

**AAPA PR/GR Workshop
February 22, 2013
Crisis Communications Break-Out Exercises**

Port of Santa Teresa

Santa Teresa, California

Fourth Largest Port in California (by volume)

Type of goods: containers, bulk, petroleum, autos

Type of agency: state-owned land, controlled by county government; port board appointed half by governor and half by county commission; board hires/fires port executive director, who handles all other port employment (450 port staff members). Leases land to terminal operators who contract with shippers and unions to move goods.

Part I: Mock Media Briefing Preparation

Gather full team; self introductions, including title, areas of responsibility, experience in crises, anticipation of having to deal with crisis in near future. Take the following steps:

1. Review scenario details carefully (as you go through the preparation, you may fabricate information not provided which you feel is needed to make this exercise as real as possible. If unsure, ask the moderators).
2. Determine what “type” of positions will need to be filled (e.g., port executive director, president of the board, HR director, communications director, government relations director, union leader, community/county/governor/etc. representative, “subject matter expert,” etc.). Attempt to have every person in your group assigned to a specific role.
3. Select a group leader (will play role of port executive director or communications/GR director) and also scribe.
4. Through group discussion, prepare the following:
 - a. **List in priority order all audiences affected by this incident**
 - b. **Prepare 3-4 Key Messages** (i.e., the 3-4 thoughts you want every audience to know about this incident and the port’s response/position)
 - c. **Write an introductory statement to be made at the media briefing**
 - d. **Prepare list of individuals/titles/subject area at the podium during media briefing**
 - e. **Brainstorm a list of hard questions you hope do not get asked, add as many answers as time allows**

Part II: Conduct Mock Media Briefing

1. All team members gather at podium (1 minute)
2. Determine how introductions will be made (1 minute)
3. Statement (5 minutes)
4. Q&A (5 minutes)
5. Moderator/audience feedback (3 minutes)

Scenario #1: Senior Port Executive Accused of Multiple Cases of Sexual Harassment

Situation:

Port Security Director Raymond Floyd has been charged by Santa Teresa's district attorney with multiple counts of sexual harassment against a variety of women, including other port staff. He has pleaded not guilty.

Port employees have anonymously provided letters and emails indicating the port executive director and perhaps other port executives were aware that Mr. Floyd had made inappropriate advances to port staff shortly after he was hired as the port's safety manager. A local group of community activists have made public comments that Mr. Floyd was fired from his previous job due to sexual harassment charges. They have also accused the president of the port commission, who is a woman, of having a sexual relationship with Mr. Floyd; both parties are married.

These accusations come on the heels of concerns expressed in writing to the port by the U.S. Department of Homeland Security that the port has misused DHS grants. Over the past three years, the port has received more than \$650,000 in federal grants to design and build a new security center. Anonymous reports have indicated the funds were used for extensive travel by my Mr. Floyd and the commission president, much of which appears unrelated to development of the security center.

Incident Details:

- Mr. Floyd is on administrative leave with pay
- Has served as port security director for 14 years; came to port from a nearby city police department
- Mr. Floyd supervises 32 port employees, including civilian and sworn
- He is responsible for all port authority security
- He has been charged with 12 felony counts and four misdemeanor counts (ranging from false imprisonment, assault with the intent to commit a sexual offense, stalking and sexual battery).
- Mr. Floyd has been ordered to stay away from all his accusers
- Mr. Floyd is charged with having exposed himself to other women

Recent Story Headlines:

Port Official Accused of Sexually Assaulting 7 Co-Workers

Port Official Due in Court

Not Guilty Plea in Port Sexual Assault Case

DHS Expresses Concerns About Port Expenditures

Rumors Fly About Inappropriate Behavior by Port Executive

Scenario #2: Port staff travel expense records show excessive reimbursements.

Situation:

Since the economic slide in 2008 that resulted in staff cutbacks, furloughs and salary freezes, under the authority of Executive Director John Sherman, port staff travel expenses have routinely been reimbursed which exceed authorized levels or don't relate to port business. This includes upgrades to first-class airline flights, paid accommodations days beyond the time period of business meetings, unusually high meal charges, guided city tours and charges for personal apparel and electronics.

Overlooking certain excessive travel reimbursements has helped quiet restless employees who feel underpaid and overworked in their jobs, particularly those who must travel extensively. Because the practice has been condoned or overlooked by management, the violations have become more flagrant over time.

After three critiques of excessive expenses surfaced in local newspaper opinion columns or blogs in the past year, a major national news outlet in Los Angeles got wind of the rumors and submitted a public records request to the port one week ago. As the port's legal and communications teams work to determine how best to address the records request, Executive Director Sherman orders that all employee travel expenses are now under review and those whose expenses are found to exceed authorized levels will be required to make restitution, and may face disciplinary action. However, Mr. Sherman tells port employees who are concerned about their travel expense reimbursements that he will allow them to submit explanations to corroborate any unjustified expenses, and as appropriate, those explanations will be added to the existing travel records.

Incident Details:

- Mr. Sherman has served successfully as the port's executive director since 2005
- He regularly receives praise by staff and commissioners alike for maintaining high employee morale
- Previously, he was president of a major stevedoring company that contracted with the port
- Port commissioners were unaware of the excessive travel expense reimbursements until now and are clamoring for answers while getting multiple requests for media interviews
- Two of the seven port commissioners have been regular violators of the travel expense limits, with Mr. Sherman's tacit approval
- The port has one week left to comply with the public records request

Recent Opinion Headlines:

What Are Our Tax Dollars Paying For? (Blog entry)
Port of Santa Teresa: Best Job in America (Editorial)
Port Travel Expenses Seem Unusually Liberal (Editorial)

Scenario #3: Port Property Development Cancelled Due to Cuts in State, Federal Funds

Situation:

Facing severe budget shortages, California Gov. Jerry Brown has ordered hundreds of millions of dollars in state economic development grants to be returned from cities, counties and ports that had previously been awarded money. For the Port of Santa Teresa, this means returning \$30 million that was used to compete for an equal amount in federal matching funds to help pay for an \$85 million expansion of the port's automobile export facility, which is already under construction.

If the port fails to return the \$30 million to the state, it faces having tax revenue withheld beginning next week. Without the state economic development funds, the port faces withdrawal of its federal matching funds grant and will have to cease work on its export facility, for which it has already spent \$15 million in borrowed money.

Consequently, work on the project will have to cease, more than 100 construction workers face layoffs, dozens more high-wage permanent jobs won't be created, the port will still have to pay back the money it borrowed for design and construction, and the land for the auto export facility will sit idle until its future has been determined. In the meantime, another California port is vying for Santa Teresa's auto export business.

Incident Details:

- Many grant recipients are repaying the state money under protest, including some that say they are contemplating legal action against the state.
- Under pressure from local residents, the port commission in an emergency meeting said the port plans to repay its \$30 million grant to Midstate County "to avoid penalties that would further burden taxpayers."
- Interested private property developers are already calling for the sale of the prime waterfront property that was intended for use as the auto export facility.
- For years, the port has successfully fought off private property developers seeking to build condominiums on the vacant port waterfront property, citing its economic development potential as an auto export facility.
- A group of Santa Teresa community activists who live in apartments adjacent to the port have begun what Port Executive Director Sherman has termed "an unholy alliance" to force the port to turn its planned export facility property into a public park.

Recent Media Headlines:

Cash-Strapped State Demands Grant Repayments

Port Forced To Return \$30M State Economic Development Grant

Work Stops On Export Car Facility; Promised Jobs To Vanish

Local Residents Push For Park on Idled Port Land - *Others call for condo development*

Scenario #4: Former port commissioner faces conflict-of-interest charges

Situation:

After the Port of Santa Teresa's commission voted unanimously in favor of purchasing a 46-acre contaminated waterfront property in 2007 for use as a future marine terminal, then-Port Commissioner Peter Jackson Jr. was later found to be a part-owner of the property. After buying the long-dormant land for about \$1 million, the port spent an additional \$12 million to remove PCBs and other soil toxins in preparation for its future development.

Commissioner Jackson left the port's board of commissioners in January 2013 to serve as the port's public affairs director. In researching a story to write about Mr. Jackson, a Santa Teresa Post-Dispatch reporter unearthed the fact that Commissioner Jackson was part-owner of the property the port purchased six years prior. The reporter approached Mr. Jackson and Port Executive Director John Sherman, who both argued that personal and political connections weren't factors, either in the property purchase or the hiring of Mr. Jackson as a port director.

The port, which recently released records related to the land deal, is defending the land purchase. The port notes that it made offers on other properties and hired a real estate consultant to negotiate for fear that property owners would drive up their asking prices if they knew the port was the buyer. The port commission had discussed buying land for a future marine terminal as early as May 2005. Mr. Jackson did not attend any of the board meetings where the issue came up, according to meeting minutes.

Incident Details:

- Mr. Jackson said in an interview this week that the land deal had no "connection with my being on the board. I didn't think that was a problem," he said.
- Mr. Jackson, who was Santa Teresa's mayor in the mid-1990s, also said he was too busy keeping afloat a struggling manufacturing business he owned to attend board meetings to discuss the land purchase in 2007.
- Commissioner Jackson was publicly praised for using his political influence to secure the \$30 million state economic development grant for the land in 2011, and that effort was instrumental in his securing the job of public affairs director.
- Now, construction on an auto export facility on the port waterfront parcel has been stopped due to revoked state and federal economic development grants.
- The property development firm in which Mr. Jackson is still a part owner has tendered an offer to buy back the port waterfront property for a reported \$10 million. The port has received no other offers.

Recent Media Headlines:

Port Commissioner, Now Employee, Cited in Suspicious Land Deal

Port Land Redevelopment Smells 'Fishy'

Port Considers Lowball Offer To Sell Cleaned-Up Land

Scenario #5: Port expansion plan in conflict with a popular recreational development

Situation:

A proposed “master plan” by the Port of Santa Teresa for future development of one of its industrial properties is drawing sharp criticism from nearby residents, who are concerned about the safety, noise and congestion impacts of additional truck traffic, and the threat it could have on development of a proposed adjacent community recreation center by the county.

The port’s plan calls for the eventual development of roughly 500 acres of land into a commercial/industrial complex. When presenting the proposal to port commissioners last Monday, port planner Randy Williams described it as a “10-year vision” and emphasized the port wasn’t about to start turning dirt yet. Rather, the plan stems from the port’s Future Land Use Plan that was adopted in 2007 and cited the need for additional studies to be completed along the CA 16 corridors, Mr. Williams noted.

Nonetheless, adjoining property owners present at Monday’s meeting of the Board of Commissioners expressed vehement disapproval for the project. They noted concern over the amount of traffic that could result, as well as its effect on area residents’ commutes, on existing nature preserves, and on the county’s proposed rec center.

Incident Details:

- Port Commissioner Carol Mitchell questioned “why all the stir” needed to be created over a “vision” that may not even come to be for some time, adding that it seemed “a little preconceived.”
- Mr. Williams added that “change is inevitable” and noted that port planning staff would rather be proactive than reactive regarding future development.
- Port Commissioner Carl Robinson, who heads the local Audubon Society, expressed his frustration over the larger area of land the current plan encompasses, saying it includes “more property than can reasonably be expected to be developed for industrial purposes in this region of the state and in this economy.”
- Though port commissioners will have the final say at next week’s meeting, the county’s planning board voted unanimously to recommend approval of the port’s proposal at its separate meeting Monday night.
- A mid-size national retail outlet with stores in 17 U.S. states has confidentially approached the port for land to build a 1-million-sq. ft. distribution center for handling goods imported from around the world. The port is concerned that if it publicizes this inquiry now, the retailer’s request for confidentiality will be compromised and any potential deal will be lost.

Recent Media Headlines:

Plans to Build Business/Industrial Complex Criticized At Meeting (TV story)

Port Development Plan At Odds With Santa Teresa Residents (newspaper article)

Proposed Industrial Complex Needed To Attract Business (newspaper board editorial)

Port Development ‘Vision’ A View With Blinders (opinion article)

Build it (with taxpayer dollars) and they won’t come (blog post)

Scenario #6: Backroom Dealings With Marine Terminal Food Vendors Raise Protests

Situation:

This past year, the number of licensed mobile food vendors, or “roach coaches,” servicing the Port of Santa Teresa’s marine terminals has increased so much that some are being turned away. Access has been granted on a “first-come, first-served” basis, but recently, Bob Jones, the port’s marine director, began holding private, “back room” meetings with food vendors, offering those who can afford it guaranteed access for a higher concession fee than is normally charged. Although current port policy doesn’t prohibit it, the back room, non-transparent deal-making is generating complaints from food vendors who aren’t able to pay what they call “extortion fees,” and it’s limiting port workers food selection to only those vendors with the highest-price offerings.

Food vendors who are financially shut out of the port’s marine terminals are livid, and have taken to parking outside alongside the road outside the terminal gates at lunch time, creating safety hazards for motorists. What’s more, several terminal and dockworkers have threatened to take their concerns public by marching across the terminal gate areas with protest signs at lunch, effectively shutting down terminal activities for two hours daily. If implemented, such actions would cause major traffic disruptions and financial losses for the port, in addition to negative media attention.

Today, the first story appeared in the local newspaper, including a photo of sidelined “roach coaches,” including quotes from dockworkers with charges of “opportunistic prejudice” for depriving economically-challenged food vendors from competing for port worker lunch business. Several dockworkers have also posted “tweets” and blogs on social media, complaining about the port’s “backroom” pricing tactics.

Incident Details:

- Marine Director Jones is scheduled to go on the 5 o’clock news tomorrow to explain the port’s dilemma and why it must limit the number of mobile food vendors on port property.
- With public rumors flying, Mr. Jones told the port executive director and other key staff that he negotiated more favorable concession fees with some of the higher-quality mobile food vendors whose selection is more palatable and desirable.
- The executive director has instructed Mr. Jones to stop negotiating in private and that concession fees “should not levied arbitrarily and capriciously.”
- The port’s legal department has begun looking at ways to charge mobile food vendor concession fees based on size, age and weight of vehicle to avoid potentially biased and unfair concession fees based only on food selection.

Recent Media Headlines:

Dockworkers, Food Caterers Disgruntled Over Port’s Pricing Practices (newspaper article)

Lunch wagons incur ‘prejudice at the port’ (Twitter “tweet”)

Working stiffs are getting ‘stiffed’ at Port of Santa Teresa marine terminals (blog post)