

APR 3 • 1992 To: City Council  
For your information.  
Dave Karp, Mayor

# **WHITE PAPER**

**DREDGING:**

**IMMEDIATE ACTION NEEDED**

**TO SAVE**

**THE BAY AREA'S PORTS**

**PREPARED BY:**

**ALAMEDA COUNTY ECONOMIC DEVELOPMENT ADVISORY BOARD**

**LOCAL PLANNING AND DEVELOPMENT COMMITTEE**

April 3, 1992

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## INTRODUCTION

The Port of Oakland, and other Bay Area ports, have traditionally been the anchor for the entire Northern California economy. They provide more than 100,000 jobs and generate over \$4.2 billion in revenues annually.

Since 1972, the Port of Oakland's Pacific container traffic market share has declined from 37% to 14.7%. This dramatic loss is largely due to the Port's inability to maintain and deepen the channels to accommodate the bigger container ships widely used by its shipping tenants.

Dredging has become a controversial environmental issue over the years, as the ecology of the San Francisco Bay has become better understood. Compounding the problem is the myriad regulatory agencies whose overlapping jurisdictions often create impasses with no clear administrative appellate remedy.

The Port of Oakland estimates that since its 1988 dredging plans were delayed, more than 4100 jobs and \$700 million in unrealized revenues were lost.

For example, American President Companies, the Port's largest shipping line, estimates it will lose \$10 million a year until the 42 foot depth is completed to provide harbor access to its newest ships. Presently, these ships cannot enter the estuary fully loaded, creating an obvious competitive disadvantage to APC.

Dredging to 42 feet is not expected to commence until 1994, at the earliest. Clearly, an immediate resolution is needed if we are to avoid impending economic disaster. Any further losses of Oakland's container market share would relegate the port to a likely permanent subordinate position on the West Coast.

## STATUS OF DREDGING

Maintenance dredging in the Bay by the Corps of Engineers produces 8 million cubic yards of material annually. Anticipated new projects will generate another 20 million yards over several years.

Since 1988, in-bay disposal has been limited to minimal amounts. No ocean disposal sites presently are approved. Upland or wetlands restoration sites while generally preferable to all parties of interest, have been viewed as a too expensive capital outlay for serious consideration.

Long term (42 foot included) dredging needs are awaiting the outcome of the Corps' Long Term Management Study (LTMS) due in 1994. Until then, maintenance permits are issued on an annually renewable basis only. Disposal sites for the 42 foot dredging will be identified and reviewed in the LTMS. Therefore, the Port cannot meet its urgent maintenance needs in a manner timely enough to suit its major shipping tenants. Herein lies the crisis.

## EDAB'S PROPOSED SOLUTION

The Alameda County Economic Advisory Board (EDAB) has monitored and studied the progress of the dredging over the past year. The huge economic stakes that pivot upon an immediate solution drive our interest. We believe an urgent remedy is possible and that EDAB could be helpful in advancing some proposals that would enjoy the consensus support of all salient parties of interest: tenant, labor, environmental and business.

Hopefully, the following proposal will complement work already underway. But with an important distinction: local political consensus. To the best of our knowledge, no other plan has the agreement in principle of the principal environmental interests. With that support, we believe swift Congressional action can avert the crisis here and restore the Port to its traditional role in the Bay Area economy.

### **1. ASSIGN A PROJECT DIRECTOR:**

The Army Corps must be directed to assign a project manager to oversee the 42 dredging project, from beginning to end. This project manager should be given the authority and resources commensurate with the urgency of the project. Only a dedicated position whose mission is expressly to complete the dredging on a fixed schedule can assure a timely completion.

### **2. CONSOLIDATE REVIEW OF THREE PROSPECTIVE SITES:**

There are three disposal sites potentially available for this project. We have listed them below with our assessment of advantages, disadvantages, costs and timeliness of each.

#### **(a) BORROW PIT**

This is an in-bay disposal site located off Bay Farm Island in Alameda. The site is a 50 foot hole in the Bay floor west of the Oakland Airport.

#### ADVANTAGES:

- \* It is located geographically close to the Port of Oakland.
- \* It can accommodate approximately 19,000,000 cubic yards of material.
- \* The National Marine Fisheries Service is interested in working with the Army Corps of Engineers to study the site for possible restoration of eel grass beds.
- \* Would be one of the least costly disposal options (\$2 to \$4 per cubic yard).

#### DISADVANTAGES:

- \* No studies have been completed as to the environmental characteristics of the site, or the impact that dredged disposal would have on the site.
- \* The Army Corps of Engineers is currently conducting studies of the site as part of the LTMS, but it is not known when these studies will be completed.
- \* There are on-site fishery impacts and an endangered species habitat adjacent to the site.
- \* The environmental community oppose use of the site until a thorough and comprehensive study of the site is completed.

**COST:** Cost of in-bay disposal is \$2.00 to \$4.00 per cubic yard.

If the site were used for the Port's 42 foot project, 6.5 million cubic yards, the cost would be approximately \$13 to \$26 million. This does not include costs associated with any fishery or endangered species mitigation that may be necessary in order to utilize the site.

**TIME:** Unclear, since it is contingent upon a through environmental report and review by the Army Corps of Engineers, and subsequent commentary by the parties of interest. This could possibly take a year or more depending upon the environmental review.

(b) NAVY 103 OCEAN DISPOSAL SITE:

This is a former chemical munitions dump site located 42 miles west of the Golden Gate.

#### ADVANTAGES:

- \* Navy is currently studying the site for its own disposal needs.
- \* Environmental community would likely support use of the site.
- \* Site can accommodate the Port's 42 foot project.
- \* Site could possibly be ready by September of 1992.

#### DISADVANTAGES:

- \* Site is designated specifically for Navy dredging project.
- \* Need to have site re-designated for use by Port of Oakland and Navy dredging projects.
- \* Navy site review may not be completed by September of 1992.

**COSTS:** Cost of ocean disposal is \$6.00 to \$10.00 per cubic yard.

If the site were used for the Port's 42 foot project, 6.5 million cubic yards, the cost would be approximately \$39 to \$65 million.

**TIME:** Time depends upon the Navy's review of the site being completed.

#### (c) WETLAND/UPLAND SITES:

The one site that is available is the Sonoma Bay Wetlands area. This site will be used by the Corps as part of their Petaluma River Project. The site can take approximately 2.5 to 3 million cubic yards of material. The amount of material to be dredged for the Port's 42 foot project would require an additional wetlands/uplands site. Other companion sites available for consideration are: Hamilton Antenna Field, Montezuma Wetlands (private, commercial site) and the Cullinan Ranch site.

#### ADVANTAGES:

- \* Significant environmental benefits are associated with the use of such sites.
- \* Sonoma Bay Wetlands site exists and will be ready and available for use by January of 1993.
- \* Material would not have to be disposed in the bay or ocean.
- \* Environmental community supports use of uplands/wetlands sites as preferred alternatives.
- \* Capacity and availability are consistent with Port timelines.
- \* Sites could be used for both long-term and short-term dredging projects.

#### DISADVANTAGES:

- \* Cost to use uplands/wetlands sites considerably more expensive than in-bay and ocean disposal.
- \* Possible litigation to stop disposal, i.e., the Port of Oakland was sued by Contra Costa County Water District in 1988.
- \* Costs may exceed Port's funding capacity.

**COSTS:** Cost of wetland/upland disposal is \$12.00 to \$22.00 per cubic yard.

If the site were used for the Port's 42 foot project, 6.5 million cubic yards, the cost would be approximately \$78 to \$143 million.

**TIME:** Sonoma Bay Wetlands site is available and will be ready by 1993. Funding is only apparent obstacle to begin 42 foot dredging project.

### **3. LONG TERM MANAGEMENT STUDY**

Authorize the Corps to proceed with the 42 foot project concurrent with the LTMS if one of the above sites receives environmental and funding approvals. While the LTMS is vital for the long term disposal needs of the Bay, it cannot meet the urgency requirements of the 42 foot project. The latter must therefore proceed independently.

### **4. AUTHORIZE NEEDED FUNDING FOR PREFERRED OPTION**

Central to the objectives of this proposal is federal funding. The suggested alternative disposal sites hold the greatest potential for timeliness, success, support and public benefit. In addition to meeting the economic demands of Port operations, one of them would also contribute significantly to valuable wetlands restoration.

The Ports cannot sustain the total costs for either uplands nor ocean disposal. As preferred alternatives, each must have adequate federal funding to complete the project. Given the enormous economic and environmental benefits inherent in solving the 42 foot disposal problem, the cost effectiveness is outstanding.



# PORT OF OAKLAND

April 23, 1992

Mr. Dennis Fay  
Executive Director  
Alameda County CMA  
24301 Southland Drive, Suite 200  
Hayward, California 94545-1541

Dear Dennis:

As I told you yesterday, I will not be able to attend today's Countywide Transportation Plan Workshop. I recall from the discussion at the last workshop that the primary topic of discussion will be the Policy Section for the Plan. I would like to offer the following comments on that section, from the perspective of the Port of Oakland.

We strongly support Objective 8, enhancing goods movement throughout the county. This objective is vital to achieving Goal 5, "Enhance the economic vitality of Alameda County." Development Action L, with its Policy Intent and Functional Implications, will provide the Port with the policy backing and program support from Alameda County that we must have to aggressively pursue our goal of providing ongoing economic benefits to our community through increased maritime and aviation activities.

I would like to suggest that an additional Development Action be included related to Objective 1, to provide Alameda County policy support for efforts to provide improved access to Oakland International Airport. The airport, an integral part of Alameda County's transportation system, is the county's only commercial air service facility, and is also a major employment center. Two projects currently in the planning stages, the Measure B Airport Roadway Project and the BART/Oakland Airport Intermodal Connector, would benefit from such a policy statement.

Again, I regret being unable to participate in today's workshop, but I look forward to reviewing the result of your efforts.

Sincerely,

John Glover  
Manager, Strategic and  
Master Planning

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