL CARGO HANDLER



With our specialized equipment PCC is also a leading provider of out of gage cargo loading onto flat racks. From crated machinery, to tractors, to wine presses and boats. We can load, secure and handle anything with our knowledgeable and skillful labor force. PCC works closely with all marine terminals and its surveyors as well to ensure proper securing.

VEHICLE LOADING



Vehicle loading is one of PCC's many specialties. With a group of experienced crews, we are able to service a variety of companies and individuals that export vehicles out of the port of Oakland. Our crews build ramps inside the container allowing the customer to maximize the container space.

STEAMSHIP LINES AND TERMINALS' SUPPORT

PCC is well known in the port for its ability to quickly respond and assist steamship lines and terminals with "emergency work". Overweight containers that need to be adjusted, damaged boxes that the terminals have to quickly transload and deliver to final destination. Last minute blocking and bracing that have previously been rejected by the Coast Guard for improper lashing, are a specialty for PCC. We ensure that the cargo is properly secured before releasing it to terminals.



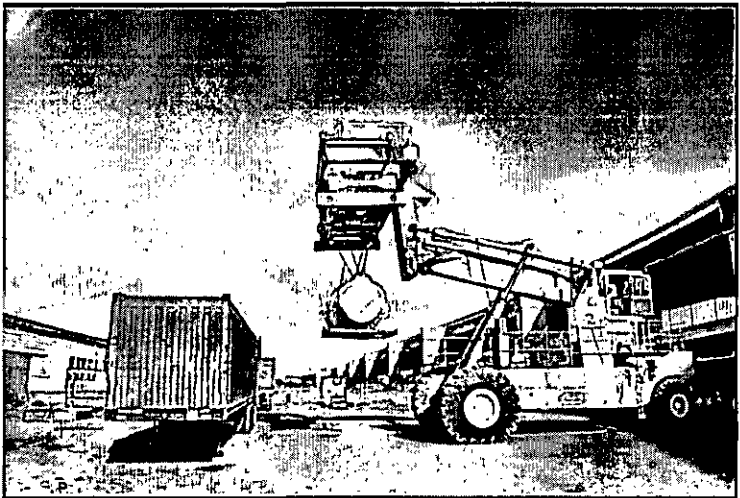
HIGH VOLUME CROSS-DOCKING AND TRANS-LOADING

PCC is well known in the port for its ability to quickly respond and assist steamship lines and terminals with "emergency work". Overweight containers that need to be adjusted, damaged boxes that the terminals have to quickly transload and deliver to final destination. Last minute blocking and bracing that have previously been rejected by the Coast Guard for improper lashing, are a specialty for PCC. We ensure that the cargo is properly secured before releasing it to terminals. We have been instrumental in working projects efficiently and quickly, which in turn have saved the Steamship lines and Terminals not only money, but time and reputation.



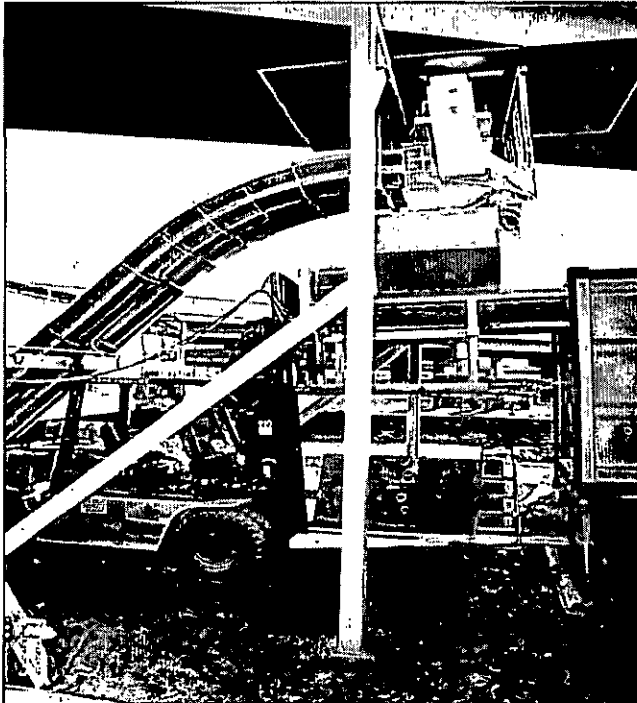
New Projects and Services

PCC has decided to expand its operations and re-establish a bulk transfer facility for export agricultural products. Demand for US agricultural goods in Asia such as soybeans, corn, hay and legumes has always been strong however with newly improved general access to the Chinese consumer market, growth in bulk export has risen substantially. Conversely within the US, the growing demand for domestic corn to produce ethanol has created a byproduct; distillers dried grain (DDG) that is used as an animal feed supplement. In light of the fact that there is more DDG produced in the US that can be consumed domestically, it is a natural export commodity for the international market place.

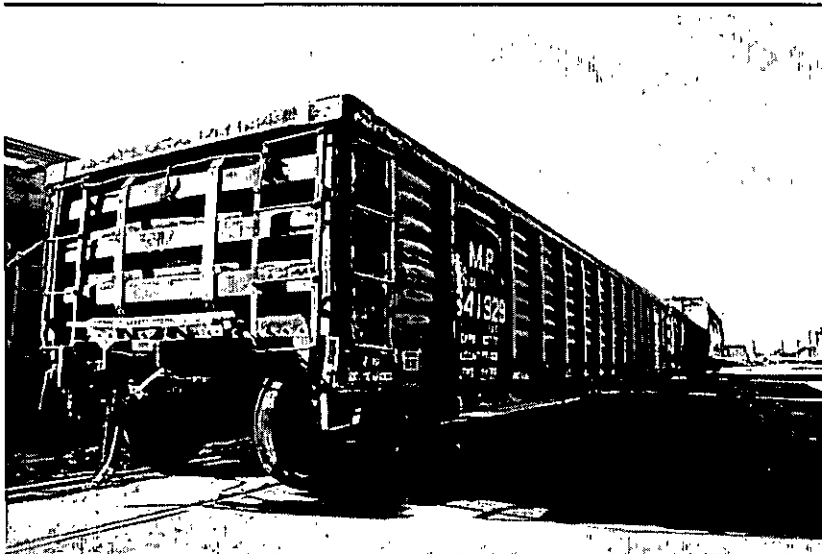


BULK TRANSLOADING

Oakland is at a disadvantage at this point with its counterpart West Coast Ports in that it does not possess a single bulk transloading facility. A decade ago PCC purchased just such a trans-load company, Anchor Bulk Services, but was forced to relinquish the property sometime later to Amtrak for public sector use. Nonetheless, PCC gained invaluable experience in the receiving, handling and loading of bulk commodities. We still have a group of employees from this operation today who can continue to nurture this segment. The only meaningful inhibiting factor to PCC reentering the bulk business is a lack of viable land with rail access with which to perform trans-loads within the Oakland Port area.



Because of our business mix of import and export cargo PCC can be an instrumental contributor to reducing truck moves on empty containers, and on eliminating over the road trucks having to travel over main highway to deliver freight to the port areas thereby contributing to "go green effect" and eliminate truck traffic turns by 50-75 trucks per facility per day.



On an Export Load:

1. Warehouse to Port= 1 move (Tractor move)
2. Port to Warehouse= 1 move (Empty container and tractor move)
3. Warehouse to Port= 1 move (Full container and tractor move)
4. Port to Warehouse= 1 move (tractor move)

This equals to 4 moves PER CONTAINER in order to service this operation. Due to the business mix we currently have a balance of Imports and Exports, we are able to reduce these moves down to 2.

On an Import Load:

1. Warehouse to Port= 1 move (Tractor move)
2. Port to Warehouse= 1 move (Empty container and tractor move)
3. Warehouse to Port= 1 move (Full container and tractor move)
4. Port to Warehouse= 1 move (Tractor move)



This is also equal to 4 moves per container, yet, because we have both import and export loads, we are able to turn around the empty container that was unloaded with Import cargo, full with export cargo (grain). We have just eliminated 2 moves.

Aside from the moves saved by having a well balance import/export program in conjunction with our bulk operation, PCC, separately with its Rail operation eliminates altogether between 5 to 7 trucks per railcar per day from traveling on our nations' already congested highways. PCC currently handles just in Oakland alone over 30 railcars per day, which translates between 150-210 trucks off our highways, ports and local community per DAY. This transportation solution concept only works due to the nature of our business mix and our employees who constantly challenge the status quo on finding better ways to improve the process. No one else can claim to be a bigger contributor to our environment by reducing this much truck traffic altogether while not reducing our workforce, on the contrary by managing the transportation effectively we continue to create even more jobs for our local economy.



FINANCIAL CAPACITY

Is the development entity or any principal owners (20%+ ownership) in the proposed project involved in any litigation or disputes that could result in a financial settlement having a materially adverse effect on the respondent's ability to execute this project? If yes, please explain.

NO

Does the development entity or any principal owners (20%+ ownership) in the proposed project have any off-balance sheet liabilities, such as corporate or personal loan-guarantees, that could have a material adverse financial effect on the respondent's ability to execute this project? If yes, please provide details of these items.

NO

Has the development entity or any named individual in the proposed project ever filed for bankruptcy or had projects that have been foreclosed? If yes, please list the dates and circumstances.

NO

What steps is the development entity prepared to take to ensure local equity participation in the project? Please indicate whether the development team includes an Oakland-based partner and, if so, what percent of project financing they are anticipated to contribute.

NO

2. Financial Capacity

Certified letter from CPA or underwriter indicating financial capacity; and/or

CPA-audited profit and loss *and* balance sheet statements, as well as tax returns for the past three (3) years.

AVAILABLE UPON REQUEST

REFERENCES

VENDORS

The Oakland Terminal Railway
2498 West 21st Street
Building 808
Oakland, California 94607

Tarps & Tie Down
26304 Corporate Avenue
Hayward, California 94545

Komatsu
2792 Mandela Parkway
Oakland, California 94607

Maritech Equipment
2585 Burma Street
Building 99
Oakland, California 94607

Northern Energy Company
1155 N. 15th Street
San Jose, California 95112