Case Study: Public Access Investment Plan
Port Of Los Angeles, CA

Arley Baker
**Situation**

- POLA expended $600M+ on non-cargo waterfront development between 2004 and 2014
- Spending rate was unsustainable in light of cargo infrastructure and environmental commitments
- Limited public understanding/recognition for POLA’s variety of investments in community programs, events and tourism marketing

**Solution**

- Create a Public Access Investment Plan through an extensive community outreach effort
  - “Open the books” and discuss the port’s annual revenues & expenses
  - Community stakeholders would ID public access infrastructure projects that were top priorities
- Create a $1M Community Investment Grants program that would normalize sponsorships & donations to local non-profits + set partnership expectations
- Share our waterfront Economic Development Strategy with community and visitor-serving stakeholders so they could understand and participate in efforts
- GOALS: transparency, sustainability & predictability
Public Access Infrastructure Plan

Guidelines Approved
In February 2015

10 YEAR BUDGETARY GUIDELINE
Waterfront Strategy

BUILD
PORT INFRASTRUCTURE PROJECTS

ACTIVATE
PROGRAMS AND EVENTS

ATTRACT
PRIVATE INVESTMENT
Port Financials
Port revenues, expenses, and income

$400M

- $200M

= $200M

REVENUES

EXPENSES

INCOME

10% of annual operating income
$200M
PUBLIC ACCESS
PROJECTS

$200M
PUBLIC BENEFITS
PROGRAMS

$400M Allocated Over 10 Years
Community Input – 6 Projects Selected
San Pedro Waterfront

1. Samson Way & 7th Street Intersection Improvements
2. Town Square at 6th Street
3. Ports O’ Call Promenade and Parking
Port Success Means Community Success
Operating Income Under PAIP

We are in year three. Years three through ten are projections.

- **FY 14/15** Operating Income: $213
- **FY 15/16** Operating Income: $215
- **FY 16/17** Operating Income: $217
- **FY 17/18** Projected Allocation: $42.8
- **FY 18/19** Operating Income: $219
- **FY 19/20** Operating Income: $222
- **FY 20/21** Operating Income: $224
- **FY 21/22** Operating Income: $226
- **FY 22/23** Operating Income: $228
- **FY 23/24** Operating Income: $231
- **FY 24/25** Operating Income: $233
- **N/A** Operating Income

10% Income Allocation

- **FY 14/15** Operating Income: $21.3
- **FY 15/16** Operating Income: $21.5
- **FY 16/17** Operating Income: $21.7
- **FY 17/18** Operating Income: $21.9
- **FY 18/19** Operating Income: $22.2
- **FY 19/20** Operating Income: $22.4
- **FY 20/21** Operating Income: $22.6
- **FY 21/22** Operating Income: $22.8
- **FY 22/23** Operating Income: $23.1
- **FY 23/24** Operating Income: $23.3

**Total Projected Allocation**: $222.8
Income does not always directly correlate to expenses. Expenses fluctuate over time. As this chart shows the fund builds during the early years but is utilized more aggressively in later years. To the stated goal that the entire fund is utilized at 10 years.

START

| FY 15/16 | YEAR 1 | $21.3 |
| FY 16/17 | YEAR 2 | $21.5 |
| FY 17/18 | YEAR 3 | $22.8 |
| FY 18/19 | YEAR 4 | $22.6 |
| FY 19/20 | YEAR 5 | $22.9 |
| FY 20/21 | YEAR 6 | $23.5 |

...FULLY UTILIZED OVER 10 YEARS
## 2017 Project Schedule

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<thead>
<tr>
<th>Projects</th>
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<th>15/16 Y1</th>
<th>16/17 Y2</th>
<th>17/18 Y3</th>
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- San Pedro Public Market And Town Square
- Wilmington Waterfront Promenade
- Avalon Promenade and Gateway
- Harry Bridges Beautification Between Island and Avalon

The total cost for the projects is $149.8 million.
Future Projects Process

Public outreach to prioritize new projects in 2018

$222.8M

- $149.8M

= $73.0M

PROJECTED INCOME

ALREADY COMMITTED

BALANCE FORWARD

$73M YEARS 6-10
Public Benefit Programs
PAIP Public Benefit Program
Operations & Maintenance of Public Parks, Promenades & Visitor Assets on Port Tidelands

LA Maritime Museum
Wilmington Waterfront Park
Cabrillo Aquarium
PAIP Public Benefits Programs

Community Events & Sponsorships
Education & Workforce Training Programs
Community Investment Grant Program
Destination Marketing Partners

- Friends of Banning Museum
- Catalina Express
- Cabrillo Marine Aquarium
- CRAFTED
- Crowne Plaza Hotels & Resorts
- DoubleTree by Hilton
- Banning’s Landing
- Grand Vision Foundation
- Harbor Breeze Yacht Charters and Cruises
- Battleship Iowa
- Los Angeles Maritime Museum
- San Pedro Waterfront
- San Pedro Historic Waterfront
- Ports O’ Call
- San Pedro Chamber of Commerce
- San Pedro Fish Market
- Los Angeles Tourism & Convention Board
- Wilmington Chamber of Commerce
- U.S. Merchant Marine Veterans World War II
Additional Accomplishments

Private Investment

- Catalina Express
- AltaSea
- Avalon Freight Services
- San Pedro Public Market
- DoubleTree by Hilton
- SpaceX
- Los Angeles Maritime Institute
- Bruwerij West
THANK YOU