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 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)

L.A. CUSTOMS DISTRICT’S 2013
**Total Trade**
$414.8 Billion
**PORT OF L.A.**
$286 Billion

Economic Engine of the Region
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

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

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
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
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

Days in Transit by Route

- Vancouver to Prince Rupert: 11 days
- Seattle to Prince Rupert: 5 days
- Los Angeles to Shanghai: 12 days
- Shanghai to Los Angeles: 13 days
- Shanghai to Savannah: 25 days
- Savannah to Charleston: 26 days
- Charlotte to Charleston: 4 days
- Charlotte to New York: 5 days
- Charlotte to Chicago: 4 days
- Memphis to New York: 7 days
- New York to Norfolk: 5 days
- Norfolk to Savannah: 5 days
- Savannah to Memphis: 4 days
- Savannah to Charleston: 4 days
- Savannah to Charlotte: 4 days
- Savannah to Atlanta: 4 days
- Savannah to Houston: 5 days
- Savannah to Los Angeles: 5 days
- Savannah to Dallas: 4 days
- Savannah to Charleston: 4 days
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

2013
Triple-E Maersk Class
18,000 TEU

2006
Emma Maersk Class
15,500 TEU

1997
Sovereign Maersk class
8,100 TEU

1996
Regina Maersk class
7,100 TEU
What Size Ship Fits Through the Canal

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

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Terminals/Commerce</td>
<td>$256.6 M</td>
</tr>
<tr>
<td>Transportation Projects</td>
<td>$126.1 M</td>
</tr>
<tr>
<td>Security</td>
<td>$8.7 M</td>
</tr>
<tr>
<td>Community</td>
<td>$31.1 M</td>
</tr>
<tr>
<td>Maritime Services</td>
<td>$(22.6) M</td>
</tr>
<tr>
<td><strong>Total:</strong></td>
<td><strong>$399.9 M</strong></td>
</tr>
</tbody>
</table>
Planning for the Future

Main Channel Deepening
- $370 million
- 53’ draft

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

Capital Improvement Projects

$1.3 billion
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

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.
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.
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

- 2000 - $6.4 billion
- 2010 - $25.4 billion
- 2012 - $37 billion
• 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
• Commercial development at the water’s edge
• 375,000 sf of development entitled
• Entered Exclusive Negotiation Agreement
Urban Marine Research Center

- 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, handmade crafts
- Market stalls showcase crafts, demonstration space, food sales
- Meets economic development goal of goal of San Pedro Waterfront Project
Our Future Vision

Port of LA Economic Development

- Cargo
- CleanTech
- Manufacturing
- Academic (R&D)
- Fishing
- Recreation & Tourism
- Arts & Culture
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

www.portoflosangeles.org

and follow us on Facebook & Twitter