

Role of Maritime Economic Development

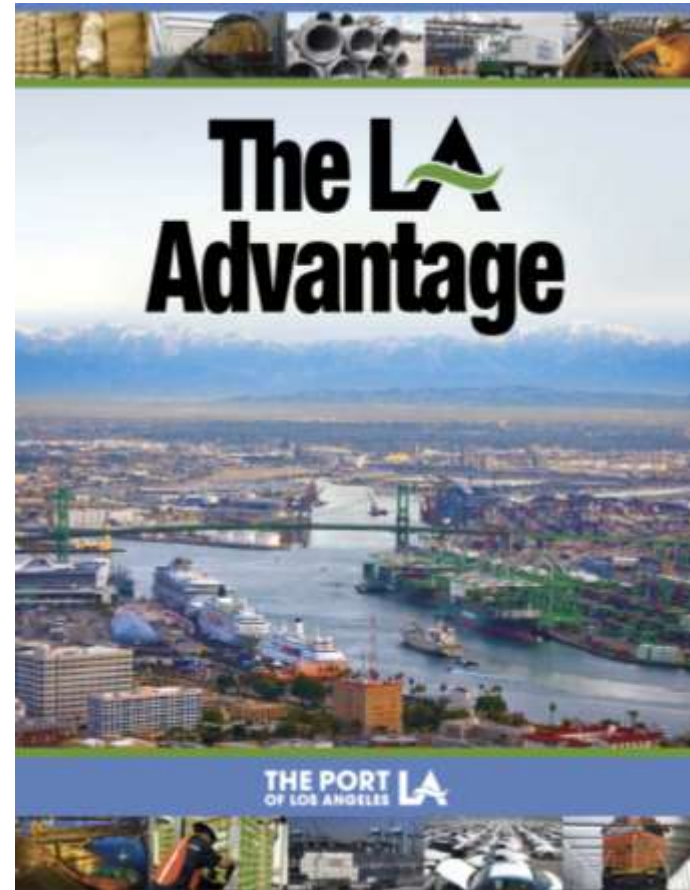


**AAPA
Executive Management Conference
May 8, 2014**

**Molly Campbell
Port of Los Angeles
Deputy Executive Director**

L.A.'s Competitive Edge

- ✓ **Superior Cargo Facilities**
- ✓ **Speed to market**
- ✓ **Intermodal connections**
- ✓ **Infrastructure/Assets**
- ✓ **Reliability**
- ✓ **Cost**



#1 Container Port in the U.S.

7.9

Million

TEU (CY 2013)



Cargo Value

- \$283.6 billion (CY 2012)
- \$271.1 billion (CY 2011)

Container Volume

- Twenty-foot Equivalent Units (TEUs)
- 8.1 million TEUs (CY 2012)

Founded in 1907

Proprietary Department

Landlord Port Model

State Land Trust

Los Angeles Region

Economic
Engine
of the
Region

L.A. CUSTOMS
DISTRICT'S 2013

Total Trade

\$414.8 Billion

PORT OF L.A.

\$286 Billion

ECONOMIC IMPACTS

Employment

- 940 Los Angeles Harbor Department employees
- 10,000-15,000 Longshore and terminal jobs (LA/LB)
- Direct/indirect jobs generated by LA/LB
- 896,000 across Southern California
- 1.1 million jobs statewide
- 3.3 million jobs across the U.S.

Value of Trade to the Economy

- \$63 billion throughout California (2012)
- \$260 billion throughout the U.S. (2012)

State and Local Tax Revenue

- \$6 billion throughout California (CY 2012)
- \$23 billion throughout the U.S. (CY 2012)

A "FULL SERVICE" Port

7,500 acres

- * 4,300 land and 3,200 water

43 miles of Waterfront

- * Water depth of -53 ft

270 berths

- * Includes nine berths with Alternative Maritime Power™ (AMP™)

86 container cranes

- * Includes 37 super Post-Panamax cranes

Public Amenities & Attractions

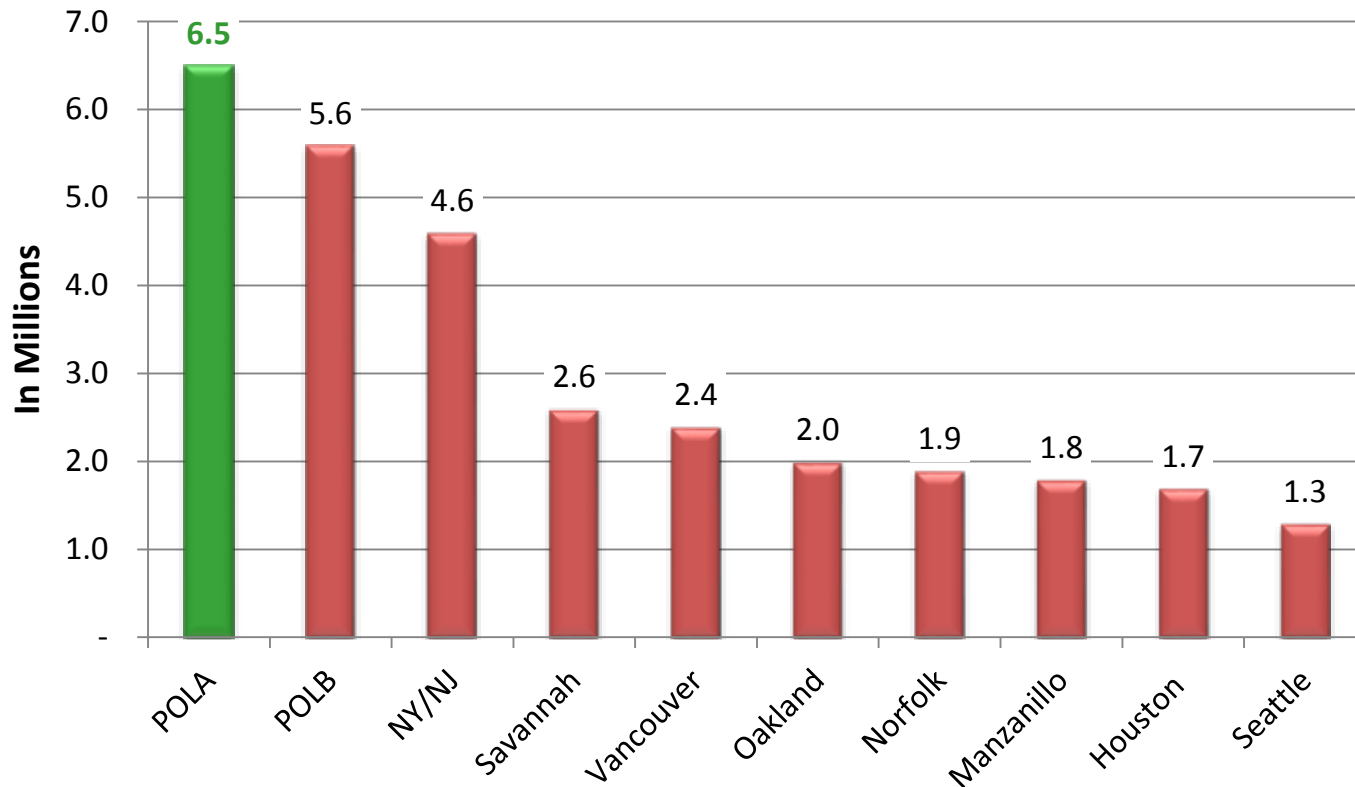
- * Battleship IOWA and 2 other museums
- * *CRAFTED at the Port of Los Angeles* marketplace
- * Hotel, Restaurants & Retail
- * 16 Marinas; 3,800 recreational boat slips

27 Terminals

- Auto (1)
- Breakbulk (3)
- Container (8)
- Dry Bulk (2)
- Liquid Bulk (7)
- Cruise & Ferry (2)
- Other (4)

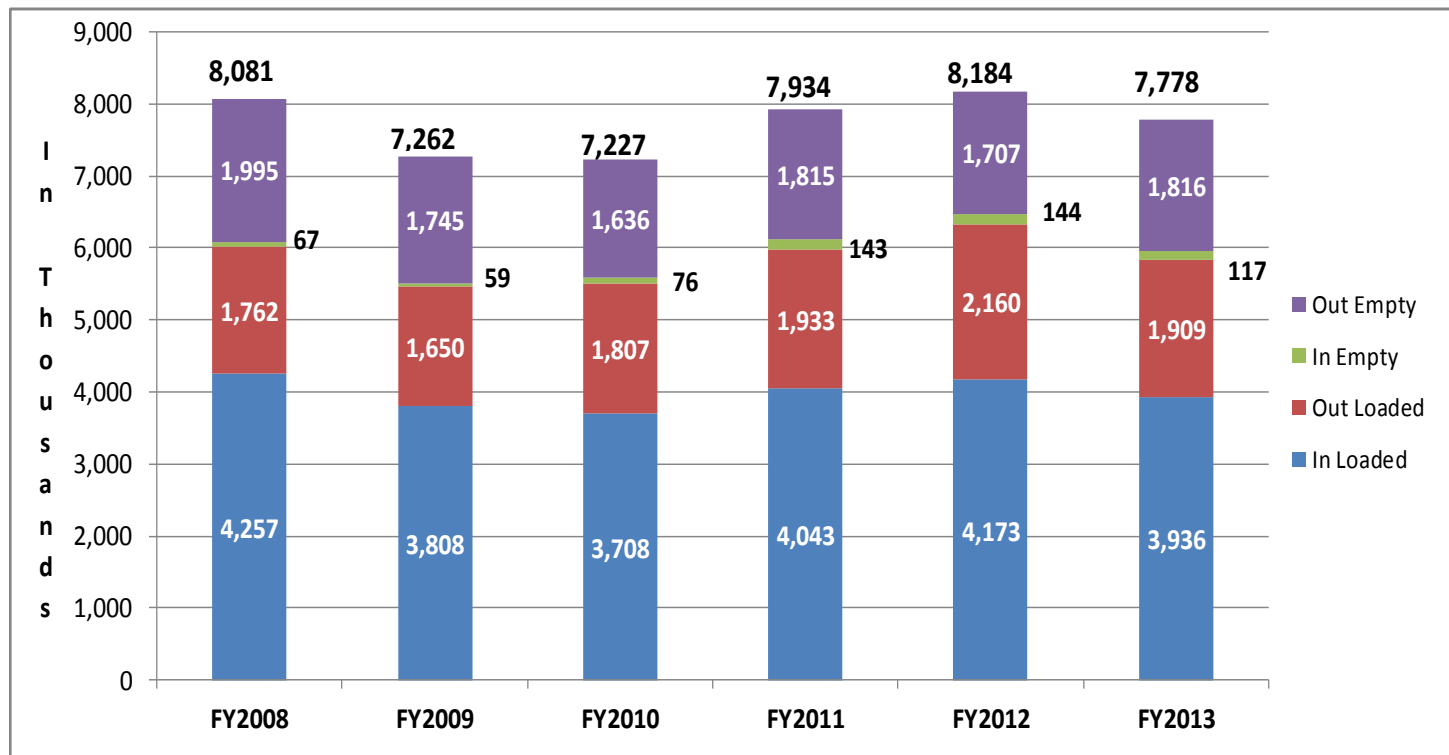
POLA Continues To Lead North American Container Ports in Volume

Top 10 Ports by Total TEUs (Twenty-foot Equivalent Units)*
January – October 2013



*Total loaded and empty containers handled in domestic and foreign trade.
Sources: Port operator websites

Steady Container Volumes



- Exports comprise mainly of wastepaper, scrap metal, animal feeds, cotton, and resins
- Imports comprise mainly of furniture, apparel, auto parts, electronic products, and footwear

Gateway to Connectivity



Gateway to Connectivity

On Dock Rail

- \$500 million by 2035

Near Dock Rail

- \$600 million outside POLA
 - SCIG
 - ICTF

Alameda Corridor

- \$2.4 billion

Superior Access

- Over **100 trains** a day through the LA Region
- Access to **14 Major Freight Hubs** in the US
- 2 Class 1 Rail Carriers: UP and BNSF
- **5.1 million TEUs** moved by rail in 2012



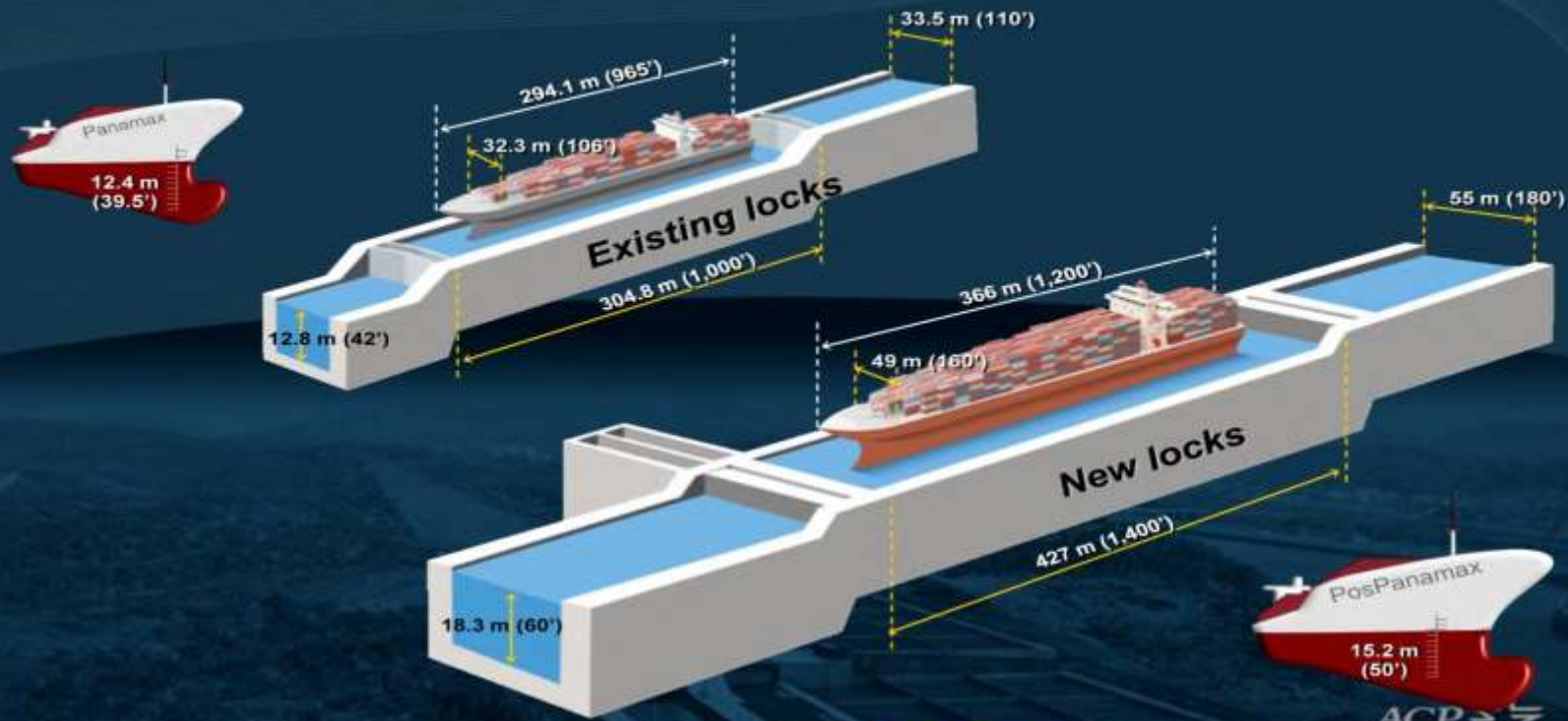
What the Modern Ships Can Carry



What Size Ship Fits Through the Canal

Locks and vessels sizes

Existing locks' maximum vessel size: **4,400 TEU**



New locks' maximum vessel size: **12,600 TEU**



Flexible Sources of Funding

- **AA long term debt rating**
- **A-1+/P-1 commercial paper rating**
- **Active use of grant funding**
- **Consistent and healthy cash flows**

FY 2014 Adopted CIP Budget

- **Terminals/Commerce** **\$256.6 M**
- **Transportation Projects** **\$126.1 M**
- **Security** **\$8.7 M**
- **Community** **\$31.1 M**
- **Maritime Services** **\$(22.6) M**
- **Total:** **\$399.9 M**

Planning for the Future



Capital Improvement Projects

\$1.3 billion

Main Channel Deepening

- \$370 million
- 53' draft

Terminal Projects

- TraPac
- China Shipping
- Evergreen
- Yang Ming
- YTI
- APL
- Maersk
- MOTEMS

Key Projects



Cargo Terminals & Rail:

1. **TRAPAC:** backland and on-dock rail, 2016
2. **Yang Ming:** new wharf and additional rail, 2017
3. **China Shipping:** backland and wharf extension, 2014
4. **Evergreen:** upgraded wharf, TBD
5. **YTI:** upgraded wharf and additional rail, 2016
6. **APL:** new wharf and backland, TBD
7. **Ports America:** short-term permit, TBD
8. **ICTF:** modernization, TBD
9. **BNSF/SCIG:** new rail yard, 2018
10. **Pier A Railyard replacement:** new storage tracks, 2015

Roadway Infrastructure:

- A. South Wilmington grade separation
- B. C Street interchange
- C. Vincent Thomas/Harbor Blvd. interchange

Energy Management Action Plan (E-MAP)

A strategic roadmap to identify, develop and implement various programs to improve the energy profile at the Port while keeping up with accelerating electrification and energy demand

E-MAP Vision

1. **Resiliency** – Ability to maintain business continuity during a power outage and resume operations after a catastrophic event.
2. **Availability** – Access to sources of electricity necessary to meet present and future power demands.
3. **Reliability** – Availability of high-quality, consistent electricity that meets predicted peaks in demand.
4. **Efficiency** – Reductions in energy demand through management practices and technologies.
5. **Sustainability** – Integration of renewable power generation to provide economic, social, and environmental benefits.

Maritime Economic Development

Main Goal: Support regional economic growth and provide opportunities for community development

Most Ports own and operate these sectors which help promote economic growth:

- Shipping Terminals
- Marinas and Docks
- Airports
- Industrial Sites
- Railroads
- Parks and Recreation



Economic Development Programs

- **Infrastructure Development**
- **Industrial and Commercial Development**
- **Import/Export Assistance**
- **Foreign Trade Zones**
- **Entrepreneurial/Workforce Development**
- **Tourism**



Port of Los Angeles

Economic Growth and Development

Infrastructure

- Main Channel Deepening
- West Basin Rail Yard
- TRAPAC
- Downtown Harbor Water Cut

Business Attraction and Job Creation

- Foreign Trade Zone (FTZ)
- TradeConnect
- PortTechLA
- Cruise Ships/Tourism

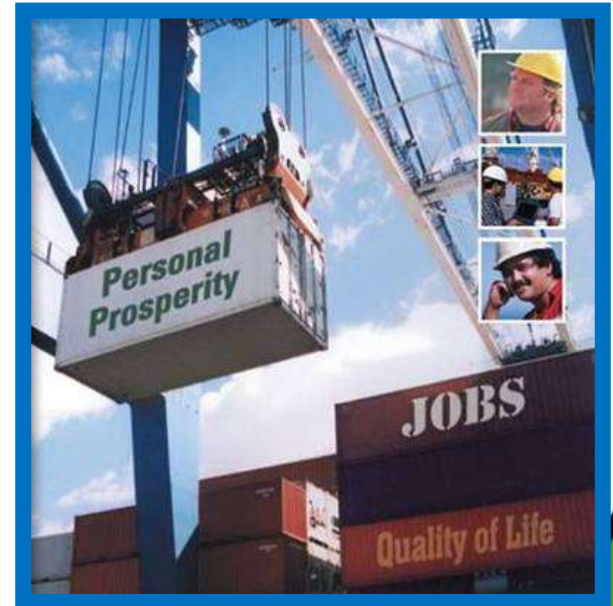
Community Benefits

- Ports O'Call
- AltaSea
- Crafted
- Recreation Spaces and Special Events





- Educate local companies
- Market diversification for businesses
- Employment creation
- Develop additional trade through the Southern California trade gateway



Foreign–Trade Zone (FTZ)

- Federal legislation - Act of 1934: Facilitate international trade & increase global competitiveness of US based companies
- 1994 – Port of Los Angeles – established as FTZ 202
- Initially 2,700 acres
- Up to 4,758 acres today (LA, Orange and San Bernardino Counties)
- 2012 Employment: over 3,400
- 2012 Value of merchandise: \$37 billion
- 2012 Customs Duties collected: \$52.7 billion
- In 2013, established 4 General Purpose zones under the new and easier framework

Value of Merchandise Moved





- **Technology commercialization and incubation program focused on environment, energy, transportation, and security/safety**
- **Clean / green technologies to create local employment, solve problems in maritime industries, and benefit Port customers.**
- **Founding Sponsors: Chambers of San Pedro and Wilmington, Port of Los Angeles and the City of Los Angeles**
- **PortTechForum – networking opportunity**
- **PortTechExpo – venture conference and exposition**

Ports O' Call



- **Commercial development at the water's edge**
- **375,000 sf of development entitled**
- **Entered Exclusive Negotiation Agreement**



AltaSea **Urban Marine Research Center**

AT THE PORT OF LOS ANGELES



- **Public-private partnership**
- **World-class research center on ocean-related problems**
- **Innovation center to study and develop global solutions**

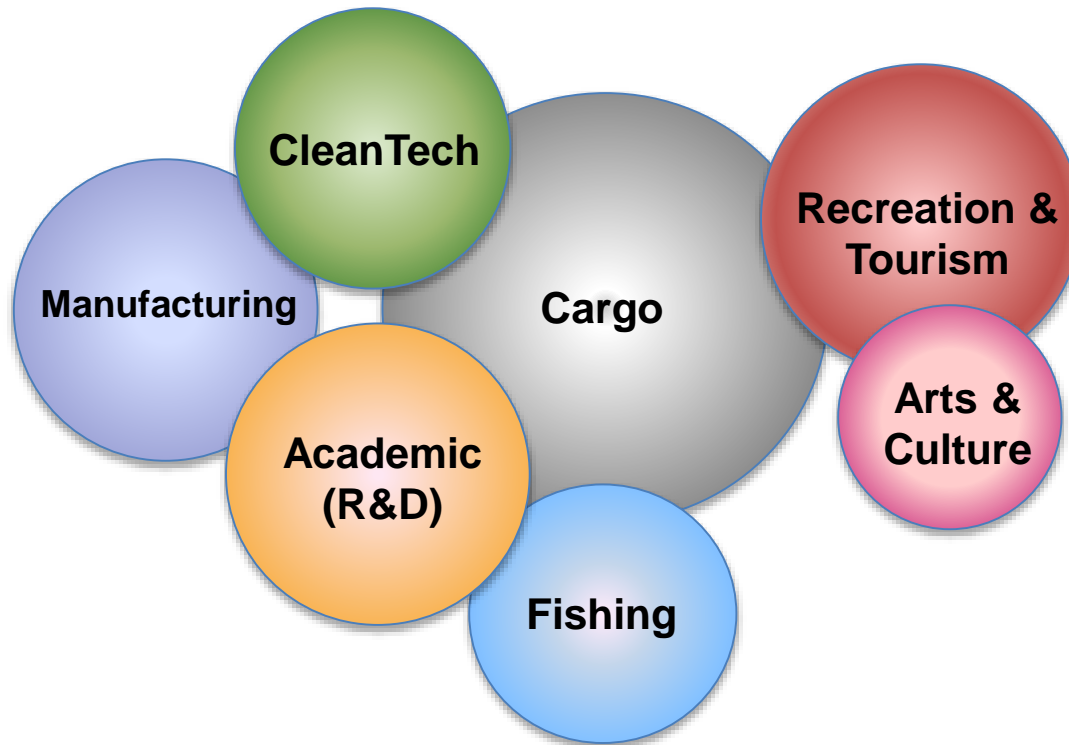
CRAFTED AT THE PORT OF LA

- RFI for adaptive reuse of warehouses
- Crafts marketplace responds to demand for high quality, hand-made crafts
- Market stalls showcase crafts, demonstration space, food sales
- Meets economic development goal of goal of San Pedro Waterfront Project



Port of LA Economic Development

Our Future Vision



AAPA Maritime Economic Development Committee

MISSION:

- ✓ Monitor, collect and disseminate information pertaining to the role of ports as a catalysts for maritime industrial development in their communities, including ongoing review of relevant laws, regulations, programs and initiatives.
- ✓ Provide a forum for the exchange of innovative approaches to maritime industrial development.
- ✓ Raise public awareness about the role of port in maritime industrial development.

OBJECTIVE:

- ✓ Develop programs to train port staff in how to accomplish maritime industrial development.
- ✓ Serve as a clearinghouse for information on federal economic development programs.

MEDC Work Groups

- *Marine Highways*
- *Port Real Estate Best Practices*
- *Export Development*
- *Non-Containerized Cargo Development*
- *Energy Commodity Facilities Development*

Workshop:

November 10, 2014

Houston, TX

MEDC Priorities

- ✓ **Public and Private Sector Funding**
- ✓ **Strategic Utilization of Assets**
- ✓ **Marine Highways**
- ✓ **Facilitate Increased Exports**
- ✓ **Alternative Energy**
- ✓ **Non-Container Ports**
- ✓ **Port Collaboration**

THANK YOU



please visit us at



.portoflosangeles.org

and follow us on  **&** 