



City of Los Angeles Harbor Department
Proposed Annual Budget
2014/15



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PORT OF LOS ANGELES

PROPOSED

ANNUAL BUDGET

FISCAL YEAR 2014/15

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David Arian, Vice President

Patricia Castellanos, Commissioner

Anthony Pirozzi, Jr., Commissioner

Edward R. Renwick, Commissioner

Gary Lee Moore, P.E., Interim Executive Director



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(City of Los Angeles Harbor Department)

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We are America's Port® – the nation's #1 container port and the global model for sustainability, security and social responsibility.

The Port of Los Angeles (Port) is America's premier port, committed to developing innovative, strategic, and sustainable operations that benefit the regional, state and national economy.

YEAR IN REVIEW

Through initiatives aligned with its Strategic Plan, despite a relatively flat year in terms of overall cargo volumes, the Port retained its position as the #1 container port in the United States (U.S.) as ranked by twenty-foot equivalent unit (TEU) volume. This is a distinction consecutively held by the Port since 2000.

As evidence of its continued strong financial position and overall stability, the Port has maintained an "AA" long-term bond rating by Standard & Poor's (S&P) for 19 consecutive years, the highest rating given to a port without taxing authority. The Port also maintained its high ratings with two other bond rating services, Moody's Investors Service (Aa2), and Fitch Ratings (AA).



The Port's primary strategic focus in FY 2013/14 was on major capital improvements. The Port is in the midst of an aggressive five-year, \$1.1 billion Capital Improvement Program (CIP) with the goal of assuring the Port's competitive edge and its global trade leadership position – now and in years to come.

Major infrastructure and modernization milestones for the year included the completion of the Port's Main Channel Deepening project, which expands the Port's ability to accommodate larger, deep-draft vessels; needed crane height extensions to make

room for next-generation container ships; significant progress on an all-new \$155 million rail yard project that will provide more rail storage and on-dock rail capacity; and extensive roadway and backland improvements to support more efficient goods movement in and around the Port.

The Los Angeles Waterfront (LA Waterfront) experienced its busiest year ever, with close to 1 million visitors attending the increasing number of family-fun events and attractions. Sprinkled throughout the summer were summer concerts and movie nights. And for the first time, the scenic Berth 46 at the Outer Harbor hosted the world-famous Cirque du Soleil. The show brought thousands of visitors to the LA Waterfront for the first time, with businesses in the area reporting significant increases in customers.

In late fall 2013, newly elected Los Angeles Mayor Eric Garcetti appointed four new commissioners to the five-member Los Angeles Board of Harbor Commissioners (Board). The Board is comprised of Ambassador Vilma Martinez, President; David Arian, Vice-President; and Commissioners Patricia Castellanos, Anthony Pirozzi, Jr. and Edward Renwick.

CARGO VOLUMES

Overall, container volumes edged down year-over-year. For Calendar Year (CY) 2013, total annual TEUs decreased by 2.59% over the prior year to 7,868,582. On a fiscal year (FY) basis (FY 2012/13), total annual TEUs decreased by 5.0% over the prior year to 7,777,144. The Port's import volume of inbound loaded containers totaled 3,936,667 TEUs, or about 5.7% less when compared to 4,173,802 in FY 2011/12.

ECONOMIC GROWTH AND DEVELOPMENT

In line with the Port Master Plan, notable progress was made on a number of economic development and infrastructure improvement projects this year:



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- **Main Channel Deepening** – The Port completed its \$370 million Main Channel Deepening project, in which the Port's main navigational channel and turning basins were deepened to 53-foot depths to accommodate a new generation of bigger container ships. This infrastructure improvement is critical in helping the Port retain its competitive edge, as international competition continues to accelerate and as shipping lines transition to more modern, larger capacity vessels. Many shipping cranes at Port terminals were also retrofitted to make room for these newer ships.
- **West Basin Rail Yard** – Initial design of the \$160 million rail project at Berth 200 has been completed, with construction at the site commencing in October 2013. The completed project will create a vital link between the Port and the Alameda Corridor, as well as greatly improve the Port's connection to the nation's freight network. The rail yard will be constructed using \$16 million in U.S. Department of Transportation grant money; \$51.2 million secured from the State Proposition 1B Trade Corridor Improvement Fund; \$22.1 million from METRO-awarded federal funds; and the remainder in Port Harbor Revenue funds. Project completion is expected in late 2014.
- **Transportation Improvement Program** - The Port is investing more than \$104.1 million to upgrade sections of the Harbor Freeway (I-110) and adjacent streets that link the Vincent Thomas Bridge, Terminal Island and marine terminals throughout the Port. The I-110/C Street interchange will improve truck traffic flow for two major intersections, as well as for the C Street/I-110 access ramps. The SR-47/I-110/John S. Gibson Boulevard project will widen the westbound connector to the northbound I-110. Both projects will upgrade a key trade corridor in the national freight network, with completion planned for 2016. Design is completed and both projects are now in construction.
- **TraPac** - The \$510 million expansion program involves a wide range of improvements at the TraPac container terminal, including construction of over 700 linear feet of new wharf; upgrading over 1,000 feet of existing wharf; deepening water depths at Berths 144-147; installing new cranes; redeveloping approximately 110 acres of existing terminal backland and developing 50 acres of new backland; road and gate improvements; building a new on-dock rail facility; providing automation; and constructing a new administration building and other ancillary buildings. Backland development for Phase 1A was completed and construction of an AMP™ (Alternative Marine Power™) installation at Berths 136 and 139 were also finalized, with all other major components currently under construction. The expansion is expected to be completed in 2016 and will be the largest capital endeavor since the completion of Pier 400 in 2004.
- **Ports O' Call** – Developer negotiations continued with the LA Waterfront Alliance – a collaboration between The Ratkovich Company and Jerico Development – to redevelop the Ports O' Call Village, a 30-acre San Pedro waterfront property on the Port's Main Channel adjacent to San Pedro's historic downtown business district. The site is envisioned as the retail-commercial focal point of the LA Waterfront development program.





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- **AltaSea Marine Campus** - The Port signed a 50-year lease agreement to transform the 35-acre former City Dock No. 1 site into a waterfront marine research facility. The AltaSea site will be developed through a public-private partnership that includes the Port, AltaSea, and a host of regional public and private universities. Phase 1 is currently estimated to cost \$185 million with a 2018 completion goal. Funding commitments for Phase 1 of the project total \$82 million to date, of which \$57 million are site-related capital commitments by the Port and \$25 million is a gift from the Annenberg Foundation.
- **Yang Ming** – Environmental impact reviews got underway for the berth improvements projects for Yang Ming, which entails enhancement of its terminal facilities and deepening of its berth to accommodate larger vessels.



The Port also initiated the Common Ocean Carrier Incentive Program (Carrier Incentive Program), a new incentive initiative to reward shipping lines that bring new container business to the Port. Under the incentive program, an ocean carrier will earn \$5 per TEU for each incremental container it ships through the Port in CY 2014 compared to CY 2013. The incentive increases to \$15 per TEU for each incremental TEU, if a carrier's container volume grows by 100,000 or more units for the same 12-month period.

The Port continues to promote and facilitate export opportunities, especially through its Trade Connect Program (Trade Connect). The program offers workshops to small and midsize companies to educate them on the opportunities, costs and requirements of exporting their goods and services. In May 2013, Trade Connect earned the nation's highest honor for promoting American export trade, the President's "E Star" Award for Export Service.

ENVIRONMENTAL LEADERSHIP

The Port's environmental initiatives remain integral to the Port's continued commitment to environmental stewardship and sustainable business practices.

In August 2013, the Port released its environmental report card that showed a continued, positive trend regarding cleaner air at the Port. Air pollution associated with operations was at its lowest level since the Port adopted a formal plan to reduce harmful emissions in 2006. Removing cargo volume fluctuations from the equation, the 2012 Inventory of Air Emissions showed that the amount of diesel particulate matter (DPM) emissions related to moving 10,000 20-foot containers through the Port in 2012 was 81% lower than the emissions output related to moving the same number of containers through the Port in 2005.

Some of these emission reductions are attributed to the Port's \$180 million investment over the last decade in shore-side electric power, (AMP™). As a result, the Port was able to meet a new California regulation requiring fleet vessels to reduce at-berth emissions by 50% by calendar year-end 2013.



Upon announcement in June 2013 of the Port's initiative to develop an Energy Management Action Plan (E-MAP), the Port commenced its development and review of a draft plan with stakeholders. The Port also commenced a resiliency study, scheduled for completion in Summer 2014. The E-MAP will serve as a blueprint to identify, develop and implement various programs to improve energy efficiency, reliability, quality, cost and resiliency, while keeping up with the accelerating electrification and energy demand at the Port.



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The Port's Construction and Maintenance Division also received recertification of International Organization for Standardization (ISO) 14001, an internationally recognized protocol designed to help organizations minimize their negative impacts on the environment. The recertification is testament to the Port's ongoing commitment to incorporating sound environmental practices into all aspects of its daily operations.

As part of its ongoing efforts to improve the environment and health of neighborhoods in the San Pedro Bay region, of the \$16.8 million in total Port funds paid into the Port Community Mitigation Trust Fund (PCMTF), the Port has authorized nearly \$2 million in grants since 2012 to support San Pedro and Wilmington community health programs that will use the funds to reduce asthma, treat patients and educate residents about respiratory health. The PCMTF is administered through the Port of Los Angeles' partnership with the Harbor Community Benefit Foundation (HCBF), a non-profit organization created to mitigate the environmental impacts of port operations.

FY 2014/15 PROPOSED ANNUAL BUDGET SUMMARY

The FY 2014/15 Proposed Annual Budget (Proposed Budget) of \$938.8 million includes strategic measures that will enable the Port to meet its commitments in the coming year as well as maintain its strong financial condition. Next fiscal year, the Port is projecting to spend over \$280 million towards its Capital Improvement Program commitments. The several projects included in this aggressive program are those that will enable the Port to maintain its competitive edge, while enhancing job creation and economic development for the local and surrounding communities. At the same time, the Port is committed to its goals of growing Port business in a sustainable and fiscally responsible manner. Accomplishing these goals comes with fiscal challenges, given a slow recovering economy, competitive threats, and a changing shipping industry paradigm.

The Proposed Budget is comprised of three primary components, which include \$418.4 million in Operating Revenues, \$217.3 million in Operating Expenditures, and \$349.9 million in Capital Expenditures. Based on assumptions that reflect the current economic trends, proposed Operating Revenues and Expenses for next fiscal year are relatively flat to the previous four years, indicative of a slow recovering economy and efforts to control spending. Compared to the FY 2013/14 Adopted Budget, the Proposed Budget estimates Operating Revenues to grow at approximately 1.3% while expenses are estimated to grow at about 3.4% for FY 2014/15. Expense growth is in part due to the Carrier Incentive Program for which \$3.5 million in incentive payments are budgeted for this one year initiative. Given the levels of proposed Operating Revenues, Operating Expenses, and Capital Expenditures, the Proposed Budget also anticipates approximately \$200 million in new bond issues to meet its cash needs.

The Port continues to augment its revenues through its Grants Management Program, actively managing approximately \$300 million in its current portfolio. Approximately \$116.1 million in grant reimbursements are anticipated in FY 2014/15, including \$112.8 million for capital projects, \$1.8 million for equipment and approximately \$1.5 million for operating maintenance. This includes \$2.8 million secured from the State Proposition 1B Trade Corridor Improvement Fund for the TraPac Terminal Automation project. During FY 2014/15, the Port will continue seeking additional Federal, State, and local grants. In the pipeline are grant seeking efforts for such projects as the YTI Terminal Program, LA Waterfront Development (Sampson Way), the Wilmington Waterfront Pedestrian Bridge, zero or near-zero emissions road trucks, and Port security projects.

To ensure the Port maintains its strong financial condition, the Proposed Budget outcomes meet Board-approved financial policy requirements to maintain minimum levels of cash reserves and debt service coverage, as well as a separately established key financial metric of a minimum operating margin.



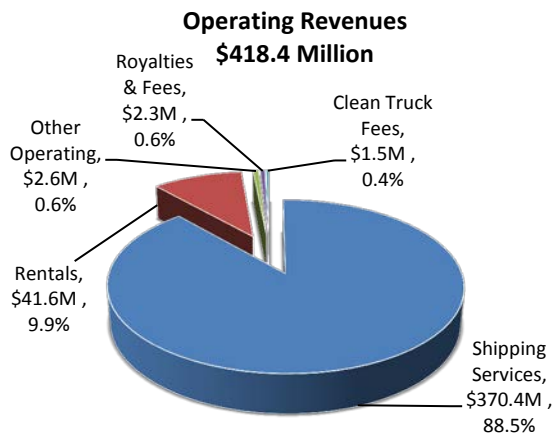
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Approximately 6,250 direct and indirect jobs are also projected to be created, of which 4,600 are attributed to capital spending.

OPERATING BUDGET

- Operating Revenues**

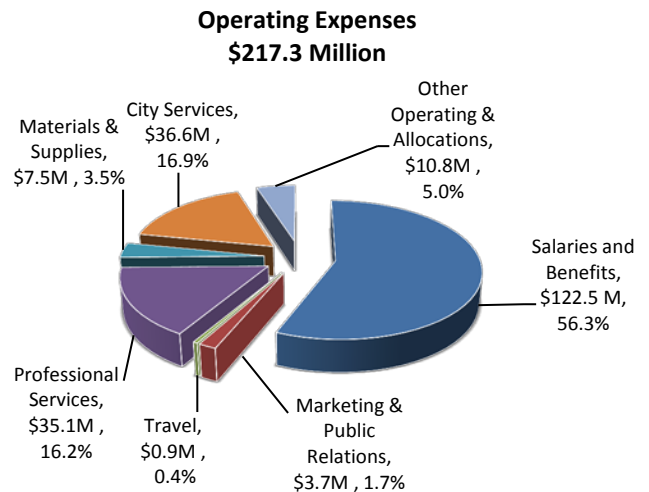
Operating Revenues of \$418.4 million are expected to be higher than FY 2013/14 estimates by \$8.3 million or 2.0% driven primarily by higher TEU volumes generated by organic growth and the Carrier Incentive Program. Revenues expected from the Carrier Incentive Program are partially offset by associated costs of \$3.5 million in incentive payments that are budgeted in Operating Expenses. Projected TEU volumes of 8.2 million are estimated to be 3.0% higher when compared to FY 2013/14 estimates. Shipping Services revenues remain the largest component of Operating Revenues comprising 88.5% of its total. Operating Revenues from other components, such as Rentals, Royalties, Clean Truck and other fees are estimated to grow slightly year-on-year by approximately 1%.



- Operating Expenses**

Proposed Operating Expenses of \$217.3 million are estimated to increase by 3.4% or \$7.2 million compared to the FY 2013/14 Adopted Budget and continue to be driven by Salaries and Benefits, City

Services, Professional (Outside) Services and for one year only, the \$3.5 million in costs associated with the Carrier Incentive Program. As the largest component of Operating Expenses comprising 56% of the total, Salaries & Benefits are budgeted at \$122.5 million (net of \$19.6 million in direct capitalization). This expense category is proposed to increase by 9.2% or \$10.4 million compared to the FY 2013/14 Adopted Budget, largely due to mandated salary adjustments, and higher pension and health contributions for an average 940 full-time filled positions. City Services (or services to the Port provided by other City departments) at \$36.6 million comprise 16.9% of total expenses, remaining relatively flat to the current fiscal year adopted budget. Partially offsetting the increases are Professional Services at \$35.1 million, which are lower by 1.6% or \$600 thousand as a result of Port-wide reduction efforts.



CAPITAL BUDGET

In FY 2014/15, the Port continues its strategic objective to maintain its competitive edge and support the community and local economy through a proposed Capital Budget of \$349.9 million. As the shipping industry continues to change in response to new global economic realities, the Port's terminal and infrastructure investments will allow it to remain



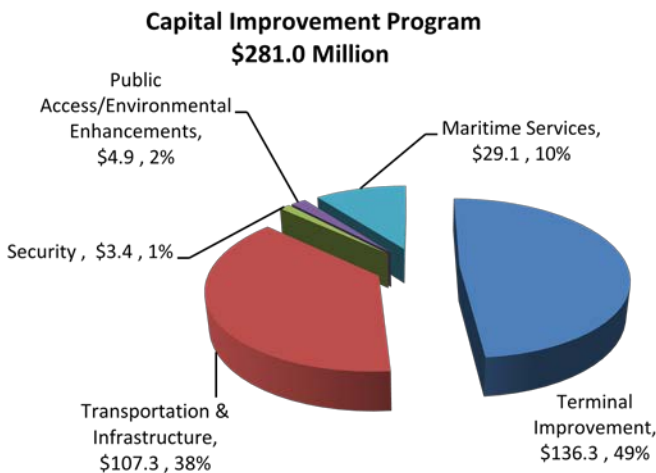
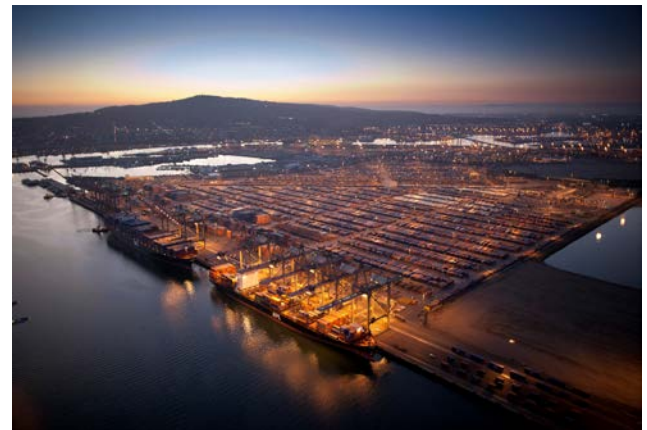
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competitive. Comprising 37% of the total budget, proposed capital expenditures include \$281.0 million of direct costs in the Capital Improvement Program for projects that have been approved and those pending approval, indirect costs of \$63.0 million in capitalized interest and overhead allocations, and \$6.0 million for capital equipment.

- **Capital Improvement Program**

In FY 2014/15 the Port continues its Capital Improvement Program with a \$281.0 million proposed budget. At the forefront are terminal development and transportation projects comprising 87% of the CIP Budget. The balance of the CIP Budget includes community, security and maritime support projects. Approximately 63% of CIP dollars are dedicated to new and ongoing construction, with the remaining 37% for design and other support services.

and the installation of automatic stacking crane infrastructure necessary to support future terminal automation, \$34.2 million for a new Intermodal Container Transfer Facility to provide on-dock rail capabilities to the terminal, \$24.8 million for construction of a new main gate and administrative buildings, and \$745 thousand for other terminal improvements.



At the Yang Ming Terminal, \$3.7 million is funded for improvements throughout the site. Design funding includes \$1.6 million for a wharf upgrade with new crane rails and \$198 thousand for the expansion of the West Basin Intermodal Container Transfer Facility, with \$1.8 million earmarked for the environmental assessment of these projects. The completion of an AMP™ installation is also funded for \$79 thousand.

- **Terminal Improvement Projects**

Approximately \$136.3 million or 49% of the CIP Budget is dedicated to terminal development projects.

At the Everport Terminal, \$5.3 million has been included for project construction and planning. Many funded projects are scheduled for completion in FY 2014/15 for a total of \$3.3 million, including a panzerbelt and cable trench replacement, an AMP™ installation, upgrades for a crane feeder cable and fire life safety equipment, and pavement resurfacing and striping. In addition, planning and environmental documents for further development at Berths 226-232 and the leak detection and warning system are funded at \$2.0 million.

Expansion at the TraPac Terminal advances with \$100.4 million funded for a collection of projects including \$40.7 million for backland improvements

About \$3.8 million has been funded for continued development and project completion at the APL Terminal. An AMP™ installment will be completed in



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FY 2014/15 for \$1.7 million, while the design of another begins for \$66 thousand. The water leak assessment and remediation will also be completed for \$207 thousand. Fender replacement will begin construction with a cost of \$202 thousand. Major development at APL continues which will expand the terminal by approximately 50 acres and modify existing terminal elements including 41 acres for automated operations. In FY 2014/15, \$1.6 million has been funded for the design of a wharf extension, existing gate modifications, tank relocations, reefer additions, and backland development.

Redevelopment at the YTI Terminal is funded at \$3.6 million for FY 2014/15 including \$2.4 million for the initial design and environmental documents for improvements at Berths 212 and 220, and \$1.2 million for the completion of an AMP™ installation and a fire alarm system replacement.

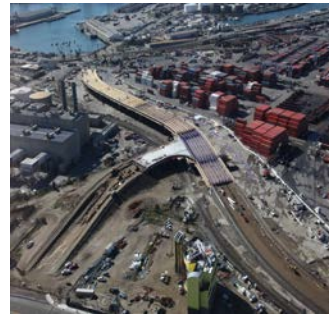
Total funding for the China Shipping Terminal is \$2.9 million as major projects at the terminal will be completed in FY 2014/15. Funding for project finalization includes \$436 thousand for the wharf expansion and AMP™ installation at Berth 100 and \$433 thousand for backland development. Design and construction continues for marine operations and crane maintenance buildings in the amount of \$1.9 million; \$110 thousand has been designated for the Catalina Express relocation.

In accordance with the Port's Strategic Plan and pursuant to requirements of the State Lands Marine Oil Terminal Engineering Maintenance Standards (MOTEMS), \$11.5 million has been appropriated for the audit, design, and construction of required upgrades at liquid bulk oil cargo handling facilities throughout the Port. Nine million dollars is funded for design and environmental assessments, while \$2.5 million is for the completion of repairs at Berths 163, 164, and 187-190 and fender replacement at Berths 118-119.

- **Transportation and Infrastructure Projects**

Approximately 38% of the Proposed CIP Budget or \$107.3 million is designated for transportation

improvement projects. Funding for major projects nearing completion includes \$35.5 million for the Berth 200 Rail Yard with its accompanying track connections and \$27.9 million for the South Wilmington Grade Separation project.



Both projects play important roles in the Port's overall goods movement plan as the Berth 200 Rail Yard will facilitate more fuel-efficient, faster, and safer rail operations throughout the Port complex,

while the South Wilmington Grade Separation will provide unimpeded grade-separated vehicular access to safety vehicles, community residents, and individuals conducting business throughout Mormon Island and the Wilmington Waterfront.

To improve vehicular traffic flow to-and-from the I-110 freeway, funding for construction is ramping-up in FY 2014/15 for the following projects: \$17.3 million for the C Street/I-110 Access Ramp Improvements, \$12.5 million for the John S. Gibson Intersection & Northbound I-110 Ramp Access Improvements, and \$7.9 million for the I-110/SR-47 Connector Improvements.

Specifically, the C-Street/I-110 Access Ramp Improvements will provide free-flowing right turn lanes to accommodate heavy right-turn truck volumes and will also connect trucks directly to the Harry Bridges Intermodal Connector - a completed project that improved Harry Bridges Boulevard to meet major highway standards as a National Highway Intermodal Connector.

Other transportation projects funded for a total of \$6.2 million for FY 2014/15 include additional improvements at Harry Bridges Boulevard, Terminal Island Street Improvements Phase II and III, the Environmental Impact Report (EIR) for the Union Pacific Intermodal Container Transfer Facility Redevelopment, Port-wide Vehicular Directional Signage Improvements, an At-Grade Rail Crossing



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Protection System, Japanese Memorial Vehicular Signage at Berth 258, and the Avalon and Fries Street Closures Environmental Assessment.

- **Public Access/Environmental Enhancement Projects**

Approximately \$4.9 million is funded for LA Waterfront Development Projects. Waterside construction of the Downtown Harbor will be completed at the end of FY 2013/14, which will allow sailing vessels to dock at the new harbor during the Tall Ship Festival planned for August 2014; construction in the amount of \$1.5 million will continue for landside improvements at the site.



In preparation for future planning and design of the AltaSea Urban Marine Research & Innovation Center, \$1.3 million is designated for the design of a wharf retrofit and street improvements at Berth 57. Funding in the amount of \$924 thousand is for various environmental enhancements throughout the Port. Approximately \$295 thousand is also appropriated for construction of Outer Harbor improvements at Berths 45-50, with another \$259 thousand for improvements at the 22nd Street Park and public art and street closures at the Wilmington Waterfront Park, \$233 thousand is for planning funding in preparation of the Ports O' Call Redevelopment, \$112 thousand is funded for parking lot improvements at the San Pedro Waterfront, and \$175 thousand is for drainage repair and tree installation at the Fanfare Fountain.

- **Security Projects**

Security projects are budgeted at \$3.4 million, of which \$2.4 million is for the Information Technology (IT) Cyber Security Improvements Phase II and the preliminary design of both the Port Police Headquarters Audio Visual System and Port Fiber

Optic Network Phase III. Additionally, \$1.0 million is funded for the scheduled completion of multiple security projects, such as the Port Fiber Optic Network Phase II, IT Cyber Security Improvements Phase I, Port Police Tactical Radio Communications Improvements, and the Maritime Law Enforcement Training Center.

- **Maritime Services**

At \$29.1 million, this CIP category includes projects at Harbor Department facilities such as the Space Needs Action Plan, miscellaneous projects including the Berth 72 Municipal Fish Market Renovation Phase 1, and unallocated funds for unanticipated projects.

STRATEGIC INITIATIVES HIGHLIGHTS

In addition to delivering critical terminal and infrastructure projects under the proposed Capital Improvement Program, the Port's Operating Budget supports the Port's Strategic Plan goals through various initiatives.

- **Business & Trade Development**

The economics of moving containers is rapidly changing, and the Port's focus is to protect and grow its business. As such, the Port's Business and Trade Development Plan continues to evolve, and Port staff works toward incorporating both short and long term strategies to meet the changes in the shipping industry and provide steps required to ensure the Port remains a leader.

The shipping lines that call at the Port's container terminals are moving to mega-alliances and other vessel sharing agreements. The alliances, made up of shipping lines, are joining together under formal operating agreements to manage schedules, port calls, and vessel performance, to create additional efficiencies. To increase container volumes, and in particular alliance cargo through the Port, the volume based Carrier Incentive Program was created and approved by the Board with the objective to secure the largest share of the shipping line alliance business with a goal to grow by at least



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3% annually. The Proposed Operating Expenses include a \$3.5 million incentive budget for this program in FY 2014/15.

The Port also continually seeks alliances with terminal operators, shipping lines, beneficial cargo owners, and railroad operators. Thus, the Port will continue its Customer Service Account Manager Program, a team-based approach staffed by Port employees to identify customer needs and resolve outstanding issues and problems, and continue its outreach to the beneficial cargo owners, retailers and other stakeholders along the distribution chain. Consequently, joint marketing efforts have been established with terminal operators and domestic shipping line teams to attract new customers for both.

Other areas of focus include improving terminal efficiency. As part of the Port's competitive cargo strategy, it has undertaken a study for a more efficient chassis supply model for the transportation of containers, with the goal to improve turn times throughout the San Pedro Bay port complex. Additionally, as the Port embarks on the improvements of the TraPac terminal, staff continues its outreach to and interaction with customers, marine terminal operators, and shipping lines to assist the industry in determining areas of concern such as increasing terminal capacity and efficiencies, that can be shared with other industry partners to create collaborative and innovative solutions and strategies. With domestic and foreign trade representation services funded at a not-to-exceed amount of \$454 thousand, the Port will continue to look to these partners to help provide comprehensive analysis regarding economic developments within their unique regional markets. Business trips and customer outreach assist in retaining and growing market share as well as maintaining customer relationships. A total travel budget of close to \$500 thousand with \$300 thousand for trade missions has been funded for such purposes.

- **Trade Connect Program**

The Port's Trade Connect Program continues to develop and enhance export opportunities by partnering with government agencies and professional associations. With \$184 thousand in funding for FY 2014/15, it introduces new-to-export and small- to medium-sized businesses to the basic resources they need to sell and ship their products abroad. Trade Connect includes introductory, product, and market specific seminars and an advanced Export University series for more experienced exporters. These seminars are one component of trade development initiatives designed to support export of U.S. goods and boost the local economy.

The Trade Connect focus is on building strong relationships through matchmaking initiatives by partnering with international organizations and local business chambers to link overseas buyers with suppliers in Los Angeles. By leveraging Sister City and Sister Port relationships to establish trading relationships, Trade Connect also seeks to establish trading connections that open doors for the export community in the U.S.

The program's current activity and future planning efforts include a three-year plan to participate in overseas trade missions that bring regional companies to key trade shows while also participating in Made in America domestic trade shows that attract international buyer programs. Specific actions for Trade Connect include focused efforts for developing trade with markets in Asia and the West Coast of Latin America with whom the U.S. has Free Trade Agreements.

Trade Connect staff is currently pursuing an effective database system through subscription-based market research and is managing the coordination of U.S. Department of Commerce business delegations with the Mayor's Office of International Trade Citywide Delegation Request System.



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• Planning and Economic Development

The Port continues its focus on optimizing land use. Updated and certified by the California Coastal Commission in March 2014, the Port Master Plan serves as the Port's roadmap to guide Port development by expanding water dependent revenue generating activities and redeveloping low performing and unused assets. As such, the budget continues to support developer negotiations for the Ports O' Call Redevelopment project, including an economic feasibility study of proposed plans, as well as a cost sharing agreement with the Port of Long Beach for the development of a new long-term San Pedro Bay Cargo Forecast. The Proposed Budget also includes funding for consulting services for the Real Estate Division relating to proposed development of mineral rights in its oil fields.

• Environmental Initiatives and Programs

The FY 2014/15 Proposed Annual Budget continues to include environmental initiatives that support the Port's strategic objective to develop, construct, and operate new projects and existing facilities in an environmentally responsible and sustainable manner and to reduce emissions from Port operations. To this end, the Proposed Budget includes \$18 million in funding dedicated to achieving these goals.

Created in November 2006, the San Pedro Bay Ports Clean Air Action Plan (CAAP) continues to guide many of the strategies at the Port to reduce air emissions, and promotes the development of innovative, yet viable technology to improve environmental quality in the area by targeting major sources of air pollution at the Port. The Proposed Budget continues to include funding for incentive programs included in the CAAP designed to encourage pollution reduction such as the Vessel Speed Reduction Program (\$2.0 million), Technology Advancement Program (\$500 thousand), Environmental Shipping Index (\$450 thousand), and the Marina Engine Exchange Program (\$50 thousand). As one of the control measures identified in the CAAP, the Vessel Speed Reduction Program's objective is to reduce NOx emissions from

ocean-going vessels by slowing their speeds as they approach or depart the Port, at 20 and 40 nautical miles from Point Fermin.

The Clean Truck Program which remains a principal component of the CAAP is funded at \$1.4 million for the administration of concession and grant agreements, enforcement, data collection and analysis, outreach, and other support services. An additional \$1.8 million supports other air quality and climate change measures, including zero emission technologies, emission inventories and air monitoring.

The Proposed Budget also includes \$300 thousand for the previously noted E-MAP. In FY 2014/15, the final E-MAP will be submitted to the Board for approval. Near-term measures identified in the final plan which could include but are not limited to energy audits, surveys, and baseline/forecast studies, will be initiated and implemented in collaboration with the Los Angeles Department of Water and Power, Port of Long Beach, tenants, technology vendors, research institutes, and other stakeholders.

As a landlord port, the Proposed Budget supports Port staff in the daily management of tenant operations and activities including \$3.2 million in funding for compliance assessments of tenant facilities and operations, technical and regulatory guidance and support to customers, management of emergency response to releases and illegal dumping on Port property, required compliance with laws and regulations regarding management and disposal of hazardous wastes and regulated materials, and performance of baseline assessments to establish existing environmental conditions prior to leasing Port properties.

The Water Resources Action Plan (WRAP) continues to target the remaining sources of water and sediment pollution within the San Pedro Bay and includes control measures for land use discharge, on-water discharges, sediments, and watershed discharges. The Proposed Budget includes approximately \$1.3 million for the continued



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implementation of the WRAP, regulatory compliance efforts, and biological resource management. The budget also includes \$1.7 million for technical work to support implementation of the adopted Total Maximum Daily Load requirements. Other environmental items such as cultural resource assessments, non-EIR environmental clearances, and management of project mitigation monitoring and reporting are budgeted at over \$800 thousand.

- **Community/Waterfront**

In keeping with its commitment to strengthen relationships with Port stakeholders, about \$38 million of the Port's Proposed Operating and Capital Budgets will fund a wide



range of projects that provide benefits to the community such as waterfront development. Through a combination of payments and in-kind services that support local non-profit and youth organizations and the maritime community at large, \$22.0 million is provided through actual cash outlay and \$15.6 million is included through properties provided at a discount or gratis. Major drivers of the FY 2014/15 budget allocations are the development of the LA Waterfront and the continued operation, maintenance, and security of recreation and park facilities in and around the Port.

Additionally, the Port will continue a modified strategy of community events and programs, to include a new grants-based sponsorship program where \$1.0 million in existing budget will fund selected projects that benefit the immediate communities of San Pedro and Wilmington and support the Port's strategic goals.

- **Port Security**

The Proposed Budget includes about \$35 million in funding for Port Police operations. Aligned with the Port's Strategic Plan, the Port Police will continue to focus on five key result areas that strengthen its mission to facilitate the flow of commerce and keep the Port complex free from terrorism and crime through vigilance, preparedness, technology, training and community interaction. The five key result areas are:

- Homeland Security/Critical Infrastructure Protection
- Public Safety
- General Security/Access Control
- Community Relations
- Emergency Management

Specifically, the Port Police will be establishing a staffing and deployment model that maximizes public safety. This will include enhanced cruise terminal security during peak season. In addition, the Port will complete its aerial video downlink system and related protocols that will provide a common operational picture and enhanced coordination with partner agencies on land, sea and air. Radiation and nuclear detection capabilities and commercial truck traffic will continue to be areas of focus throughout the Port complex and surrounding community, as well as emergency preparedness and cyber security training for Port stakeholders. The Port Police will also seek to diversify its Port security grant funding to assist with the accomplishment of its mission.

- **Communication and Employee Development**

Increasing stakeholder and public awareness of both cargo operations as well as the fast-growing LA Waterfront are primary areas of focus. While concentration continues to be placed on maritime and cargo stakeholders in order to maintain and attract new business, there is also a coordinated effort with LA Waterfront stakeholders to promote the emerging recreational, retail and visitor opportunities at and near the Port of Los Angeles.



Port of Los Angeles
(City of Los Angeles Harbor Department)

Fiscal Year 2014/15 Proposed Annual Budget

Together, these outreach efforts will help keep the Port competitive with respect to its primary mission as the nation's premier trade gateway while also promoting efforts to become Los Angeles' newest visitor destination.



The Port will continue to support employee programs such as tuition reimbursement, staff development training, vanpool subsidy, and employee recognition. Approximately \$1.1 million is included in the Proposed Budget for those employee benefits which are targeted at reinforcing the positive workplace culture at the Port. With loyal employees at its roots, the Port's employee recognition, retention, and development programs help to cultivate strong relationships and effective internal communication.

CONCLUSION

The FY 2014/15 Proposed Annual Budget aligns with the Port's Strategic Plan priorities that will enable it to remain competitive and financially strong. It reflects the Port's efforts to prioritize and align capital and operating spending with strategic goals, while at the same time, remaining an environmental steward and strong economic driver for Los Angeles in the face of limited and rising costs of resources. As a result, despite a slow recovering economy, the Proposed Budget continues to reflect an effort to maintain an overall healthy financial condition. With increasing global competition and changes in the shipping industry, the Port's strong financial condition combined with its commitment to its stakeholders as a premier port will enable the Port of Los Angeles to meet the challenges ahead.

*The Port of Los Angeles
A Cleaner Port, A Brighter Future*

City of Los Angeles Harbor Department
Fiscal Year 2014/15 Proposed Annual Budget

HARBOR REVENUE FUND REPORT

RECEIPTS AND CASH

Actual FY 2012/13	Adopted Budget FY 2013/14	Estimated FY 2013/14	Description	Proposed Budget FY 2014/15
\$ 444,354,763	\$ 420,895,678	\$ 351,792,844	Unrestricted Funds Available	\$ 299,402,329
120,821,365	105,830,054	105,765,698	Restricted Funds (1)	98,233,221
565,176,128	526,725,732	457,558,542	Total Cash Available	397,635,550
397,368,162	413,033,965	410,085,220	Operating Receipts	418,399,624
19,605,186	16,354,477	15,766,056	Non-Operating Receipts	8,171,547
17,630,585	115,000,000	113,510,437	Grant Receipts	114,611,440
\$999,780,061	\$1,071,114,174	\$996,920,255	Total Receipts & Cash	\$ 938,818,161

APPROPRIATIONS

Actual FY 2012/13	Adopted Budget FY 2013/14	Estimated FY 2013/14	Description	Proposed Budget FY 2014/15
\$ 109,462,818	\$ 112,112,919	\$ 117,862,000	Salaries and Benefits	\$ 122,467,798
3,091,977	3,834,315	3,703,101	Marketing & Public Relations	3,734,196
1,224,419	963,152	935,900	Travel Expenses	933,201
31,905,429	35,718,365	35,000,000	Outside Services	35,143,500
6,435,974	7,390,317	7,349,214	Materials & Supplies	7,533,272
33,392,831	36,245,805	35,528,773	City Services	36,647,682
(14,109,121)	(12,235,019)	(18,000,000)	Allocations to Capital (overhead)	(16,700,000)
33,764,887	26,059,473	26,175,839	Other Operating Expenses (2)	27,528,516
205,169,214	210,089,327	208,554,827	Total Operating Expenses	217,288,165
18,420,897	17,601,330	40,565,546	Non-Operating Expenses (3)	8,847,354
223,590,111	227,690,657*	249,120,373	Total Operating Budget	226,135,519
50,592,900	42,187,328	54,063,141	Capitalized & Allocated Expenditures	62,950,941
0	0	0	Land & Property Acquisition	0
17,929,177	9,817,304	7,777,375	Equipment	6,029,119
245,011,107	399,913,430	347,000,000	Construction & Capital Improvement	280,963,018
313,533,184	451,918,062	408,840,516	Total Capital Budget	349,943,078
537,123,295	679,608,719	657,960,889	Total Operating & Capital Budget	576,078,597
(45,652,628)		(84,911,184)	Balance Sheet (4)	(25,561,313)
50,750,852	26,235,000	26,235,000	Debt Repayments	29,300,877
542,221,519	705,843,719	599,284,705	Total Regular Budget	579,818,161
	32,015,000		Future Commitments	
542,221,519	737,858,719	599,284,705	Total Adjusted Budget	579,818,161
105,765,698	98,085,765	98,233,221	Restricted Cash	93,000,000
351,792,844	235,169,690	299,402,329	Unappropriated Balance/Carried Forward	266,000,000
\$ 999,780,061	\$ 1,071,114,174	\$ 996,920,255	Total Harbor Department Budget	\$ 938,818,161

Note: Rounding of figures may occur.

- (1) Includes Construction Fund, Debt Service Reserve Fund, China Shipping Funds, Clean Truck Fund, etc.
- (2) Includes equipment rental maintenance, equipment rental, memberships & subscriptions, and taxes & assessments.
- (3) Includes interest expenses, commercial paper liquidity provider fees, debt issuance costs, bond counsel fees, and debt related advisory fees.
- (4) Includes issuance of debt on a net basis, cash payments on employees retirement & health benefits, transactions related to restricted funds, and reversals of non-cash items.

* Includes \$1.0 million Unappropriated Balance transfers approved by the Board in FY 2013/14.

City of Los Angeles Harbor Department
Fiscal Year 2014/15 Proposed Annual Budget
COMPARATIVE STATEMENT OF OPERATIONS

	Adopted Budget FY 2013/14	Proposed Budget FY 2014/15
Operating Revenues		
Shipping Services	\$ 360,127,601	\$ 370,413,771
Rentals	45,376,541	41,584,971
Royalties and Fees	2,038,767	2,319,498
Clean Truck Fees	1,549,711	1,459,130
Other Operating	3,941,345	2,622,254
	<u>413,033,965</u>	<u>418,399,624</u>
Total Operating Revenues		
Operating Expenses		
Salaries & Benefits (net of capitalization)	112,112,919	122,467,798
Marketing and Public Relations	3,834,315	3,734,196
Travel	963,152	933,201
Outside Services	35,718,365	35,143,500
Materials & Supplies	7,390,317	7,533,272
City Services	36,245,805	36,647,682
Allocations to Capital (overhead)	(12,235,019)	(16,700,000)
Other Operating Expenses	26,059,473	27,528,516
	<u>210,089,327 *</u>	<u>217,288,165</u>
Total Operating Expenses		
Income from Operations before Depreciation	202,944,638	201,111,459
Depreciation	110,250,000	120,392,014
	<u>92,694,638</u>	<u>80,719,445</u>
Income from Operations		
Non-Operating Revenues	16,354,477	8,171,547
Non-Operating Expenses	17,601,330	8,847,354
	<u>91,447,785</u>	<u>80,043,638</u>
Net Income	\$ 91,447,785	\$ 80,043,638

Note: Rounding of figures may occur.

* Includes \$1.0 million Unappropriated Balance transfers approved by the Board in FY 2013/14.

CITY OF LOS ANGELES HARBOR DEPARTMENT
FISCAL YEAR 2014/15 PROPOSED ANNUAL BUDGET

REPORT OF REVENUES

REPORT OF REVENUES (3-DIGIT) REPORT #201	ACTUALS FY 2012-13	ADOPTED FY 2013-14	ESTIMATE FY 2013-14	BUDGET FY 2014-15
410 - Dockage	4,688,726	4,903,504	4,718,197	4,904,358
411 - Wharfage	322,707,632	334,695,769	337,092,326	345,180,324
412 - Storage				
413 - Demurrage	228,257	235,839	216,780	216,255
414 - Pilotage	6,954,246	7,342,273	7,455,627	7,621,490
415 - Assignment Charges	13,183,876	12,095,216	12,751,518	12,288,435
417 - Lay Day Fees	112,500	855,000	215,616	202,909
41 - Shipping Services	347,875,237	360,127,601	362,450,064	370,413,771
420 - Land Rentals	38,856,152	42,706,492	38,218,352	38,288,176
421 - Wharf & Shed	484,390	742,879	573,498	576,279
422 - Building Rentals	2,102,776	490,204	1,257,728	1,258,056
423 - Warehouse Rentals	1,446,540	1,436,966	1,462,460	1,462,460
42 - Rentals	42,889,858	45,376,541	41,512,038	41,584,971
430 - Fees, Concessions, & Royalties	3,153,577	3,414,435	3,393,624	3,589,503
431 - Oil Royalties	567,024	174,043	183,617	189,125
43 - Royalties & Fees	3,720,601	3,588,478	3,577,241	3,778,628
490 - Other Operating Revenue	2,882,466	3,941,345	2,545,877	2,622,254
49 - Other Operating Revenue	2,882,466	3,941,345	2,545,877	2,622,254
Total Operating Revenues	397,368,162	413,033,965	410,085,220	418,399,624
710 - Interest Income - Cash Equivalent	5,738,165	5,970,548	2,853,789	2,833,351
71 - Interest Income	5,738,165	5,970,548	2,853,789	2,833,351
720 - Interest Income - Notes	549,459	401,285	401,285	252,842
72 - Interest Income - Notes	549,459	401,285	401,285	252,842
730 - Interest Income - Bonds	847,955	950,644	293,354	293,354
73 - Interest Income - Bonds	847,955	950,644	293,354	293,354
740 - Investment Income	(4,261,368)	1,400,000	2,000,000	2,000,000
74 - Investment Income	(4,261,368)	1,400,000	2,000,000	2,000,000
760 - Non-Operating Revenue	14,259,250	6,032,000	7,887,628	1,692,000
76 - Non-Operating Revenues	14,259,250	6,032,000	7,887,628	1,692,000
790 - Other Non-Operating Revenue	2,471,725	1,600,000	2,330,000	1,100,000
79 - Other Non-Operating Revenues	2,471,725	1,600,000	2,330,000	1,100,000
Total Non-Operating Revenues	19,605,186	16,354,477	15,766,056	8,171,547
Report 201 Total	416,973,348	429,388,442	425,851,276	426,571,171

CITY OF LOS ANGELES HARBOR DEPARTMENT
FISCAL YEAR 2014/15 PROPOSED ANNUAL BUDGET

REPORT OF EXPENSES

REPORT OF EXPENSES (3-DIGIT) REPORT #202	ACTUALS FY 2012-13	ADOPTED FY 2013-14	ESTIMATE FY 2013-14	BUDGET FY 2014-15
510 - Salaries - Regular	60,970,028	62,874,280	66,236,573	67,873,559
511 - Salaries - Overtime	5,724,592	4,519,335	5,096,853	5,578,899
516 - Employee Benefits	41,389,332	42,733,426	44,857,863	47,361,536
517 - Paid Employee Benefits	1,378,866	1,985,878	1,670,711	1,653,804
51 - Salaries and Benefits	109,462,818	112,112,919	117,862,000	122,467,798
520 - Advertising & Public Relations	2,625,045	3,290,315	3,165,928	3,296,896
521 - Domestic Trade Representative	74,128	85,000	85,000	85,000
522 - Foreign Trade Representative	392,804	459,000	452,173	352,300
52 - Marketing & Public Relations	3,091,977	3,834,315	3,703,101	3,734,196
530 - Domestic Travel	528,755	432,727	417,921	432,411
531 - Foreign Travel	186,384	444,650	434,059	416,700
532 - Local Travel	55,608	85,775	83,920	84,090
533 - Credit Card Charges	453,672			
53 - Travel Expenses	1,224,419	963,152	935,900	933,201
540 - Maintenance Services	6,392,425	6,459,322	5,583,578	6,622,515
541 - Office Equipment Maintenance Services	2,505,207	2,969,806	2,854,037	2,962,870
542 - Miscellaneous Professional Services	19,889,547	21,350,946	21,681,480	20,180,118
543 - Data Processing Services	1,406,692	2,348,250	2,602,026	3,297,000
544 - Financial Services	995,757	2,590,041	2,278,879	2,080,997
545 - Construction Services	715,801			
54 - Outside Services	31,905,429	35,718,365	35,000,000	35,143,500
550 - Maintenance & Other Supplies	4,390,604	4,701,554	4,924,007	4,864,517
551 - Administrative & Operating Supplies	2,045,370	2,688,763	2,425,207	2,668,755
55 - Materials & Supplies	6,435,974	7,390,317	7,349,214	7,533,272
570 - City Services	33,392,831	36,245,805	35,528,773	36,647,682
57 - City Services	33,392,831	36,245,805	35,528,773	36,647,682
580 - Allocations	(14,109,121)	(12,235,019)	(18,000,000)	(16,700,000)
58 - Allocations	(14,109,121)	(12,235,019)	(18,000,000)	(16,700,000)
590 - Equipment Rental - Maintenance	408,735	493,250	353,446	438,260
591 - Equipment Rental - Non-Maintenance	(18,806)	104,740	104,740	109,201
592 - Memberships & Subscriptions	508,449	677,094	642,089	575,631
593 - Insurance	3,263,894	3,680,000	3,253,665	3,680,000
594 - Telephone	1,444,260	1,818,070	1,815,811	1,812,763
595 - Utilities	5,377,351	8,121,000	8,328,088	8,476,400
596 - Claims & Settlements	3,550,009	2,350,000	3,418,634	2,350,000
597 - Taxes, Assessments, & Fees	821,384	684,769	662,637	666,551
598 - Provision for Bad Debt	(137,144)		200,000	200,000
599 - Other Operating Expense	18,546,755	8,130,550	7,396,729	9,219,710
59 - Other Operating Expenses	33,764,887	26,059,473	26,175,839	27,528,516
Total Operating and Administrative Expenses	205,169,214	210,089,327 *	208,554,827	217,288,165
610 - Depreciation Expense	108,037,351	110,250,000	114,734,545	120,392,014
61 - Depreciation	108,037,351	110,250,000	114,734,545	120,392,014
820 - Int. Expense - Notes	14,488			
82 - Int. Expense - Notes	14,488			
830 - Int. Expense - Bonds	2,264,964	9,221,109	2,110,278	673,080
831 - Int. Expense - Commercial Paper	193,863	550,000	275,000	260,000
83 - Int. Expense - Bonds	2,458,827	9,771,109	2,385,278	933,080
890 - Other Non-Oper. Expense	15,947,582	7,830,221	38,180,268	7,914,274
89 - Other Non-Operating Expenses	15,947,582	7,830,221	38,180,268	7,914,274
Total Non-Operating Expenses	18,420,897	17,601,330	40,565,546	8,847,354
Report 202 Total	331,627,462	337,940,657	363,854,918	346,527,533

* Includes \$1.0 million Unappropriated Balance transfers approved by the Board in FY13/14.

**City of Los Angeles Harbor Department
Fiscal Year 2014/15 Proposed Annual Budget
Capital Projects Report**

Terminals

<i>Berth 90-93 World Cruise Center</i>	\$ 1,027,975
<i>Berth 100-102 Development (China Shipping)</i>	\$ 2,872,175
<i>Berth 121-131 Development (Yang Ming)</i>	\$ 3,697,008
<i>Berth 135-147 Development (TraPac)</i>	\$ 100,390,674
<i>Berth 212-224 Development (YTI)</i>	\$ 3,632,401
<i>Berth 222-236 Development (Everport)</i>	\$ 5,251,772
<i>Berth 240-267 Development (Unassigned)</i>	\$ 13,009
<i>Berth 300-306 Development (APL)</i>	\$ 3,777,551
<i>Berth 400-409 Development (Maersk/Cut)</i>	\$ 1,253,726
<i>Marine Oil Terminal Engineering Maintenance Standards (MOTEMS)</i>	\$ 11,478,412
<i>Miscellaneous Terminal Improvements</i>	\$ 2,904,488

TOTAL TERMINAL IMPROVEMENTS \$ 136,299,191

Transportation Projects

<i>Transportation Improvements</i>	\$ 107,310,459
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TOTAL TRANSPORTATION PROJECTS \$ 107,310,459

Security Projects

TOTAL SECURITY PROJECTS \$ 3,372,030

Public Access/Environmental Enhancements

<i>Port-wide Public Enhancements</i>	\$ 60,322
<i>Los Angeles Waterfront</i>	\$ 3,870,271
<i>Environmental Enhancements</i>	\$ 923,851

TOTAL PUBLIC ACCESS/ENVIRONMENTAL ENHANCEMENTS PROJECTS \$ 4,854,444

Maritime Services

<i>Harbor Department Facilities</i>	\$ 10,275,222
<i>Miscellaneous Projects</i>	\$ 2,888,887
<i>Unallocated Capital Improvement Program Funds</i>	\$ 15,962,785

TOTAL MARITIME SERVICES \$ 29,126,894

***TOTAL CAPITAL IMPROVEMENT PROGRAM BUDGET (Including Salaries)** \$ 280,963,018

*Excludes overhead, operating equipment and capitalized & allocated expenditures

**City of Los Angeles Harbor Department
Fiscal Year 2014/15 Proposed Annual Budget
Capital Projects Report**

Terminals

Berth 90-93 World Cruise Center

Conceptual design of Customs and Border Protection Improvements will be completed; and design will begin on the Berth 91-93 AMP™ Upgrade and Retrofit this fiscal year. \$ 1,027,975

Berth 100-102 Development (China Shipping)

The Berth 100-102 (China Shipping) Development is a three-phase program to construct a container terminal with 2,500 feet of wharf with AMP™, 134 acres of backland, two bridges and two buildings. Phases 1, IIA, IIB and III are complete. A Marine Operations Building and Crane Maintenance Building are scheduled to begin construction February 2015 with completion in June 2016. \$ 2,872,175

Berth 121-131 - Development (Yang Ming)

The Berth 121-131 (Yang Ming) Development will upgrade a portion of existing container wharves and expand the existing West Basin Intermodal Container Transfer Facility (WBICTF). The wharf upgrades consist of demolishing existing 50-foot gauge wharf and dike, dredging to -53 feet mean lower low water (MLLW), construction of a new 1,260 linear feet wharf, and new gauge crane rails. The WBICTF will add two additional loading tracks for "top pick" operation and accommodate approximately 18 additional rail car spots. Both the wharf upgrades and WBICTF will begin design in spring 2015. \$ 3,697,008

Berth 135-147 Development (TraPac)

The Berth 135-147 (TraPac) Development will redevelop approximately 110 acres of existing container terminal property and develop an additional 50 acres of new property bringing the new terminal to approximately 223 acres. The wharf improvements at Berth 145-147, the AMP™ at Berth 136-139, 144 and 145-147, the Berth 147 Backland - Phase 1A, Berth 145-147 Backland - Phase 1B, and Berth 144-145 - Backland Phase 1C have been completed. Construction of new terminal buildings including a LEED Gold Administration Building, Yard Operations Building, Guardhouse, pedestrian bridge, canopies, guard booth and Driver Service Building; main gate; 72 acres of automated backland development; and the ICTF will continue in Fiscal Year 2014/15. Design will continue on 5 additional acres of backland expansion and a Crane Maintenance Building. \$ 100,390,674

Berth 212-224 Development (YTI)

The Berth 212-221 Development includes backland improvements consisting of pavement repair, 5,600 feet of concrete runway, restriping, and electrical improvements; wharf upgrades consist of dredging to -53 feet MLLW, installation of sheet and king piles, and 1,500 feet of landside crane rail extension; and expansion of the Terminal Island Container Transfer Facility (TICTF) will add an additional load track. Design on these elements will be completed in Spring of 2015. Environmental assessment for these improvements began in February 2013 and is scheduled for completion in November 2014. \$ 3,632,401

Berth 222-236 Development (Everport)

The planning and environmental documents for Berth 226-236 are scheduled for completion in January 2016 (pending term sheet approval). The leak detection and warning system, and the pavement resurfacing and striping work is scheduled to start construction in Fall 2014. The panzerbelt and cable trench upgrade and replacement, and the crane feeder cable upgrade is scheduled for completion in September 2014. \$ 5,251,772

Berth 240-267 - Development (Unassigned)

The Wharf Capacity Assessment at Berths 240 X & 240 Y will be completed this fiscal year.

\$ 13,009

Berth 300-306 Development (APL)

The proposed Berth 301-306 (APL) Development will expand the terminal by approximately 50 acres to a total acreage of 341 and modify existing terminal elements. Scope includes developing approximately 41 acres of new backland for automated operation; constructing approximately 1,250 linear feet of wharf for 100' gauge cranes; AMP™; dredging; constructing a new Power Shop Annex; modifying and expanding existing main gate and secondary gate; relocating tanks; adding reefers; and improving and modifying existing backland areas. Design of the wharf, backland and buildings is pending scope confirmation from tenant. Fender replacement will begin construction in winter 2014.

\$ 3,777,551

Berth 400-409 Development (Maersk/Cut)

Design of a 100 meter tall self-supported meteorological tower will begin design this fiscal year and the pavement repairs are scheduled for completion in summer 2014.

\$ 1,253,726

Marine Oil Terminal Engineering Maintenance Standards (MOTEMS)

Liquid Bulk Oil Cargo Handling Facilities are under the jurisdiction of the California State Lands Commission which mandates that liquid bulk oil facilities be in compliance with State Lands MOTEMS. The berths affected are 148-149, 163, 164, 167-169, 187-191, 238, and 239. Repairs at Berth 163, 164 and 187-190 will be completed in early 2015. Construction of fender replacement at Berth 118-119 will begin in Fall 2014. Design for full MOTEMS compliance is pending approval of individual terminal term sheets.

\$ 11,478,412

Miscellaneous Terminal Improvements

Construction of the wharf rehabilitation at Berth 195-197 will begin in late 2014. The Environmental Impact Report for Berth 206-209 continues in FY 2015.

\$ 2,904,488

TOTAL TERMINAL IMPROVEMENTS \$ 136,299,191

Transportation Projects

Transportation Improvements

Construction will be completed this fiscal year on the Berth 200 Rail Yard, South Wilmington Grade Separation, Berth 200 Rail Yard Track Connections, and Phase III of street improvements on Terminal Island. Construction will continue on the John S. Gibson Intersection and NB I-110 Ramp Access, I-110/SR 47 Connector, and C Street/I-110 Access Ramp Improvements projects.

\$ 107,310,459

TOTAL TRANSPORTATION PROJECTS \$ 107,310,459

Security Projects

The Port Police Tactical Radio Communications Improvements project will be completed late 2014. Construction of the Information Technology Cyber Security Improvements Phase II will begin this fiscal year.

TOTAL SECURITY PROJECTS \$ 3,372,030

Public Access/Environmental Enhancements

Port-Wide Public Enhancement

Design will be completed and construction will begin on a 2,655 foot pathway along Front Street from the Vincent Thomas Bridge to Pacific Avenue this fiscal year.

\$ 60,322

Los Angeles Waterfront

The Los Angeles Waterfront Program envisions infrastructure improvements and development of various land uses including public waterfront and open space areas, commercial development, transportation, and parking facilities. Specific improvements which will be completed this fiscal year include the Downtown Harbor - Landside Improvements, and drainage repair and tree installation at the Fanfare Fountain. Design will begin on the Berth 57 - Wharf Retrofit and Signal Street Improvements project in support of AltaSea Development.

\$ 3,870,271

Environmental Enhancements

Environmental enhancements include the biological surveys of the Los Angeles and Long Beach Harbors, and concept design for the Eelgrass Mitigation at Cabrillo Beach.

\$ 923,851

TOTAL PUBLIC ACCESS/ENVIRONMENTAL ENHANCEMENTS PROJECTS

\$ 4,854,444

Maritime Services

Harbor Department Facilities

Harbor Department Facility improvements include the start of construction of the HVAC replacement, and construction completion of the Berth 161 Marine Ways Modifications, Lighting Fixture Upgrade on the 1st and 2nd floors, Klein Billing System - Phase II, SharePoint 2010 Upgrade, Port Pilots Back-up Generator and Electrical Upgrades and Carpenter Shop Remodel at Berth 161. This year there are a number of department-wide improvements including the purchase of office furniture for the 1st, 2nd, 3rd, and 4th floors of the Harbor Administration Building and for the Berth 161 Administration Building.

\$ 10,275,222

Miscellaneous Projects

Projects listed under miscellaneous are not included in any specific program listed above. Projects included are the Berth 72 Municipal Fish Market Renovation Phase 1, Badger Avenue Bridge Rehabilitation, Henry Ford Avenue - Sewer Lift Station Emergency Generator, Warehouse No. 1 Elevator No. 1 Replacement, B. 84 - Maritime Museum Wharf Rehabilitation and Ports O' Call Village Roof Restoration.

\$ 2,888,887

Unallocated Capital Improvement Program Funds

This category is for unanticipated projects which are initiated throughout the fiscal year. It includes construction services, consultants, hiring hall expenses, materials, equipment, services from other city departments and administrative expenses. It also includes funding for deferred maintenance projects for the Construction and Maintenance Division or to cover fiscal year project shortfalls.

\$ 15,962,785

TOTAL MARITIME SERVICES

\$ 29,126,894

***TOTAL CAPITAL IMPROVEMENT PROGRAM BUDGET (Including Salaries)**

\$ 280,963,018

*Excludes overhead, operating equipment and capitalized & allocated expenditures.



Berth 200 Rail Yard

**South Wilmington
Grade Separation**

**TraPac
Berths 136-147**

**B 214-220 Terminal
Redevelopment**

**B 121-131 Terminal
Redevelopment**

**B 226-236 Terminal
Redevelopment**

**B 306 Terminal
Improvements**

**"C" Street and
I-110 FWY**

**West Basin
China Shipping
B-100-102**

**110 Fwy/47
Harbor Blvd
Ramps**

Downtown Harbor

AltaSea

Capital Improvement Projects



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