PORT MASTER PLANNING

LUIS AJAMIL

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Master Planning

Practical

Visionary

WHAT ARE THE NEEDS OF THE COMMUNITY?
HOW CAN WE SUPPORT THE USERS?
HOW CAN WE MAKE THE PORT SUSTAINABLE?
HOW CAN IT MEET ITS MISSION?

WHAT WILL THIS PLACE BE LIKE IN 30 YEARS?
WHAT WILL THE PORT BE LIKE THEN?
WHAT WILL BE IMPORTANT?
What type of master plan does a port need

- **Strategic plan** - needed when underlying forces change direction
  - Market
  - Political
  - Environmental

- **Master Plan** - A “regular” detailed plan is an engineering document solving the physical aspects of a facility

- **Specific facility master plan** – set to execute individual projects
Strategic plan

Understanding the forces shaping the port

Identifying the opportunities and challenges

Setting policies and directions to succeed and overcome

Creating a sustainable physical and capital plan
Cohesive planning approach

• As a strategic document
  • Creating the vision - emotive - a source of inspiration
  • Setting direction
    • what the organization wants to be
    • what the world in which it operates will be
    • a long-term view

• As a Master Plan
  • Shifting and prioritizing capital resources
  • Providing flexibility

• As a tactical plan
  • Identifying specific projects or ideas
  • Creating a sequence of events

• As a community document
  • Foresees and avoid issues
  • Builds support
CREATING THE VISION

AS A PLATFORM FOR GROWTH BY THE PRIVATE SECTOR

CREATE A MORE COMPETITIVE FACILITY

SUSTAINABLE PLAN
Approach

- Sometimes you need to step back with fresh eyes ..........

- Begin with a historic context
- Overlay the realities of today
- Frame the “Vision” for the region
- Develop a context for the surrounds

- Creating a vision might require change; lots of change .... difficult
Dublin’s master plan
The port and Dublin

- Has given way to the City, providing docklands for regeneration
- Moving seaward to deeper waters
- The City quickly filled in behind
- What was once an intimate relation has given way to walls and separation

- An ongoing “dance” between the Port and the City

- Now we have a unique opportunity to grasp a new future relationship between the Port and City
- Based on sound economics
- With the purpose to stimulate the economy and the City
- Reengage the role of a working waterfront in a modern Dublin
Dublin Port
Alexandra Basin
Redevelopment Project
The new port square – "two personalities - with and without ships"
Commodities

- Assessing markets
  - Bulk
  - Container
  - General
  - Auto
  - Project
  - Industrial
  - Cruise
  - Ferry
Forecasting

• Sometime it is an understanding of where market might be going
• Another time is recognizing when the market is going the other way
• It is rarely – long-term a regression study.
Understanding consumption and transport logistics

371,000 TEUs railed into FL via non-FL ports
308,000 TEUs moving into FL directly from non-FL Ports
1.3 Million Import TEUs

252,000 TEUs moving into FL from DCs in GA
285,000 TEUs moving into FL from DCs in TX and LA
57,000 TEUs railed and trucked into FL from Mexico

LA/LB = $7,479
South FL = $6,371
Central FL = $5,881
Northeast FL = $6,185
Savannah = $6,419
Orlando/I-4

<table>
<thead>
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<th>Voyage</th>
<th>Terminal</th>
<th>Inland</th>
<th>Total</th>
<th>Days</th>
<th>Carrying Cost</th>
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<td>$226</td>
<td>$4,882</td>
<td>30.8</td>
<td>$1,339</td>
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Truck from South Florida to Orlando

South FL = $6,371
Northeast FL = $6,185
Central FL = $5,881
Savannah = $6,419
Orlando/I-4

LA/LB = $7,479
Market assessment

• Interview intensive
  • Current operations
    • Markets served
    • Potential new markets
  • Competitive position of operations compared to other ports
    • Rail/highway interface
    • Productivity
    • Terminal operating costs
    • Lease structure/Pricing
    • Constraints
      • Physical
      • Operational
  • Potential impact of enhanced access
• Facility needs/Operational changes
  • Optimization of assets
REAL ESTATE
The role of commercial development

- In many ports throughout the US, real estate income is major source of income
  - San Diego
  - Seattle
  - NY/NJ
  - San Francisco
- Diversity of income
- Income not dependent on user fees
- The port needs a strong third leg to its financial stool
  - Cargo
  - Cruise
  - Commercial
Three strategies

1. Identify real estate strategic for cargo growth
   - Yards
   - Distribution centers
   - Ancillary

2. Identify real estate strategic to meet community needs
   - Open space
   - Recreation
   - Buffer

3. Identify real estate to generate revenue
ENVIRONMENT
Environmentally friendly policies

• More with less
• Minimize the environmental footprint
  • Physically
  • Emission / discharge
  • Construction
  • DO MORE WITH LESS
  • Higher development densities
  • Define the physical footprints
The role of the environmental part in a strategic plan

- Cooperative relationships regarding challenging issues
- Use SMP to continually improve communications
- Identify ways to promote positive environmental image for the port
- Selection of least environmentally damaging practicable alternatives (LEDPA)
  - Develop short, medium, and long term environmental strategies
  - Define an approach to balance building and preservation
- Engage the regulatory agencies into the process
- Development of a long-term permitting strategy
The relationship of a port and its community

- Is framed within the management structure
  - Elected Port Authority
  - Appointed Port Authority
  - A Department of a municipal entity
  - A private port
- Most ports have had to evolve to off-site facilities
- The relationship changes when the site boundary is crossed
- When a port loses traffic the relationship changes
Keys to successful community involvement

• Having credibility!
• Identifying the key people early
• Communications from the on-set
• Willing to change and respond
• Listening
• Feedback
• Appropriate forums
• Know and balance the audience to get a total picture
Define the community

- Community as a whole as the fundamental stockholders of the port
- Policy Board
- Management
- Port users
- Direct customers
- Indirect customers
- Community as defined by interests
  - Businesses that rely on the port
  - Businesses that are impacted by the impact of the port
  - Immediate neighbors to all properties
  - Special interests
    - Environmental
    - Fishing
    - Recreation
    - Boaters
- Outside interests
- Media
<table>
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<th>Community</th>
<th>Milestones</th>
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<tr>
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<tr>
<td>Board</td>
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<tr>
<td>Management</td>
<td></td>
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<tr>
<td>Port users</td>
<td></td>
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<tr>
<td>Direct customers</td>
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<tr>
<td>Indirect customers</td>
<td></td>
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<tr>
<td>Business community</td>
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<tr>
<td>Neighbors</td>
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<tr>
<td>Environmental</td>
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<tr>
<td>Fishing</td>
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<tr>
<td>Recreation</td>
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<tr>
<td>Boating</td>
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<tr>
<td>Region</td>
<td></td>
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<tr>
<td>State</td>
<td></td>
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<tr>
<td>Media</td>
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Outreach approach

- One on one
- Committees
- Groups of common interest
- Social media
- Survey mechanisms
- Port web site platform
- Newsletters
- Interviews
- Presentations to community groups
- Public meetings (open houses)
Understanding the constituency

**Age - Residents**
- Under 18: 27%
- 18-34: 27%
- 35-54: 37%
- 55-64: 11%
- > 65: 2%

**Age - Non-Residents**
- Under 18: 11%
- 18-34: 33%
- 35-54: 45%
- 55-64: 11%
- > 65: 2%

**Do you have children?**
- Yes: 88%
- No: 12%

**Do you have dogs?**
- Yes: 33%
- No: 67%
Understanding the constituency

Do you own or rent?
- Rent: 44%
- Own: 56%

Where do you live?
- Channelside: 4%
- Downtown Tampa: 19%
- South Tampa: 31%
- Westshore: 8%
- Other: 8%

Where do you work? (Residents)
- Channelside: 31%
- Downtown Tampa: 23%
- South Tampa: 23%
- Westshore: 8%
- Other: 7%
- Retired: 8%

Where do you work? (On-residents)
What kind of land uses would you like to see?

Residents
- Active Recreation: 16%
- Passive Recreation: 7%
- Midrise Residential: 18%
- Midrise Office: 5%
- Ground Floor Retail: 12%
- Hotel: 14%
- Tourist Destinations: 14%
- Marina: 13%

Non-residents
- Active Recreation: 15%
- Passive Recreation: 9%
- Midrise Residential: 14%
- Midrise Office: 3%
- Ground Floor Retail: 18%
- Hotel: 14%
- Tourist Destinations: 14%
- Marina: 3%
Which option do you prefer?

Residents

- Option A: 0%
- Option B: 67%
- Option C: 33%

Non-residents

- Option A: 31%
- Option B: 53%
- Option C: 16%
What would you like to see in non maritime areas?

Residents
- Commercial public marina: 28%
- Small harbor with restaurants and retail: 44%
- Private Yacht Club: 17%
- Historic Ships: 11%

Non-residents
- Commercial public marina: 26%
- Small harbor with restaurants and retail: 50%
- Private Yacht Club: 19%
- Historic Ships: 5%
People that do business with the port

- Hotel: Support
- Office Space: Support
- Attractions: Support
- Retail: Support
- Residential: Oppose

Support vs. Oppose
Financial sustainability

Being able to achieve the mission

While staying competitive = user fees
Maintaining financial sustainability

- Identify income sources
- Achieving a higher diversity
- Non maritime income

- Evaluate and plan for expenses
  - Reserves
  - Maintenance
  - R&R funds

- Revenue producing VS
- Public non-revenue producing
Financial sustainability goals

- Design a plan for profitable operating performance
- Create mechanisms to evaluate timing of investments
- Look at mechanism to balance investments based on:
  - Political needs
  - Tests for ROI
  - Test for economic impacts
- Sequence investments to weigh long-term sustainability
- Create a predictable financial model to test the plan
Creation of an integrated and queryable financial model

• Revenues
  • Forecast based
  • Includes all individual usage agreements
  • Includes all leases and other revenues
  • Segregated by division (cruise, cargo, leases, recreation, etc.)
• Tariffs
  • Sensitive to future tariff increases
  • By contract
  • By published tariff
• Future uses
  • Includes all future identified uses
• Expenses
  • By division (maintenance, management, security, operations, etc.)
  • By business unit
• Net revenues
  • By division
  • By business unit
Gross revenues by business unit

- Cruise
- Cargo
- Commercial
- Other

Revenue:
- $0
- $50,000,000
- $100,000,000
- $150,000,000
- $200,000,000
- $250,000,000
Net revenues by business unit

- Cruise
- Cargo
- Real estate

Year: 2009 to 2035

Revenues: $0 to $350,000,000
Funds available for debt service

Available free revenues
Funds available for new debt
using 1.35 coverage on new debt
Capital needs by business unit

- Cruise: $300,000,000
- Cargo: $1,200,000,000
- Commercial: $0
- General: $200,000,000
- Project management: $200,000,000
Capital needs by business unit
IRR by business type

- Cruise: 24.37%
- Cargo: -0.92%
- Commercial: 275.11%
Closing
A Strategic Plan

• Ability
  • Vision
  • Forecast
  • Track
  • Finance

• Understanding
  • Community
  • Markets

• Integration
  • Capital plan
  • Financial plan
  • Implementation plan

• Practical
  • Bring experts in each of the major fields
  • Inclusive approach to planning
  • Heavy coordination
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