

Port of Redwood City

Serving Silicon Valley

Challenge:

To alleviate depth limitations in our shipping channel.

Current status: -24 ft.

Authorized depth: -30 ft.

USACE estimate to get to authorized depth: \$8 million

President's FY14 budget allocation: \$2.75 million

Shortfall: \$5.25 million

Objective:

To obtain additional maintenance dredging funding from the USACE appropriation, that is to be awarded on a competitive basis for “projects that will enhance national, regional, or local economic development” and take into consideration “lack of alternative means of freight movement and savings over alternative means of freight movement”

(emphasis added)



Idea:

Link the Port of Redwood City to the national, regional and local economic engine that is known as

SILICON VALLEY

Step 1:

- Rebrand the Port as “Silicon Valley’s Port” and a new tagline “Serving Silicon Valley”



Step 2:

- Link our cargo to projects that are being built in Silicon Valley, such as the new Apple headquarters, the expanded Google campus, and the new San Francisco 49ers Football Stadium.

“Apple Spaceship”

Estimated Completion: 2016

Estimated Cost: \$4-5 billion

Total Land Size: 176 acres

Total Square Feet: 2.82 million

Total Floors: 4

Parking: 10,980 spaces total,
±5,000 spaces underground



Step 3:

- Have our shippers write letters to local elected officials and community leaders explaining the increased costs of those materials if they come in light-loaded due to depth restrictions.



February 12, 2014

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Feinstein:

I am writing to ask you to support the Port of Redwood City's request for additional funding for the U.S. Army Corps of Engineers (USACE) San Francisco District FY14 work plan for dredging the navigation channel serving the Port. Failure to maintain the Channel at its authorized depth of -30 feet is causing serious problems for all companies that rely on the Port to move construction materials to Silicon Valley in a way that is efficient, cost-effective, and environmentally friendly.

CSL Americas provides marine transportation to numerous construction interests operating throughout the Bay area delivering gypsum, aggregates and sand. These last two products have been specified by CalTrans for projects such as the East Bay Bridge, the Caldecott Tunnel and the Trans Bay Transit Center. In 2013, CSL delivered in excess of 1 million tons to Redwood City and for 2014 we anticipate nearly doubling this amount as the aggregates supplier to the new Apple campus while continuing to supply material for build out of Levis' Stadium complex.

For companies that utilize the Port of Redwood City, the depth of the navigation channel serving the Port is a critical factor in determining operating costs, and ultimately, the price of construction materials that are destined for Silicon Valley construction projects. The Redwood City channel is currently at -24 feet, well short of the authorized project depth. As a result, construction materials for these projects have to be offloaded at other ports in the north part of the Bay, and then trucked down to Silicon Valley, adding to highway congestion and emissions throughout the Bay Area. In fact, every ship that does not call on the Port of Redwood City adds between 1,500 and 1,750 trucks to Bay Area highways. Alternatively, ships must be light loaded (generally by shifting materials to shallow draft barges within the Bay), which also adds significant costs to construction projects. Lightening the draft of the ship by a single foot requires the transfer of approximately 2,200 tons of material to a barge, at a cost of \$6.50 per ton. To put this in perspective, lightening the ship's draft by 3 to 4 ft. costs an average of \$40,000 - \$50,000 not including the extra cost of delaying the ship 6 to 18 hours on its voyage to Redwood City. These costs are ultimately passed onto the

customer, which raises the cost of building materials going to construction sites throughout the South Bay and Silicon Valley.

According to the USACE San Francisco District, \$8.0 million is required to restore the channel to full project depth. The President's budget request – and therefore the FY14 omnibus appropriations bill – only includes \$2.75 million for the Redwood City project. This means that \$5.25 million in additional funding is needed to restore the channel to full project depth. Fortunately, the FY14 Omnibus Appropriations Bill includes special "funding pots" for projects with insufficient funding in the appropriations bill, and prioritizes spending this money on projects that "will enhance national, regional, or local economic development" and takes into consideration "lack of alternative means of freight movement, and savings over alternative means of freight movement".

I hope you will help mitigate the serious problems described above by supporting the Port of Redwood City's request for additional funding in FY14.

Sincerely,

A handwritten signature in blue ink, appearing to read "Henrik Friis".

Henrik Friis
Senior Director
Marketing and Pool Management

Step 4:

- Have local elected officials and industry leaders write letters to our Congressional delegation, explaining the importance of these construction projects to our community AND the high cost of alternative means of freight movement (trucks) due to traffic congestion, environmental impacts, and extra delay.

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Oracle USA, Inc.

Kenneth Young
Equity Office Properties
T. Jack Foster, Jr.
Foster Enterprises
Emeritus Advisor to the Chairman
Paul Shepherd
Cargill
Emeritus Advisor to the Chairman

January 28, 2014

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Feinstein:

I am writing to ask you to support the Port of Redwood City's request for additional funding for the U.S. Army Corps of Engineers (USACE) San Francisco District FY14 work plan for dredging the navigation channel serving the Port. Failure to maintain the Channel at its authorized depth of -30 feet is causing serious problems for all companies that rely on the Port to move construction materials to Silicon Valley in a way that is efficient, cost-effective, and environmentally friendly.

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I hope you will help mitigate the serious problems described above by supporting the Port of Redwood City's request for additional funding in FY14.

Sincerely,



Rosanne S. Foust
President and CEO

Mayor Jeffrey Gee
Vice Mayor Rosanne S. Foust

Council Members
Alicia C. Aguirre
Ian Bain
Diane Howard
Barbara Pierce
John D. Seybert



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January 27, 2014

The Honorable Dianne Feinstein
United States Senate
331 Hart Senate Office Building
Washington, D.C. 20510

Dear Senator Feinstein:

I am writing to ask you to support the Port of Redwood City's request for additional funding for the U.S. Army Corps of Engineers (USACE) San Francisco District FY14 work plan for dredging the navigation channel serving the Port. Failure to maintain the Channel at its authorized depth of -30 feet is causing serious problems for all companies that rely on the Port to move construction materials to Silicon Valley in a way that is efficient, cost-effective, and environmentally friendly.

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Results:

- Our Congressional delegation, and in particular Sen. Dianne Feinstein's office, pushed for the Port of Redwood City to obtain some of the competitive O&M funding.
- **Additional appropriation \$5.015 million!**
(nearly matching our 5.25 million shortfall)



Bottom line:

**A clear message combined with
targeted action brings results!**

Thank you

AAPA Public Relations Committee
for your expertise, advice, and support!