**AAPA 2015 Spring Conference – April 20, 2015
Marine Economic Development Committee
Port Real Estate Best Practices Work Group presentation by Spencer Stewart, Yardi Systems Inc.**

**Premise**: Port (Real Estate) Directors could increase their port’s top line by acting more like RE Asset Managers. By using tools like digital dashboards, property management software and MEDC’s Lease Structure Whitepaper, best practices become automated, measured and reported.

**Case Study**: The Port of Los Angeles

Summary of Port: The Port’s real estate portfolio consists of approximately 7,500 acres of real property including marine waterways, waterfront, and Industrial and Commercial property, along with various habitat and other unclassified assets.

Strategy: Why they manage their portfolio like an Asset Manager:

* To help ensure that the Port will seek balance in investment and promotion of projects between its core function to provide for marine cargo and other water-dependent industrial uses.
* To “allow broad public access to the Tidelands” and, therefore, enhance the public’s enjoyment of these lands
* To utilize its assets more effectively and efficiently via a comprehensive real property asset management approach, which can then indicate how the Port responds to such market forces as: Consolidating service alliances and its impact on terminal facilities
* The possibility of replacing current leases
* Redeploying terminal asset holdings

Tactical: How to execute to reach strategic goals:

* Manage, Develop, and acquire a real property asset portfolio (land, buildings, etc.) to achieve financial (i.e. compensatory return on investment) and broader economic development goals.
* Identify and assemble strategic property for future use in such areas as marine cargo and supporting facilities and industrial development.
* Increase utilization rates, improve targeted portfolio Rate of Return.
* Make opportunistic and planned acquisitions and divestitures of property to achieve an optimum mix of leased property and inventory of land for future development to organize information and compare the financial performance of different types of asset classes.

**Open Questions:**

1. Do you manage your port like a real estate portfolio?
	1. If not, do you use software tools like LA’s dashboard example? Why or why not?
2. Do you use best practices tools like this white paper?
	1. If not, why not?
	2. Were you aware of it? If not, would you find value in it? If so, how can we increase exposure of the tools available?