



CITY OF LOS ANGELES HARBOR DEPARTMENT

Proposed Annual Budget FY 2026/2027





PORT OF LOS ANGELES

PROPOSED

ANNUAL BUDGET

FISCAL YEAR 2026/27

Los Angeles Board of Harbor Commissioners

Lucille Roybal-Allard, President
Yolanda De La Torre, Commissioner
Edward R. Renwick, Commissioner
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Eugene D. Seroka, Executive Director

Prepared by the Financial Planning & Analysis Division



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

Fiscal Year 2026/27 Proposed Annual Budget

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

The Port of Los Angeles is America's Port®, the nation's premier gateway for international commerce and the busiest seaport in the Western Hemisphere. Handling diverse commodities from avocados to zinc, the Port of Los Angeles features both passenger and cargo terminals, including cruise, container, automobile, breakbulk, dry and liquid bulk, and warehouse facilities that manage billions of dollars' worth of cargo each year.

The Port is recognized globally as a model for security, sustainability, and social responsibility, as well as for its local, national, and international leadership on important maritime issues. It is strongly committed to developing innovative, sustainable operations that benefit the economy, environment, and the quality of life for surrounding harbor communities, with a focus on reducing emissions, enhancing supply chain efficiency, upgrading infrastructure, and transforming the LA Waterfront into a world-class visitor destination.

YEAR IN REVIEW (FISCAL YEAR 2025/26)

The Port of Los Angeles continued its run-up of strong cargo volumes in calendar year (CY) 2025, handling over 10.2 million container units. It was the third best year for cargo volumes in the Port's 118-year history and the third time exceeding 10.0 million Twenty-Foot Equivalent Units (TEUs). These record volumes were helped by extraordinary cargo surges in Q1 and Q2 of CY 2025, as retailers and manufacturers frontloaded cargo to hedge against future tariffs and for other possible changes in U.S. trade policies.

With importer inventories well stocked, cargo levels from January through March 2026 began to return to a more normalized monthly pace. However, the second half of fiscal year 2025/26 was one also fraught with uncertainty and volatility for the world's supply chains, given the U.S. Supreme Court ruling in February 2026 on the illegality of the tariffs, the conflict with Iran that began in March 2026, and other geopolitical developments. Throughout the fiscal

year, Port Executive Director Gene Seroka served as a leading voice for the industry on U.S. tariff and trade policies, frequently speaking about their implications for global supply chains, cargo flow, and the broader trade environment.

The Port's budget priorities in FY 2025/26 focused on generational investment in goods movement infrastructure, technology, community, and the environment. With expectations of future cargo growth and the need to accommodate next-generation cargo ships, the Port advanced several key infrastructure projects in FY 2025/26.

In January 2026, the Port issued a partially revised Environmental Impact Report for the \$96.0 million Maritime Support Facility Access/Terminal Island Rail System Grade Separation, moving the Port one step closer to construction of this new facility that, when built, will serve as a dedicated Terminal Island hub for chassis parking and container pick-up and drop-off. Additionally, the Port finalized a term sheet with Fenix Marine Terminal Services to develop another 40 acres of berth, backland, and new container wharf (1,250 of linear feet) in addition to the on-dock rail expansion currently underway at their terminal. The additional expansion will increase the terminal's capacity by one third. The Port also issued an RFP in October 2025 to evaluate the feasibility of building a new container terminal at Pier 500. If built, the new stand-alone marine container terminal would add 200 acres and 3,000 linear feet to the Port's wharf space capacity.

Work moved forward on transportation and technology infrastructure as well, including the \$130.0 million State Route (SR) 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration project to reconfigure and build new on- and off-ramps in and around the Vincent Thomas Bridge to improve traffic flow. Funds from an \$8.0 million California Governor's Office of Business and Economic Development (GO-Biz) grant were also expended this past year to expand data access through the Port Optimizer™—the Port's signature technology infrastructure platform for cargo planning—to include Port of Long Beach terminals.



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During FY 2025/26, the Port celebrated several community milestones benefiting the LA Waterfront. In February 2026, Port officials broke ground on the \$153.5 million Wilmington Waterfront Avalon Pedestrian Bridge and Promenade Gateway project that will provide direct access to the Wilmington Waterfront Promenade when completed in 2028. The Port also began plans for the grand opening of the \$450.0+ million West Harbor commercial redevelopment on the LA Waterfront, currently slated for 2026. This past year, the Port handled 241 cruise ship calls for a record 1.6 million passengers, with more growth expected in the future. The Port welcomed Royal Caribbean’s Quantum of the Seas, which will be sailing year-round from the Port. In addition, the Port has Virgin Voyages sailing from Los Angeles for the first time with 6 voyages this fiscal year and are scheduled for 12 more in FY 2026/27. Planning also got underway as the Port prepares to host sailing events for the 2028 Olympics.

On the environmental front, the Port’s annual emissions report presented in October showed that the Port had achieved the lowest emissions on a per-TEU basis than any previous year. Projects expected to help further those gains include a landmark Collaborative Agreement with the South Coast Air Quality Management District (SCAQMD) to develop Zero Emissions (ZE) infrastructure signed in November. The \$411.7 million EPA Clean Ports grant—in addition to the \$232.5 million match from the Port and its private sector partners—will also bring more ZE equipment to Port terminals in the future as well. The Clean Rate Truck Fund program, through which the Port collects fees for the purchase of newer, cleaner trucks and the infrastructure to support those trucks has a projected expenditure of \$10.9 million in FY 2025/26.

In March 2026, the Board of Los Angeles Department of Water and Power (LADWP), as the lead agency per California Environmental Quality Act (CEQA), approved the Mitigated Negative Declaration for the Zero Emission Port Electrification and Operations (ZEPEO) project marking a major milestone for the Port’s ZEPEO project. Staff plan to seek Board of Harbor Commissioners’ approval for the ZEPEO

Memorandum of Understanding between the Los Angeles Department of Water and Power and the Port in May 2026.

In November 2025, the Port experienced an unprecedented ship fire in its harbor. Because of the quick actions of many heroic first responders and stakeholders, the fire did not cause any fatalities, air emissions were kept below dangerous thresholds, and Port terminals were back and fully operational within 24 hours.

In December 2025, the Port’s Director of Cargo Marketing, Eric Caris, retired after 24 years at the Port of Los Angeles. Christopher Chase was promoted to be his replacement.



Cargo Volumes

Several economic factors—such as tariff threats, trade policy volatility and the conflict with Iran— injected significant uncertainties into the supply chain and pace of Port cargo for the year. To hedge against potential tariffs, importers accelerated shipments and stockpiled goods in the first half of CY 2025, helping push the Port to its third best year for cargo volumes on record, with a total of 10.2 million TEUs for the 2025 calendar year. With importer inventories well-stocked, cargo volumes August through December 2025 began to return to more normalized levels.



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The more normalized cargo pace continued for the first half of 2026, with volumes from January through March remaining steady, yet coming in overall lower by 4.6% when compared to the surge-induced cargo levels over that same period the previous year. From July 2025 through March 2026, loaded imports came in at 4,004,624 TEUs, 4.0% less than last year. Loaded exports for that same period landed at 1,062,183 TEUs, a 0.8% increase compared to the previous fiscal year. The Port handled 2,605,543 empty container units, 8.4% less than last year.

Goods Movement Infrastructure

Steady investments in terminal and supporting infrastructure are critical to ensuring the Port’s long-term global competitiveness, accommodating future growth, and improving both efficiency and sustainability. In FY 2025/26, the Port moved forward on a number of projects in support of this objective.

UNDER CONSTRUCTION:

- **Berths 302-305 On-Dock Rail Expansion** – This project will expand an existing railyard and capacity at Berths 302-305, adding approximately 16,200 linear feet of railroad track, five new loading tracks and one tail track. Infrastructure upgrades will include rail signal improvements; powered turnouts, power derails, new track bumpers, blue flag protection, and train-in-motion system expansion; storm drain and low impact developments; and waterline and electrical improvements including high mast pole fixtures. Construction at this terminal—which is operated by Fenix Marine Services—began in April 2025 and is expected to be completed in March 2027. The project cost is estimated at \$73.8 million, including \$18.2 million in grant funding from the U.S. Department of Transportation Maritime Administration (MARAD) and \$19.2 million from the Trade Corridor Enhancement Program (TCEP).

- **SR 47/Vincent Thomas Bridge & Front St./Harbor Blvd. Interchange Reconfiguration** – This \$130.0 million reconfiguration project will replace an existing southbound SR 47 off-ramp from the Vincent Thomas Bridge, currently located on the south side, with a new off-ramp located on the north side. Additional improvements include a new on-ramp to the northbound I-110; modifying the northbound SR 47 off-ramp onto Harbor Boulevard; and modifying the northbound SR 47 on-ramp onto the bridge toward Terminal Island. Construction began in March 2024 and is expected to be completed in November 2026. Grant funding includes \$49.3 million from Metro Measure R; \$9.9 million from the US Department of Transportation Port Infrastructure Development Program; and \$13.4 million from TCEP.



- **Terminal Island Facilities Demolition and Improvements** – Construction of this project kicked off in February 2026, and involves 1050 South Ways Street Starkist Demolition and Storage Lot Conversion; South Seaside Avenue Storm Drain Restoration; Southwest Marine Administration Building Demolition and Pavement Improvements; Berth 209 Container Freight Station Building Demolition and Pavement Improvements; and 1025 South Seaside Avenue Demolition and Lot Conversion. Work also includes asbestos abatement, lead remediation,



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project site grading and paving, removal/disposal of chemically impacted soil, and installation of permanent perimeter fencing and lighting, as well as storm drain system construction. The project makes land available for lease. Construction is slated for completion in May 2027 at a cost of \$26.5 million.

- Berths 238-239 (MOTEMS) PBF Energy** – This \$39.3 million project got underway in 2025 and involves construction of a new MOTEMS regulation-compliant marine oil terminal at Berth 238 to protect public health, safety and the environment. The new terminal will consist of a new 125 by 58-foot unloading platform at Berth 238, berthing dolphins, mooring dolphins, catwalks, and an access ramp. The project will also require the demolition of the two existing unloading platforms located at Berths 238 and 239, and other existing mooring and berthing dolphins. The project will also include a new 30-year lease and is expected to be completed in March 2027.
- Berths 49-51 Outer Harbor Cruise Development** – Construction began in February 2026 and will be completed in December 2028. This \$80.4 million project will install an AMP® system for cruise ships at Berths 49-51. The project also includes concrete wharf repairs, hybrid fender backing panels, foam-filled fendering system, utility work, and improvements to pedestrian and vehicular access for current cruise operations.
- Harbor Administration Building (HAB) HVAC Replacement** – Started in 2025, this \$19.5 million project is replacing the heating, ventilation, and air conditioning (HVAC) system at HAB with an electric system. The project is in response to the City of Los Angeles policies and commitment for zero carbon in major renovation of buildings. Completion is expected in March 2027.

IN DESIGN:

- Port of Los Angeles Goods Movement Workforce Training Facility** – This \$150.0 million training center will be the first in the U.S. dedicated to the goods movement industry. The facility will replicate goods movement environments like marine cargo terminals to provide a safe training environment for workers. In addition, the facility will provide the region's workforce with skills to succeed in careers that utilize new and cleaner human-operated technologies. Project funding includes \$110.0 million of direct funding from the State of California.



- Maritime Support Facility Access/Terminal Island Rail System Grade Separation** – This \$96.0 million project will add a four-lane, rail-roadway grade separation, and eliminate significant truck access impediments into the proposed Terminal Island Maritime Support Facility (TIMSF). It will connect the facility to Terminal Way, Ferry Street and Pier 300. Construction is expected to begin in June 2027 and be completed in February 2029. The project will be covered by grant funding approximating 36.5% of the total cost, with monies coming from the US Department of Transportation RAISE program (\$20.0 million) and from TCEP (\$15.0 million).



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- Terminal Island Maritime Support Facility (TIMSF)** – This \$270.1 million chassis support facility will span approximately 70-80 acres. Construction will involve grading, paving, power, lighting, fire protection, perimeter fencing, utilities, roadability canopy, longshore restrooms, guard booths, and a roadway connecting to the future Maritime Support Facility Access/Terminal Island Rail System Grade Separation. In January 2026, the Port released a Partially Revised and Recirculated Draft Environmental Impact Report (RDEIR) for the project. Construction is slated to begin in spring 2027 and be completed in March 2029. The California State Transportation Agency (CalSTA) provided a \$149.3 million grant toward the project, covering 55.3% of expected costs.
- Navy Way and Seaside Avenue Interchange Improvements** – This \$65.7 million project will modify the intersection of Navy Way and Seaside Avenue to improve traffic operations and safety. The project would eliminate left turns and make other improvements to reduce collision potential at this intersection. Improvements will include an auxiliary lane for westbound traffic, elimination of a traffic signal at an intersection, a new eastbound collector-distributor road, and widening of a westbound highway bridge over Port rail tracks. Construction is expected to start in September 2027, with completion in February 2030. Project funding includes a \$41.8 million grant from CalSTA, which will cover 63.6% of the project costs.
- Berths 167-169 (MOTEMS) Shell Phase 2** – This \$44.8 million project will involve demolition of the remaining existing timber wharf at Berth 169 and completion of catwalks. Work will begin once Shell moves its operations to the new wharf constructed at Berth 168 and decommissions the old wharf at Berth 169. Construction is slated to start in September 2026 and finish by March 2028.
- Zero Emissions Port Electrification and Operations (ZEPEO) Program** – Working with the LADWP, the Port plans to supply future power

demand requirements throughout the Port complex for ZE Container Handling Equipment (CHE) operations, which will help the Port meet the 2017 San Pedro Bay Ports Clean Air Action Plan (CAAP) goal of transitioning to 100% ZE CHE by 2030. This \$715.0 million program—of which LADWP will fund \$107.6 million—will provide 34.5 kilovolts (kV) medium-voltage power for the ZEPEO project by expanding Receiving Station-C (RC-C) and Receiving Station-Q (RS-Q), adding three new switching stations (Reeves, Basin, and Cabrillo), and constructing corresponding 34.5 kV underground distribution pathways/circuits to all container terminals and the outer harbor cruise terminal to meet projected electrical loads of 213 megavolt-amperes (MVA) by 2030 and 306 MVA by 2035. Construction is expected to start in 2026.

- Berths 195-199 – WWL Terminal Alternative Maritime Power (AMP®)** – This \$17.7 million project will construct one AMP® vault at the WWL auto terminal, including associated infrastructure and power service from the LADWP. The AMP® electrical service and vault will be compliant with international standards and allow auto carriers to connect to AMP® while at berth, in compliance with California Air Resources Board standards. The U.S. Environmental Protection Agency (EPA) Clean Ports Program (CPP) awarded \$16.0 million in grant funding towards the project. Staff is currently redesigning the project to minimize adverse operational impacts to WWL, and will update the cost estimate and schedule accordingly.





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PROPOSED:

- Pier 500 Marine Container Terminal Project** – In October 2025, the Port issued a Request for Proposal from interested parties to participate in the pre-development of Pier 500, a proposed new stand-alone marine container terminal along the Pier 400 Channel. The selected entity would enter into a public-private pre-development agreement with the Port to scope the project’s financial feasibility, procure entitlements, and handle other requirements needed before implementation and build-out of the project.

Digital Infrastructure

Advancing its digital infrastructure remains a critical focus for the Port. Central to that has been the Port Optimizer™ technology data portal. Introduced at the Port in 2017, the portal digitalizes maritime shipping data for cargo owners and supply chain stakeholders through a secure single access point, enhancing cargo predictability and planning. The Universal Trucking Appointment System, which was recently added to further streamline time slot utilization and improve terminal workflow by truckers serving the Port, has improved gate usage by 20%.

This past year, the Port continued its work to accelerate the development and deployment of three new Port Optimizer™ enhancement tools, made possible through an \$8.0 million GO-Biz grant from the State of California awarded in 2024. Enhancements include new additions to the Universal Trucking Appointment System, development of a new California Ports Mobile Application (CalPorts), and creation of a single online gateway for collecting carbon impacts of port operations (Carbon Intensity Gateway). In addition to the \$8.0 million grant from the State of California, the Port previously received a \$3.0 million grant from the FHWA for the development and operation of the Port Optimizer™, including the build out of the Gateway Project module.

Cybersecurity

In FY 2025/26, the Port continued its focus on protection against cybersecurity risks and disruption threats to both Port operations and the overall supply chain. This involved ongoing operations and enhancements at the Port’s Cybersecurity Operations Center (CSOC) and Cyber Resilience Center (CRC). The Port’s cybersecurity efforts continued to show success in 2025, blocking more than 1.05 billion intrusion attempts — from network exploitation to malware, ransomware, and phishing schemes.

Community Infrastructure & Engagement

In his State of the Port speech in January 2026, Port Executive Director Gene Seroka reiterated the Port’s focus and commitment to investing in the Port’s surrounding LA Waterfront communities. Central to that commitment has been the Port’s Public Access Investment Plan (PAIP), a program that reserves 10% of the Port’s operating income annually for public access projects. Progress was made on a number of community projects this past year.

UNDER CONSTRUCTION:

- Avalon Pedestrian Bridge and Promenade Gateway Project** – This \$153.5 million project will transform 12 acres of former industrial land into open space that features a landscaped entry plaza, historic walk and overlook, an open terrace seating area, pedestrian pathways, community gathering areas, two parking lots, one restroom, and a 40-foot-tall architectural sundial. The 380-foot-long, cable-stayed arch pedestrian bridge will offer a safe crossing point over working rail operations, and directly connect to the recently completed Wilmington Waterfront Promenade. Construction began in March 2026 and is slated for completion in August 2028. Grant funding for the project is expected to exceed 37.3% and



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includes \$10.2 million from Metro Measure M/South Bay Cities Council of Governments; \$42.1 million from the California State Transportation Agency; and \$5.0 million from Federal Highway Administration (FHWA).



- **West Harbor** – Work continued on this 42-acre redevelopment, which will feature ample outdoor space for restaurants, retail, fresh markets, office space, waterside activities, and an open-air amphitheater for live entertainment. The developers, Jerico Development and the Ratkovich Company, are expected to invest approximately \$300.0 million in this redevelopment, currently scheduled to open in 2026.

IN DESIGN:

- **San Pedro Waterfront – Harbor Boulevard from San Pedro Slip (S.P. Slip) to 22nd Street** – This \$22.0 million project includes the design and construction of a reconfigured and expanded Harbor Boulevard (formerly known as Sampson Way) to include two travel lanes in each direction, a scenic pedestrian walkway, and pedestrian access from S.P. Slip to 22nd Street. Improvements include utility removals and relocations, street work, grading, paving, striping, lighting, street trees, landscaping and a

scenic pedestrian walkway. Construction will begin in December 2026, with completion expected in November 2027.

- **208 East 22nd Street Parking Lot Improvements** – This \$31.8 million project will develop and redevelop 17.5 acres at the 208 East 22nd Street parking lot creating up to 2,350 parking stalls. Improvements include grading, paving, drainage, lighting, security fencing, and additional entrances and pay stations. Construction is slated to begin in December 2026 and be completed in November 2027.

Community Grants Program

Since 2014, the Port’s Community Grants Investment Program has been instrumental in supporting many local organizations. During FY 2025/26, the Port approved \$1.8 million in grants to 47 non-profits under the program. Since its creation, the program has awarded \$14.3 million to 422 community organizations undertaking initiatives benefiting the communities of the Los Angeles Harbor area.

Environment & Sustainability Investments

Building on its goal to be the first ZE port complex in the world, the Port continued to make emission reductions and sustainability improvements a central focus in FY 2025/26. Several milestones included:

- **Annual Inventory of Air Emissions** – The Port continues to deliver clean air gains and reduce pollution from all sources moving cargo through its gateway. In its annual Inventory of Air Emissions issued in October, the Port recorded its best year ever for reducing emissions on a per container basis in CY 2024, even as the Port saw a 19% year-over-year increase in container volume during those 12 months. The 19% year-over-year jump in container volume is the largest annual percentage increase in Port history. The increase led to single digit increases of DPM and



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GHG emissions, both up 8% and SOx up 5% from 2023. NOx emissions remained flat at their 2023 level.

- SCAQMD Cooperative Agreement** – In November 2025, the Port entered into a landmark cooperative agreement with the SCAQMD, along with the Port of Long Beach, to accelerate development and implementation of ZE technology and infrastructure at both ports. The agreement covers all major port emission source categories, including cargo handling equipment, harbor craft, trucks, trains and ocean-going vessels, and calls on both ports to develop comprehensive ZE infrastructure plans in three phases, starting with a draft plan in May 2027. Approved plans for all emission categories are required under the agreement by the end of 2029.
- U.S. EPA's Clean Ports Program** – Work continued in FY 2025/26 on this Clean Ports initiative to support the Port's transition to ZE cargo handling equipment and infrastructure. Funding from the EPA Clean Ports Grant is going toward the purchase of battery-electric, human-operated ZE cargo-handling equipment; installing new ZE charging ports and other related infrastructure to charge new ZE cargo handling equipment; and deploying up to 250 battery-electric drayage trucks. The grant will also provide \$50.0 million for a community-led ZE grant program, workforce development, and related community engagement activities led by the Harbor Community Benefit Foundation.
- Clean Truck Fund Rate (CTFR)** – The Clean Truck Fund Rate (CTFR) program was initiated in April 2022 to help accelerate the development of ZE technology by collecting a rate of \$10 per twenty-foot equivalent unit (TEU) on loaded import and export cargo containers hauled by drayage trucks entering or leaving container terminals at the San Pedro Bay Port Complex. CTFR revenue supports incentives for the purchase of ZE drayage trucks and related charging infrastructure. Since April 2022 through

June 2026, the Port of Los Angeles anticipates collecting approximately \$182.0 million in revenue under the program. The Port of Los Angeles (POLA) Truck Voucher Incentive Program has funded the purchase of 185 ZE trucks. There are 226 truck vouchers worth a total of \$17.3 million that are still pending ZE truck delivery as of April 2026.

- Berth 55 ZE Forklift Conversion** – The Port's fruit terminal operated by SSA Marine at Berth 55 completed a conversion of its entire fleet of 44 heavy duty forklifts to battery electric power. The project represents the Port's first terminal to fully transition to ZE cargo-handling equipment.
- ZE Harbor Craft Testing** – Progress continued on this \$31.0 million initiative to begin emission-reduction technology demonstration projects for specialized harbor craft. The project involves testing and evaluation of two different harbor craft emission-reduction technologies, and a comprehensive evaluation of next-generation, less-polluting harbor craft. The Port and its partners, Catalina Channel Express and Harbor Breeze Corp., received \$31.0 million from the California Air Resources Board (CARB) for the project, in addition to matching funds from the two partnering companies of \$30.0 million. The Port is contributing a match share as part of the Technology Advancement Program (TAP) as well.

FY 2026/27 PROPOSED ANNUAL BUDGET OVERVIEW

The Harbor Department's FY 2026/27 Proposed Budget was developed during a period of continued global uncertainty shaped by geopolitical conflict in the Middle East, energy market volatility, evolving trade policies, and shifting supply chain dynamics. Throughout these challenges, the Port of Los Angeles has continued to demonstrate the resilience, adaptability, and operational strength that has defined the organization for more than a century. Cargo remains the lifeblood of the U.S. economy, supporting American manufacturers, retailers,



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farmers, businesses, and consumers, and the Port continues to serve as a critical gateway connecting the nation to the global marketplace. The Port's continued success is made possible through the combined efforts of longshore workers, truck drivers, terminal operators, labor unions, rail providers, shipping lines, logistics partners, and Harbor Department employees who together keep cargo moving efficiently through the nation's supply chain. Through periods of uncertainty caused by supply chain disruption, inflationary pressure, and changing global trade patterns, the Port has remained the busiest container port in the Western Hemisphere for the 26th consecutive year while continuing to strengthen its role as a major economic driver for California and the nation.

Fiscal Year 2024/25 concluded with approximately 10.5 million TEUs, representing the third-highest annual cargo volume in Port history and continuing a period of historic cargo strength in which the Port's three highest-volume years have all occurred within the past five years. Much of this elevated activity was driven by cargo frontloading as importers accelerated shipments ahead of anticipated tariff increases and ongoing trade uncertainty. While the FY 2025/26 Adopted Budget was developed conservatively based on 8.2 million TEUs due to uncertainty surrounding tariffs and global trade conditions, stronger-than-anticipated cargo activity during the first portion of the fiscal year has resulted in a revised projection of 10.0 million TEUs by year-end. Looking ahead to FY 2026/27, the Port projects cargo volumes of 9.3 million TEUs as global economic conditions continue to stabilize amid elevated inventories, geopolitical uncertainty, and moderated cargo demand.

Despite lower cargo volume projections in FY 2026/27, the Harbor Department remains in a strong financial position supported by prudent fiscal management, stable revenues, and strategic long-term planning. Projected operating revenues remain stable at \$826.2 million, supported primarily by wharfage and rental revenues, including CPI-based escalators contained within leases and permits. The FY 2026/27 Proposed Operating Expense Budget of \$451.5 million marks a 5.7% increase from the FY

2025/26 Adopted Budget. Despite continued inflationary pressures, rising utility and maintenance costs, and ongoing investments in cybersecurity, technology, and environmental initiatives, the Harbor Department has remained focused on controlling expenditures through prudent fiscal management, operational efficiencies, and careful prioritization of resources while continuing to support critical Port operations and strategic initiatives.

The FY 2026/27 Proposed Budget includes a Capital Improvement Program totaling \$302.2 million, representing the Port's highest level of capital investment since FY 2013/14 as multiple projects move from planning and design into active construction. These investments reflect the Port's continued focus on expanding capacity, improving operational efficiency, strengthening supply chain resilience, enhancing sustainability, and supporting long-term economic competitiveness.

The Port's FY 2026/27 Proposed Budget reflects the Port's commitment to building bigger, smarter, and more sustainably through investments in advanced cargo-handling technology, operational efficiency, improved rail and truck connectivity, and ZE infrastructure. Environmental sustainability remains central to the Port's vision, with the continued goal of being the greenest and cleanest ports in the world. Building upon decades of progress through the CAAP, the Port will continue investing in ZE technologies, electrical infrastructure upgrades, clean energy initiatives, and sustainable goods movement projects aimed at reducing emissions while supporting operational growth. These efforts include investments in battery-electric cargo-handling equipment, charging infrastructure, clean trucking initiatives, shoreside power expansion, cleaner rail technologies, alternative marine fuels, and Green Shipping Corridor partnerships with international ports and industry stakeholders. Through these initiatives, the Port continues to demonstrate that operational efficiency, economic growth, and environmental sustainability can advance together.

As part of building smarter, the Proposed Budget also continues investments in technology and



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infrastructure projects that improve cargo movement efficiency and strengthen supply chain coordination throughout the San Pedro Bay port complex. These efforts include continued advancement of the Port Optimizer™ system and related digital platforms that provide enhanced cargo visibility, operational forecasting, truck appointment coordination, and supply chain analytics for Port stakeholders. In addition, the Proposed Budget includes continued funding for cybersecurity and data infrastructure investments that support the Port’s Cyber Security Operations Center and help protect critical systems supporting maritime commerce.

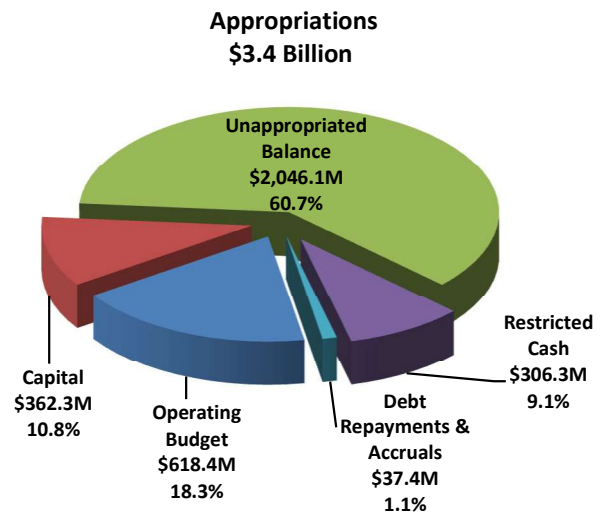
Recognizing that the Port’s long-term success is directly connected to its workforce and surrounding communities, the FY 2026/27 Proposed Budget also supports continued investment in workforce development and public access initiatives. The Port will continue advancing the Workforce Training Campus in partnership with the ILWU, PMA, and the California Workforce Development Board to support training opportunities for the next generation of maritime and logistics workers while providing up-skilling opportunities for the existing workforce. The Proposed Budget also includes significant investment in waterfront and community development projects, which will enhance access to the waterfront and strengthen community connectivity.

As in previous years, the Port has used the four strategic objectives outlined in the 2026-2030 Strategic Plan as a guide when developing the budget:

1. *World-Class Infrastructure that Promotes Growth*
2. *An Efficient, Secure, and Environmentally Sustainable Supply Chain*
3. *Improved Financial Performance of Port Assets*
4. *Strong Relationships with Stakeholders.*



The FY 2026/27 Proposed Budget includes Capital, Operating, and other appropriations totaling \$3.4 billion.



To support the daily operations of the Harbor Department in FY 2026/27, \$451.5 million has been allocated for the Operating Expense Budget. This includes funding for activities such as ensuring the safe flow of ship traffic within the Los Angeles Harbor; maintaining Port facilities and infrastructure; providing public safety in support of goods movement; performing property management; operating the cruise center; and assessing the environmental impacts of Port activity. Additionally,



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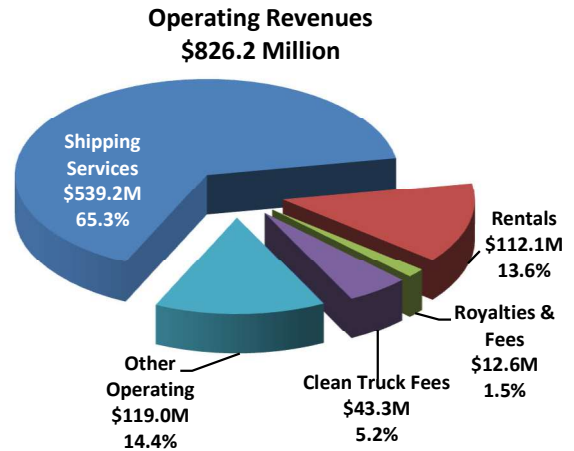
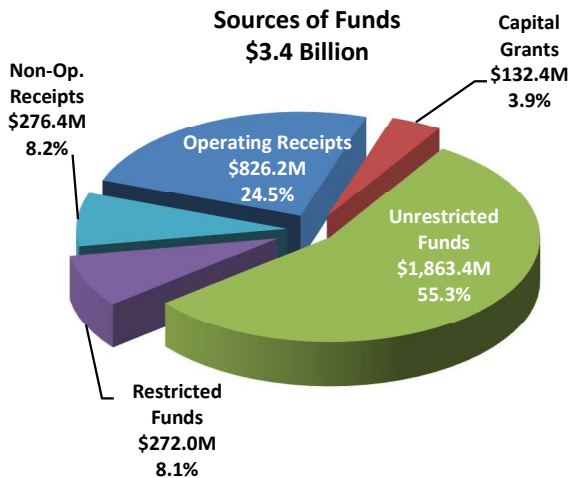
the Operating Expense Budget will fund initiatives aimed at strengthening the Port’s relationship with its stakeholders, decarbonizing the maritime industry, investing in programs that create jobs, and improving supply chain efficiencies, among others. In addition to the Operating Expense Budget, \$168.5 million has been budgeted for Depreciation Expense and \$166.9 million has been budgeted for Interest Expense and Other Non-Operating Expenses for a total Expense Budget of \$786.9 million.

With a total Capital Budget of \$362.3 million, the Harbor Department will continue the process of modernizing the Port’s container and cruise terminals, enhancing public access infrastructure at the Waterfront, improving transportation in and out of the Port, and making environmental and security enhancements. Rounding out the remainder of the Proposed Budget appropriations are \$2.0 billion in unappropriated funds, \$306.3 million in restricted cash, and \$37.4 million in debt repayments and accruals. The Proposed Budget is projected to create approximately 6,200 direct and indirect jobs (not including Harbor Department employees), of which 5,000 are attributable to capital spending.

is anticipated to comprise the largest portion of the \$826.2 million in projected total Operating Receipts. Total receipts will continue to be augmented by \$132.4 million in Capital Grant Receipts and \$276.4 million in Non-Operating Receipts such as federal grant revenue, interest/investment income, and pass-through grants. Total cash of \$2.1 billion, comprised of \$1.9 billion in unrestricted funds and \$272.0 million in restricted funds, is anticipated to be available within the Proposed Budget. This level of total cash available represents an 11.0% increase relative to total cash of \$1.9 billion available at the beginning of FY 2025/26. To ensure that the Port maintains its strong financial position and to comply with the financial policy approved by the Board of Harbor Commissioners, minimum levels of cash reserves for debt service coverage will be maintained.

OPERATING BUDGET

Operating Revenues



The Capital, Operating, and other appropriations included within the Proposed Budget will be funded through \$3.4 billion in receipts and cash-on-hand. Operating Receipts will continue to be driven by cargo-related activities as Shipping Services revenue

The Proposed Budget projects total Operating Revenues of \$826.2 million, reflecting a 25.6% increase relative to the FY 2025/26 Adopted Budget and an 8.6% increase compared to the FY 2025/26 Forecast. As part of the Proposed Budget, cargo volumes of 9.3 million TEUs are anticipated to be processed in FY 2026/27. This level of cargo volumes represents a 13.4% increase relative to the 8.2 million



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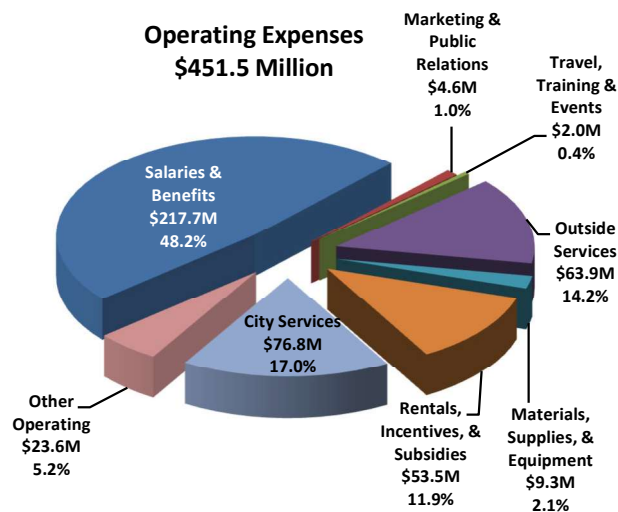
TEUs assumed in the FY 2025/26 Adopted Budget, but a 7.0% decrease relative to the 10.0 million TEUs assumed in the FY 2025/26 Forecast.

In FY 2026/27, Shipping Services revenues are projected to comprise 65.3% of Operating Revenues and remain their largest component, followed by Other Operating Revenues at 14.4%, Rentals at 13.6%, Clean Truck Fees at 5.2%, and Royalties and Fees at 1.5%. Relative to the FY 2025/26 Adopted Budget, FY 2026/27 Shipping Services revenues now represent a slightly smaller share of total Operating Revenues, primarily due to a significant increase in Harbor Maintenance Tax (HMT) receipts which are recorded within Other Operating Revenues.

The 25.6% increase in FY 2026/27 Operating Revenues relative to the FY 2025/26 Adopted Budget is largely attributable to higher HMT receipts and Shipping Services. HMT receipts are anticipated to increase from the \$6.0 million budgeted in FY 2025/26 to \$85.0 million proposed in FY 2026/27 due to higher funding allocations to donor ports. The increase in Shipping Services revenues relative to the FY 2025/26 Adopted Budget is expected to be driven by higher cargo volumes and continued growth in cruise passengers. Clean Truck Fees and AMP® Reimbursements similarly increased relative to the FY 2025/26 Adopted Budget due to higher cargo volumes. These increases are expected to be partially offset by lower Rental Revenues stemming from the planned sale of Westrec Marina to a third party.

Relative to the FY 2025/26 Forecast, the 8.6% increase in FY 2026/27 Operating Revenues is largely attributable to higher projected HMT receipts and cruise wharfage. These gains are expected to be partially offset by lower container wharfage and Clean Truck Fees driven by lower cargo volumes as well as reduced Rental revenues due to the expected Westrec Marina sale.

Operating Expenses



The FY 2026/27 Proposed Budget includes total Operating Expenses of \$451.5 million, which represents a 5.7% increase relative to the FY 2025/26 Adopted Budget and 10.3% increase relative to the FY 2025/26 Forecast. The increase in total Operating Expenses relative to the FY 2025/26 Adopted Budget is a result of higher spending in almost all budget categories partially offset by higher Overhead Allocations to Capital, which are indirect expenses that support the global Capital Improvement Program (CIP), and lower spending for Port Optimizer™ development and materials and supplies for the Maintenance Improvement Program (MIP).

The largest component of the Port's Operating Expense Budget is Salaries & Benefits with a proposed budget of \$217.7 million (net of \$16.6 million in direct capitalization), or 48.2% of the total Operating Expense Budget. Relative to the FY 2025/26 Adopted Budget, there is an increase of \$8.2 million, or 3.9%, resulting from employee memorandum of understanding (MOU) mandated increases to salaries, salary step increases, position upgrades, and the addition of four new full-time positions; higher pension and health care contributions; and higher bonuses. These increases are partially offset by



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higher Salary and Benefits savings rate, which is aligned with currently forecasted staffing levels.

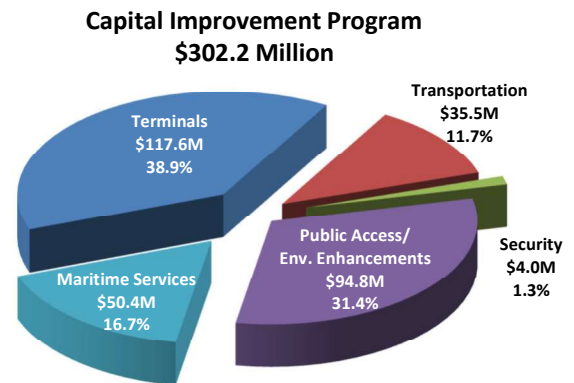
The two other service-related budget categories within the operating budget are City Services and Outside Services. City Services – services provided to the Harbor Department by other City of Los Angeles departments such as the Fire Department, Recreation & Parks, and the Office of the City Attorney – totaling \$76.8 million or 17.0% of total operating expenses will be increasing by \$4.1 million or 5.7% relative to the FY 2025/26 Adopted Budget. Outside Services – services provided to the Harbor Department by consultants and professional/technical service providers – totaling \$63.9 million or 14.2% of total operating expenses will be decreasing by \$0.7 million or 1.1% relative to the FY 2025/26 Adopted Budget. This decrease in Outside Services is largely attributed to lower spending for Port Optimizer™ development partially offset by increases to cruise center operation and overflow facilities, and the Residential Sound Insulation (RSI) Program.

Funding for the Rentals, Incentives, & Subsidies budget category will be increasing by \$16.6 million or 44.8% largely due to a 121.7% increase to the Clean Truck Fund Rate program from \$9.0 million in FY 2025/26 to \$20.0 million in FY 2026/27 and a 28.1% increase to container incentives. Within Other Operating Expenses, which includes Allocations to Capital, a \$3.6 million or 13.1% decrease relative to the FY 2025/26 Adopted Budget results largely from higher Allocations to Capital partially offset by higher spending for electricity, water services, claims and settlements, and provisions workers’ compensation.

For the Marketing & Public Relations budget category, there is a slight increase of \$0.2 million, or 4.1% due to higher funding for Government/Community Promotional expenses. Also, there is a \$0.1 million or 5.9% increase within the Travel, Training & Events budget category for new and increased funding for travel related to training and conferences. Finally, there is a \$0.6 million or 5.8% decrease within the Materials, Supplies, & Equipment category due to decreased spending for parts and materials within the Maintenance Improvement Program.

CAPITAL IMPROVEMENT PROGRAM

The FY 2026/27 Proposed Capital Budget of \$302.2 million reflects the objectives set forth by the Port’s 2026-2030 Strategic Plan. The projects funded in FY 2026/27 will enable the Port to continue developing world-class infrastructure for container, cargo, and cruise terminals; ensure that the Port’s marine oil terminals meet engineering and maintenance standards; make transportation improvements to promote efficient movement of goods; invest in environmental enhancements and ZE technology at the Port’s terminals; deliver public access projects to the local community; and implement systems to enhance security at the Port. The CIP represents 10.8% of the department’s total budget and includes \$302.2 million in direct project costs, \$35.6 million in overhead allocations, and \$24.5 million in capital equipment.



Terminal Improvement Projects

Comprising 38.9% of the FY 2026/27 Proposed CIP Budget, Terminal Improvement Projects total \$117.6 million.

As the cruise industry continues to grow, \$39.9 million is allocated for upgrades at the Cruise Terminals. To accommodate a range of vessel classes and comply



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with California Air Resources Board (CARB) At-Berth Regulations, a new 11kV AMP® system will be installed at Berths 49–51. Additional upgrades at the World Cruise Center include roof replacement; installation of a new AMP® vault and AMP® Mobile Cart to meet CARB requirements; corrosion mitigation of vehicular ramps through repair of water-damaged areas, recoating of exposed steel, and installation of a drainage system; and improvements at Berths 90–93.

The budget includes over \$30.2 million for an on-dock railyard expansion at the Fenix Terminal. This project will increase intermodal railyard capacity and efficiency through the construction of five new tracks, modification of three existing tracks, installation of 14 powered turnouts, and additional railyard improvements.

To comply with MOTEMS mandated by the California State Lands Commission, \$22.7 million is allocated in FY 2026/27 for improvements at PBF Energy, Shell, and other marine oil terminals. These investments will help maintain structural integrity and support the protection of public safety and the environment.

An additional \$24.8 million supports other terminal projects, including development of an 80-acre cargo support facility to alleviate terminal congestion as needed; demolition of the vacant and deteriorated Container Freight Station Building at Berths 208–209; repairs to timber wharves, associated backlands, slopes, and seawalls at Berth 200 G–H; and various other terminal improvements.

Public Access/Environmental Enhancement Projects

In the Proposed CIP Budget, a total of \$94.8 million is allocated for public access and environmental enhancement projects in Wilmington, San Pedro, and surrounding Port areas.

At the Wilmington Waterfront, \$60.3 million is allocated for Public Access Improvement Projects (PAIP). This includes \$56.5 million for construction of the Avalon Pedestrian Bridge and Promenade

Gateway, which will provide safe and direct pedestrian access over the active rail tracks and realigned Water Street. The project also includes development of approximately 12 acres of open space featuring landscaping, hardscape, parking, restrooms, lighting, and site furnishings. Additional Wilmington Waterfront PAIP projects include construction of a new restroom facility with utility connections, installation of shade structures, landscape enhancements at the west end of Wilmington Waterfront Park, and continued site characterization assessments. These projects total \$3.8 million in FY 2026/27.

At the San Pedro Waterfront, \$16.8 million is allocated for PAIP projects. Improvements at the East 22nd Street Parking Lot, funded at \$9.0 million, will redevelop 17.5 acres to provide approximately 2,350 parking spaces. The remaining \$7.8 million supports additional projects, including construction of dual travel lanes in each direction along Harbor Boulevard (formerly Sampson Way), development of a scenic pedestrian walkway with improved access from S.P. Slip to 22nd Street, improvements at the Cabrillo Marine Aquarium, construction of a new sewer lift station and electrical substations at the former Ports O' Call site, and remediation of contaminated soil within the West Harbor development.

Environmental Enhancement and additional Public Access projects total \$17.7 million. Of this amount, \$7.7 million supports installation of a new 34.5kV underground electrical distribution system for the ZEPEO project to meet future power demand and ZE CAAP goals across the Port, including San Pedro, Wilmington, and Terminal Island. The remaining \$10.0 million funds projects such as deployment of zero-emission cargo handling equipment and vehicles at Everport Terminal; installation of AMP® infrastructure at the WWL Terminal (Berths 195–199); deployment of zero-emission equipment and supporting infrastructure at Yusen Terminals, Inc.; remediation of stockpiled contaminated soil at Berths 57.5–60; and other related initiatives.



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Maritime Services

Maritime Services projects total \$50.4 million, representing 16.7% of the FY 2026/27 Proposed CIP Budget. This category includes improvements and repairs to Harbor Department facilities and other Port locations, as well as funding for projects that do not fall within other CIP categories and allocations for unforeseen capital needs.

Harbor Administration Building HVAC – Improvements at the Harbor Administration Building are funded at \$12.5 million. Of this amount, \$9.6 million funds the replacement of the building's aging heating, ventilation, and air-conditioning (HVAC) system, which has exceeded its 30-year service life and no longer meets operational demands. The new system will comply with the City of Los Angeles Green Building Code and sustainability initiatives. The remaining \$2.9 million supports additional improvements, including relocation of the HAB mailroom from the second floor to the first floor; upgrades to Information Technology workspaces, including new office furniture aligned with Harbor Department standards and the addition of three workstations within the existing server room; replacement of the parking structure deck coating with a three-step waterproofing system; and other facility improvements.

Other Harbor Department Facilities – A total of \$3.5 million is budgeted to support improvements across other Harbor Department facilities. This includes \$1.2 million for design and renovation of the 8,304 square-foot administration building at the Construction and Maintenance (C&M) Yard, bringing the facility into compliance with the Americans with Disabilities Act (ADA) and California Title 24 energy standards. Other facility upgrades include the installation of electric vehicle charging ports across Harbor Department facilities; improvements at the Cabrillo Beach Youth Aquatic Center; construction of a new office layout for the Plumbing Shop, and various other projects are budgeted for \$2.3 million.

Miscellaneous Projects – Miscellaneous projects across Port facilities are funded at \$19.4 million. This includes \$5.8 million for the Port of Los Angeles Goods Movement Workforce Training Facility, a 20-acre site dedicated to training the current and future workforce in the maritime and goods movement industries. The remaining \$13.6 million funds additional projects, including demolition of the Starkist building for conversion into a storage lot; installation of 16 smart leak detection meters at seven container terminals; replacement of counterweights and associated hardware on the Badger Avenue Bridge; maintenance projects managed by the C&M Division; replacement of a 42-inch storm drain force main associated with the Henry Ford Avenue/New Dock Street Pump Station; and other capital improvements.

Unallocated – An allocation of \$15.0 million is reserved for unforeseen capital projects that may arise during the fiscal year.

Transportation Improvement Projects

Transportation Improvement Projects total \$35.5 million, representing 11.7% of the Proposed CIP Budget. These projects support safer, more efficient movement of goods and improved vehicular traffic flow.

Construction will continue on the State Route 47/Vincent Thomas Bridge and Front Street/Harbor Boulevard Interchange Reconfiguration project, with \$27.4 million allocated in FY 2026/27. This project will replace the existing westbound off-ramp from the Vincent Thomas Bridge and address traffic safety and operational deficiencies.

The remaining \$8.1 million supports additional projects, including intersection improvements at Navy Way and Seaside Avenue; roadway widening and intersection modifications at Berth 200 Roadway at Henry Ford Avenue; and design of a four-lane, grade-separated roadway connecting Terminal Way and Ferry Street to the Terminal Island Maritime Support Facility without disrupting rail operations. Additional transportation improvements are also included.



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Security Projects

Security Projects total \$4.0 million, representing 1.3% of the FY 2026/27 Proposed CIP Budget, and support Port Police and Information Technology initiatives.

The Port of Los Angeles Digital Twin project is allocated \$1.3 million and is anticipated to begin construction in late 2026. This system will provide a real-time representation of the Port's physical assets and operations to support planning, monitoring, and decision-making. The Port Police Land Mobile Radio System Enhancement has been budgeted \$1.0 million to enhance the seamless radio communications interoperability between City of Los Angeles police agencies.

Other security initiatives include completion of the Port Police Dive Boat project; implementation of cybersecurity enhancements utilizing artificial intelligence; renovation of the former Crowley Marine Building at Berth 86 for Port Security Officers; completion of the Port's Cyber Resilience Center (CRC), designed to reduce risks associated with cyber incidents; and other security-related improvements have a total budget of \$1.7 million in the upcoming fiscal year.

For other project information, refer to the CIP Detailed Report on page 29.

STRATEGIC INITIATIVES

The Strategic Initiatives section provides a detailed overview of key programs and initiatives that will advance the objectives of the Port's Strategic Plan in FY 2026/27. These efforts focus on developing world-class infrastructure, fostering environmentally sustainable growth, enhancing the secure and efficient movement of goods, improving the financial performance of Port assets, and deepening engagement with a broad range of stakeholders.

Cargo Marketing

Since tariffs imposed by the U.S. Executive Branch, took effect in April 2025, fluctuating trade policies have increased uncertainty in global trade markets, requiring supply chain stakeholders to continually adjust their strategic and operational plans.

Even before their implementation, anticipated tariffs prompted cargo owners to front-load shipments and build inventories to lock in pre-tariff pricing. Following tariff implementation, cargo volumes briefly declined in late spring before rebounding to record-setting levels, surpassing 1 million TEUs in July 2025, amid ongoing fluctuations in trade policy. Throughout the fall of CY 2025, volumes remained elevated as cargo owners once again front-loaded shipments to lock in pricing ahead of anticipated tariff increases.

After more than a year of front-loading activity that resulted in elevated inventory levels, cargo volumes began to moderate during the winter and continued to normalize through the spring of 2026. As volumes have returned to more typical levels, the FY 2026/27 forecast reflects lower throughput than the record volumes experienced in FY 2024/25 and 2025/26. Significant volume swings are not anticipated over the next year, as shipping lines are expected to actively manage vessel capacity to maintain market balance and support sustainable freight rates.

As the nation's leading gateway for international commerce, the Port remains committed to helping its customers and stakeholders weather economic disruptions and remains focused on sustaining cargo volumes, strengthening customer relationships, and enhancing supply chain efficiency. The Cargo Marketing Division plays a critical role in this work by cultivating strategic partnerships with key stakeholders and advancing initiatives that support reliable and efficient cargo movement.



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With a \$25.4 million FY 2026/27 Proposed Budget, the Cargo Marketing Division will continue leading the Port's efforts to expand market share and strengthen relationships across key sectors of the supply chain, including the cargo owner, trucking, rail, and warehousing industries. To ensure stakeholders stay informed of emerging market trends, each Cargo Marketing manager is assigned a specific industry sector and is responsible for communicating new developments and insights.

The Port is also making significant progress in expanding the Port Optimizer™ — the digital platform that enhances supply chain visibility and planning. A major advancement is the rollout of the universal trucking appointment system into a live, integrated tool, which will streamline how containers are identified, moved, and managed across the entire San Pedro Bay port complex. Additionally, customer incentive programs that are designed to stimulate year-over-year cargo growth and impel operational efficiencies such as the Truck Turn Time Incentive, funded at \$12.5 million, and the Ocean Common Carrier Incentive, funded at \$6.7 million, will continue in FY 2026/27.

The cruise industry remains a vital component of business activity at the Port. With larger vessels calling more frequently over the past year — a trend expected to continue — the Port is setting new records for cruise passenger volume. To support this growth, the division's FY 2026/27 Proposed Budget includes \$2.8 million in cruise incentives aimed at

attracting additional cruise ship calls. In response to rising demand, the Port issued an RFP in FY 2024/25 for the operation of an existing cruise terminal and the development of a new terminal at the Outer Harbor. Following the announcement of the final selection in January 2026, the winning bidder is now preparing a term sheet and initiating work on the required EIR, with a permit anticipated to be in place in FY 2028/29.

In the new fiscal year, the Cargo Marketing Division will continue collaborating with the Cargo and Industrial Real Estate Division to finalize commercial terms for upcoming container terminal development projects. The division will also work closely with the Environmental Management Division (EMD) to advance Green Shipping Corridors—dedicated maritime routes between Asia and Los Angeles that promote the use of low or ZE vessels.

The Cargo Marketing Division remains committed to maintaining long-term market competitiveness and world-class operations through continued investment in infrastructure, collaboration with stakeholders, and a steadfast focus on environmental stewardship to further reinforce the Port's position as the busiest container port in North America.

Trade Connect Program

With nearly \$32.6 billion in exports moving through the Port in 2025, exports remain a vital contributor to the Los Angeles regional economy. Southern California's large manufacturing base offers substantial opportunity for continued export growth, particularly as an estimated 85% of California manufacturers do not currently export to foreign markets. The Trade Development Division's (Trade Development) primary goal is to improve the financial performance of Port assets by engaging the international diplomatic community, trade organizations, and business community to increase U.S. exports. The Trade Connect Program — the Port's educational outreach initiative for small and medium-sized businesses — supports this goal by providing seminars on commercial transactions, foreign market entry, financing, documentation,



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logistics, and emerging global consumer trends. The division’s FY 2026/27 Proposed Budget of \$1.1 million fully funds the program.



As an appointee to the District Export Council of Southern California, the Director of Trade Development is able to represent the Port at the national level and is key strategic leader in international trade. The division frequently partners with other governmental agencies and the diplomatic corps to promote export trade as well. In addition, the Director of Trade Development works closely with the Executive Director to align strategic objectives with global ports and establish international agreements that advance green shipping corridors, supply chain data optimization, operational efficiency, and cybersecurity initiatives. These efforts have strengthened key relationships and reinforced the Port’s role as a global leader through targeted trade missions aligned with Port and City priorities.

Planning and Strategy

The Planning and Strategy (Planning) Division maintains the Port Master Plan, which sets the policies and guidelines for development at the Port which are consistent with the California Coastal Act. The division’s \$2.0 million FY 2026/27 Proposed Budget supports its team of Harbor Planning and Economic Analysts (HPEA), who serve as the department’s land use planners, researchers, and economists. Together, they help guide future development at the Port and

will process and review more than 200 applications annually for development projects within the Harbor District.

In FY 2026/27, the division will be preparing project-specific amendments to the Port Master Plan while continuing its work with the California Coastal Commission staff on broader updates to support the Port’s long-term development goals. With the completion of the new long-term forecast of cargo throughput at the San Pedro Bay ports, and the addition of the Global Trade Analytics Suite (GTAS) software, Planning will continue providing economic and cargo forecasting services to the Harbor Department to aid in the long-term planning of port development projects. The division has budgeted \$30,000 for the GTAS software in FY 2026/27.

Planning also reports on the Port’s competitive position, economic impacts, commodity flows, and shifts in global trade—data essential for supporting market share growth. The division has budgeted \$203,000 to procure the trade data necessary to perform this research. An additional \$10,530 has been budgeted in FY 2026/27 for studies in support of long-range facility planning to provide a framework for Port development in the coming decades. To ensure that the Port’s liquid bulk facilities remain in compliance with the Risk Management Plan and that any prospective developments are sited according to Port guidelines, \$7,597 has been budgeted for on-call risk management consulting services.

Governmental Advocacy & Workforce Development

The Workforce & Government Affairs (WGA) Division’s objective is to establish and maintain positive relationships with elected and appointed leadership at all levels of government. The division’s FY 2026/27 Proposed Budget of \$4.4 million will also support workforce development initiatives that advance the Port’s strategic objectives for the benefit of the City, the department, and San Pedro Bay stakeholders.



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In FY 2026/27, WGA will work with policy makers and public officials to advance POLA's initiatives regarding the environment, workforce development, operations, and to seek opportunities to secure public funding for POLA infrastructure projects. In addition to its advocacy efforts, WGA will collaborate with non-profits, public school districts, and community colleges to expand training programs that support the use and maintenance of zero-emission equipment and trucks, helping build a skilled workforce for the region's evolving goods-movement sector.

Environmental Stewardship

The EMD encompasses four technical sections—Air Quality, Site Restoration and Assessment, Water Quality, and California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA)—and supports all objectives under the Port's Strategic Plan. The division's FY 2026/27 Proposed of \$44.0 million includes \$21.8 million designated for the Clean Truck Fund Rate program.

The Air Quality group implements key components of the CAAP, including but not limited to the Clean Truck Program (CTP), Technology Advancement Program (TAP), Air Quality Monitoring, Emissions Inventories, Green Shipping Corridors, Vessel Speed Reduction Program, and Environmental Ship Index Incentive Program. This group also manages the application and implementation of state and federal grant funded projects for technology advancement and equipment

replacement, including the \$411.7 million U.S. EPA grant advancing the Port's transition to ZE operations. Its budget supports the development, research, and/or oversight needed to carry out these initiatives. In 2025, the Board of Harbor Commissioners approved a cooperative agreement between the South Coast Air Quality Management District, Port of Los Angeles, and Port of Long Beach to accelerate the development and implementation of ZE technology and infrastructure at both ports. The Air Quality group will be responsible for managing the agreement's required deliverables and milestones including technical support, stakeholder outreach, and coordination.

The Air Quality Group has the largest funding allocated among the four technical groups, with a proposed outside services and fees budget of just over \$2.9 million. Much of the funding supports continued implementation of the CAAP. A central component of the CAAP is the CTP, which aims for all trucks serving container terminals to be zero-emission by 2035. The cost of the CTP is fully offset by concession fees, annual truck fees, and day passes. As of April 2022, the Port collects a Clean Truck Fund Rate of \$10 per TEU. As of January 2026, the Port has collected approximately \$161.0 million that is allocated toward programs that facilitate the purchase of ZE trucks and supporting infrastructure.

The implementation of air quality improvement incentive programs—one of the most effective strategies under the CAAP—is also supported through the FY 2026/27 Proposed Budget. These incentive programs include the Vessel Speed Reduction Incentive Program, which reduces emissions by rewarding vessel operators for reducing their speed as they approach and depart the Port; the TAP, which funds development and demonstration of emission-reduction technologies from port operations; and the Environmental Shipping Index, which rewards operators for deploying vessels with a "clean ship score" to the Port.



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The Site Restoration Group manages environmental projects aimed at restoring contaminated or encumbered properties to clean, usable condition by reducing health and environmental risks. While much of its funding supports site soil and groundwater assessments and remediation, this group also oversees hazardous waste management throughout the Port, provides emergency response services, and is the lead for the Harbor Department's zero waste program, as required by the City of Los Angeles' Green New Deal.

Site Restoration's FY 2026/27 budget of \$2.5 million for outside services and fees supports a wide range of activities, including site assessment and remediation, hazardous waste management, emergency response services, and management of the zero-waste program. These funds cover environmental management of regulated and non-regulated properties throughout the Port; providing environmental support to the Engineering, Construction, and Real Estate Divisions to facilitate economic development, lease agreements, and baseline assessments; performance of operation, maintenance, and compliance services for the New Dock Pump Station; data collection and reporting in compliance with annual State Law Assembly Bill (AB) 939 and Senate Bill (SB) 1383 for the Bureau of Sanitation; implementation of the Harbor Department's Zero Waste Plan; hazardous materials and waste management, including Port-wide response to hazardous spills, illegal dumping, and

biohazard cleanups; maintaining the Port's C&M yard International Organization for Standardization (ISO) 14001 Environmental Management System (EMS); waste management services relating to waste collection and disposal at the C&M yard; management of hazardous waste generator fees; and the performance of asbestos and lead surveys and abatements.

The CEQA/NEPA technical group has been allocated approximately \$1.6 million for FY 2026/27 to ensure compliance with state and federal statutes governing the public disclosure of potential environmental impacts associated with Harbor Department or applicant-proposed projects. Of this amount, roughly \$1.0 million is allocated for carrying out the RSI Mitigation Program, which provides soundproofing for select residences on Knoll Hill and in the West Amar Street/North Palos Verdes Street community of San Pedro. The RSI Mitigation Program is a requirement of the Harbor Department that was approved by the Board of Harbor Commissioners in 2008 as part of the China Shipping Container Terminal Development project. The remaining funds support analyses not included under the capital budget; development of a Greenhouse Gas Program; and as-needed evaluations necessary to comply with the Port's Built Environment Historic, Architectural, and Cultural Resource Policy.

The Water Quality Services program, which addresses water, sediment, and biological resources, has a proposed FY 2026/27 budget of \$875,000. These funds will support preparation, protection, and monitoring of the nesting site for the endangered California Least Tern at Pier 400, and protect water quality through source control and outreach programs like the Clean Marina Program and the stormwater Tenant Outreach Program. Additional funds will be allocated to ensure compliance with water quality and biological monitoring requirements, the Safe Clean Water (Measure W) and the Statewide Trash Amendments, and the Total Maximum Daily Load (TMDL) regulations.



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Security and Public Safety Strategies

The Port Police Division’s FY 2026/27 budget prioritizes public safety and security initiatives that support the Port community’s growing needs and advance the Port’s goals of a secure, efficient, and environmentally sustainable supply chain. With a proposed Operating Budget of \$64.3 million and a Capital Equipment Budget of \$10.7 million, the division will continue investing in capabilities that strengthen public safety and ensure business continuity across the Port complex. Increased policing demands—driven by ongoing construction, expanded community events, the opening of West Harbor, improvements along the Wilmington Waterfront, and growth in cruise operations—require a sustained and visible Port Police presence to protect customers, business partners, and visitors. These investments reinforce the division’s mission to safeguard the Port of Los Angeles through proactive law enforcement and strong community partnerships.



The division will continue to prioritize recruiting, training, and retaining a skilled workforce to meet evolving operational requirements. The FY 2026/27 budget includes targeted funding to implement and operate the Drone as First Responder (DFR) program, which will support daily field operations, enhance search and rescue capabilities, and enable hazardous material assessments. This program is essential to maintain operational continuity and ensure the division is fully prepared to meet both routine patrol responsibilities and emergency response needs.

Community and Waterfront Programs

The Community Relations Division continues to play a central role in strengthening the Port’s connection to its stakeholders and supporting the Department’s broader Strategic Plan goals. The Division’s work is grounded in building trust, expanding understanding of Port operations, and ensuring that the public has access to clear, consistent, and compelling information about the Port’s mission and progress. To advance these priorities, the FY 2026/27 budget includes \$6.8 million dedicated to initiatives that deepen engagement, expand tourism, activate the LA Waterfront, and reinforce partnerships with local nonprofits. These investments help sustain the strong relationships needed to deliver key LA Waterfront development projects on time and on budget, while also supporting the Harbor Department’s commitment to excellence and professional growth for its workforce.

In the coming year, the division will broaden its communications and outreach efforts to ensure stakeholders remain informed and involved as the Port advances its Strategic Objectives. This includes expanding educational programming—such as school boat tours, classroom initiatives, and special group visits—that help demystify Port operations and foster long term community understanding. Community Relations will also continue targeted outreach on key issues, working through coalitions and community partners to ensure that diverse voices are heard and that the Port’s narrative remains accessible and relevant. Advertising and promotional efforts for cargo, cruise, and LA Waterfront® activities will continue, along with sponsorships and support for a wide range of public events. The Community Investment Grants Program will again allocate up to \$2.0 million in FY 2026/27 to nonprofit-led projects and events aligned with Tidelands Trust guidelines, adding to the \$14.3 million awarded since the program’s inception in FY 2013/14.

The FY 2026/27 events calendar reflects the Port’s commitment to activating the LA Waterfront year-round and creating experiences that draw residents and visitors alike. The season begins on July 4, 2026,



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with the Community Investment Grant supporting John Olguin Fireworks Spectacular. The Wilmington Waterfront Promenade will continue to serve as a lively gathering place, hosting family focused programming, community celebrations, and the popular free harbor boat tours departing from both Wilmington and San Pedro. LA Fleet Week® will anchor Memorial Day weekend, attracting hundreds of thousands of visitors and supporting local hospitality and tourism. Additional highlights include a blend of traditional fireworks and eco-friendly drone shows for the Lunar New Year celebration in February, culminating with the annual Cars & Stripes Forever!® classic car and music festival at the World Cruise Center, and Fanfare Fountain promenade. Together, all these events strengthen community ties, elevate the LA Waterfront as a regional destination, and reinforce the Port’s role as a collaborative and forward-looking partner.



With a FY 2026/27 Proposed Budget of nearly \$8.8 million, the Waterfront & Commercial Real Estate Division will be equipped to reach significant milestones on public/private partnerships, including the completion and grand opening of the approximately 40-acre site known as West Harbor, by private investor San Pedro Public Market, LLC. West Harbor has approximately 170,000 square feet of indoor and outdoor space leased to 21 tenants providing a wide variety of food, drink, and entertainment options. The developers, Jerico Development and the Ratkovich Company are

expected to invest approximately \$300.0 million in the West Harbor redevelopment.

Waterfront development sites in progress for FY 2025/26 include:

- **Boat Yard** – Release Draft Environmental Impact Report (DEIR) for a proposed new 4-acre boatyard facility at Berth 44 that addresses the contaminated and designated historic former San Pedro Boatworks facility.
- **Cruise Terminal Development** – Commence CEQA with selected developer/operator to develop a new Outer Harbor Cruise Terminal and redevelop the existing Inner Harbor World Cruise Center.
- **Warehouse One** – Complete a structural report for the project including modern structural support requirements for the existing building. Release a Request for Qualification (RFQ) to identify qualified potential development partners to advance the adaptive reuse of the historic 460,000 square foot Warehouse No. 1.

At AltaSea, the public-private partnership that aims to serve as the center for development of the region’s blue economy by focusing on ocean-related studies and blue tech innovation, new projects and facility upgrades continue to progress, transforming the 180,000 square feet of 100-year-old transit sheds into a center of innovation for new ocean industries including aquaculture, ocean exploration, robotics, and alternative energy generation. AltaSea has raised more than \$30.0 million in private and public investment to complete the renovation of 180,000 square feet of warehouse space that was celebrated by a grand opening in May 2024. Construction of a Science & Education Center at Berth 57 is expected to begin in 2026.

Staff will continue marketing for future commercial development for available Port areas. Such efforts will continue the positive momentum established by the completion of the Wilmington Waterfront



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Promenade Project, West Harbor development, as well as other areas of the Port going through a positive renaissance.



Challenges with the Workday program persist at the Department and throughout the rest of the city. However, the Port is addressing these issues with the support of a dedicated contractor, ongoing employee training, and the exploration of staffing augmentation.



Employee Recruitment, Retention, and Development

The Human Resources (HR) Division maintains its dedication to employee development and enrichment in support of the Department’s mission to be a catalyst for job growth and to promote efficient operations. HR’s FY 2026/27 Proposed Budget supports this commitment with the continuation of the robust Employee Assistance Program, the tuition reimbursement program, and the Harbor Department Employees Club association.

As the Port of Los Angeles approaches nearly 120 years as America’s Port, the FY 2026/27 Proposed Budget reflects continued investment in the infrastructure, technology, workforce, sustainability initiatives, and community partnerships necessary to meet the demands of the future. Guided by a long-term vision centered on expanded capacity, smarter operations, bold sustainability, and shared partnership, the Port remains committed to strengthening its role as a global leader in international trade while continuing to deliver economic opportunity and environmental progress for the region and the nation.

In collaboration with the Personnel Department, POLA redirected its hiring efforts in FY 2025/26. As a proprietary department, the Department had the ability to assist with Citywide layoff avoidance by prioritizing the transfer of City employees in impacted positions to fill departmental vacancies. The Port continues to be guided by Mayoral Directives and the City’s Workplace Equity Policy. Additionally, programs such as the Targeted Local Hire (TLH) and Bridge to Jobs (BRIDGE) continue to employ individuals from local communities and underserved populations.

"We deliver value to our customers by providing superior infrastructure and promoting efficient operations that maintain our essential role in the nation’s economy and transportation network as North America’s preferred gateway and a catalyst for job growth."

HARBOR REVENUE FUND REPORT

RECEIPTS AND CASH

Actuals FY 2024-25	Adopted Budget FY 2025-26	Forecast FY 2025-26	Description	Proposed Budget FY 2026-27
\$ 1,473,292,348	\$ 1,535,576,796	\$ 1,705,859,624	Unrestricted Funds Available	\$ 1,863,383,150
202,988,341	192,230,518	217,553,953	Restricted Funds (1)	272,005,571
1,676,280,689	1,727,807,314	1,923,413,577	Total Cash Available	2,135,388,721
798,684,895	657,587,468	760,673,928	Operating Receipts	826,159,805
121,995,773	244,567,818	120,953,116	Non-Operating Receipts	276,448,802
15,097,595	75,667,503	29,710,554	Capital Grant Receipts	132,440,191
242,492,018	-	-	Proceeds from Debt Issuance	-
\$2,854,550,970	\$2,705,630,103	\$2,834,751,175	Total Receipts & Cash	\$ 3,370,437,519

APPROPRIATIONS

Actuals FY 2024-25	Adopted Budget FY 2025-26	Forecast FY 2025-26	Description	Proposed Budget FY 2026-27
\$ 179,463,109	\$ 209,467,768	\$ 198,530,618	Salaries and Benefits	\$ 217,707,065
3,525,482	4,408,690	4,374,279	Marketing & Public Relations	4,588,822
907,587	1,909,464	1,603,181	Travel Expenses	2,022,640
43,433,946	64,625,435	61,876,150	Outside Services	63,916,062
7,399,208	9,924,289	9,194,787	Materials & Supplies	9,347,427
37,773,283	36,967,594	36,050,759	Rentals, Incentives, & Subsidies (2)	53,544,830
57,324,614	72,662,124	70,796,705	City Services	76,793,341
16,563,127	27,119,189	26,874,612	Other Operating Expenses (3)	23,560,861
346,390,356	427,084,553*	409,301,091	Total Operating Expenses	451,481,048
11,716,128	130,035,063	39,997,739	Non-Operating Expenses (4)	166,885,118
358,106,484	557,119,616	449,298,830	Total Operating Budget	618,366,166
35,253,218	24,562,326	24,562,326	Capitalized & Allocated Expenditures (5)	35,605,751
-	-	-	Land & Property Acquisition	-
8,650,516	22,237,675	13,756,859	Equipment	24,474,859
122,663,425	231,324,616	179,931,587	Construction & Capital Improvement	302,246,703
166,567,159	278,124,617	218,250,772	Total Capital Budget	362,327,313
524,673,643	835,244,233	667,549,602	Total Operating & Capital Budget	980,693,479
(9,054,753)	3,173,138	(4,247,148)	Accrual Adjustments	(1,988,737)
415,518,503	36,060,000	36,060,000	Debt Repayments	39,365,000
931,137,393	874,477,371	699,362,454	Total Budget	1,018,069,742
217,553,953	233,230,518	272,005,571	Restricted Cash	306,305,419
1,705,859,624	1,597,922,214	1,863,383,150	Unappropriated Balance (UB)/Carried Forward	2,046,062,358
\$ 2,854,550,970	\$ 2,705,630,103	\$ 2,834,751,175	Total Harbor Department Budget	\$ 3,370,437,519

Note: Rounding of figures may occur.

- (1) Includes Construction Fund, Debt Service Reserve Fund, China Shipping Funds, Clean Truck Fund, etc.
- (2) Includes customer & environmental incentives, equipment rental and maintenance, etc.
- (3) Includes utilities, insurance, telephone services, litigation, workers' compensation, memberships, subscriptions, taxes, assessments, etc.
- (4) Includes interest expenses, commercial paper liquidity provider fees, debt issuance costs, bond counsel fees, debt related advisory fees, discontinued capital project expenses, and pass-through grants.
- (5) Includes overhead expenses which are allocated to capital projects.

* The FY 2025-26 Adopted Budget includes a \$7.1 million transfer across the various operating expense budget categories approved by the Board of Harbor Commissioners in FY 2025-26.

COMPARATIVE STATEMENT OF OPERATIONS

	Adopted Budget FY 2025/26	Proposed Budget FY 2026/27
Operating Revenues		
Shipping Services	470,315,485	539,199,795
Rentals	116,224,068	112,080,387
Royalties and Fees	6,987,242	12,607,746
Clean Truck Fees	34,923,865	43,271,426
Other Operating Revenues	29,136,808	119,000,451
	<u>657,587,468</u>	<u>826,159,805</u>
Total Operating Revenues	657,587,468	826,159,805
Operating Expenses		
Salaries & Benefits (net of capitalization)	209,467,768	217,707,065
Marketing and Public Relations	4,408,690	4,588,822
Travel	1,909,464	2,022,640
Outside Services	64,625,435	63,916,062
Materials & Supplies	9,924,289	9,347,427
Rentals, Incentives & Subsidies	36,967,594	53,544,830
City Services	72,662,124	76,793,341
Other Operating Expenses	27,119,189	23,560,861
	<u>427,084,553 *</u>	<u>451,481,048</u>
Total Operating Expenses	427,084,553 *	451,481,048
Income from Operations before Depreciation	230,502,915	374,678,757
Depreciation & Amortization	148,729,081	168,500,823
	<u>148,729,081</u>	<u>168,500,823</u>
Income from Operations	81,773,834	206,177,934
Non-Operating Revenues	244,567,818	276,448,802
Non-Operating Expenses	130,035,063	166,885,118
	<u>130,035,063</u>	<u>166,885,118</u>
Net Income	\$ 196,306,589	\$ 315,741,618

Note: Rounding of figures may occur.

* The FY 2025/26 Adopted Budget includes a \$7.1 million transfer across the various operating expense budget categories approved by the Board of Harbor Commissioners in FY 2025/26.

REPORT OF REVENUES

REPORT OF REVENUES (6-DIGIT) REPORT # 201	ACTUALS FY 2024/25	ADOPTED FY 2025/26	FORECAST FY 2025/26	PROPOSED FY 2026/27
410000 - Space Assignments	11,519,371	8,908,956	9,653,722	9,215,151
411000 - Dockage	4,070,670	3,542,210	4,205,121	4,205,121
411010 - Pilotage	15,370,714	12,125,287	16,500,000	16,500,000
411020 - Lay Day Fees	22,500	30,749	22,500	22,500
411025 - Demurrage	100,000	82,457	100,000	100,000
411100 - Wharfage	509,222,908	445,625,826	520,039,901	509,157,023
41SHIP - Shipping Services	540,306,163	470,315,485	550,521,244	539,199,795
421000 - Wharf and Shed Leases	1,210,973	1,013,432	1,119,689	1,073,562
421005 - Building Leases	278,459	283,106	284,345	292,876
421010 - Warehouse Leases	792,022	719,828	777,460	800,783
422LAR - Land Rentals	115,644,770	114,207,702	114,875,186	109,913,166
42RENT - Rental Revenues	117,926,224	116,224,068	117,056,680	112,080,387
430000 - CTP Drayage Access Concession Fee Application	402,515	376,193	300,707	300,707
430005 - Clean Truck Fund Rate Fees	45,085,552	32,800,000	44,199,281	41,105,332
430010 - Clean Truck Program (CTP) - Day Pass Fee	96,602	56,348	150,000	95,000
430015 - CTP Drayage Access Concession Fee Annual	1,928,836	1,691,324	1,611,939	1,770,387
43ENVP - Environmental Program Revenues	47,513,505	34,923,865	46,261,927	43,271,426
441000 - Movie Permits and Fees	759,399	96,932	759,399	759,399
441005 - Parking Fees	6,662,898	5,850,000	10,171,583	10,586,063
441010 - Concession Fees	5,700	6,200	3,374	3,374
441015 - Foreign Trade Zone Fees	301,632	239,112	423,777	423,777
441020 - Miscellaneous Permits and Fees	826,893	701,600	826,893	826,893
442000 - Oil Royalties	34,283	93,398	8,240	8,240
44FEES - Royalty, Permit, & Fees Revenues	8,590,805	6,987,242	12,193,266	12,607,746
450000 - Southern Pacific Tenant Income - Gross	1,351,659	1,948,821	907,064	907,064
450005 - Southern Pacific Tenant Inc. Contra Long Beach	(42,247)	(50,759)	(38,798)	(38,798)
450010 - Union Pacific Tenant Income from Long Beach	347,838	167,128	205,361	205,361
450015 - Credit for Tenant Services	(8,616,096)	(7,369,355)	(7,376,536)	(3,634,381)
45TENR - Tenant Revenues	(6,958,846)	(5,304,165)	(6,302,909)	(2,560,754)
490005 - Harbor Maintenance Tax Receipts	60,606,000	6,000,000	7,302,730	84,998,330
490015 - Accommodation Work - Reimbursements	-	231,636	-	-
490020 - Port Police Revenues	147,351	118,888	101,742	101,742
490025 - Non-Alternative Maritime Power (AMP) Utilities*	4,832,027	1,200,000	1,326,444	1,200,000
490030 - AMP Electricity Reimbursements*	19,159,041	20,716,407	26,425,424	27,907,679
490035 - Other Operating Refunds and Reimbursements	5,410,957	5,117,400	4,684,326	6,250,400
490040 - Miscellaneous Other Operating Revenues	1,151,668	1,056,642	1,103,054	1,103,054
49OORV - Other Operating Revenues	91,307,044	34,440,973	40,943,720	121,561,205
Total Operating Revenues	798,684,895	657,587,468	760,673,928	826,159,805
600JPA - Investment Income	2,538,380	2,000,000	2,000,000	2,000,000
601INT - Interest Income	105,725,871	41,703,091	68,253,790	60,277,313
602NCG - Non-Operating Grants	5,010,794	14,302,540	10,860,209	4,298,573
603PTG - Passthrough Grants	-	115,987,187	24,020,680	118,579,928
604ONO - Other Non-Operating Revenues**	8,720,728	70,575,000	15,818,437	91,292,988
Total Non-Operating Revenues	121,995,773	244,567,818	120,953,116	276,448,802
Total Revenues	920,680,668	902,155,286	881,627,044	1,102,608,607

Note: Rounding may occur in subtotals of this report.

* Unique Account for Alternative Maritime Power (AMP) Reimbursements created in October of 2025 to track spending in future fiscal years.

** FY 2025/26 Adopted Other Non-Operating Revenues include \$70.2M in Gain on Sale of Assets.

REPORT OF EXPENSES

REPORT OF EXPENSES (3-DIGIT) REPORT # 202	ACTUALS FY 2024/25	ADOPTED FY 2025/26	FORECAST FY 2025/26	PROPOSED FY 2026/27
511ESX - Employee Salaries	96,237,812	120,276,525	105,345,548	123,309,845
512EOX - Employee Overtime	11,528,926	6,832,570	10,156,917	6,793,979
513EBX - Employee Benefits - Pension & Medical	69,316,278	81,191,389	82,045,607	86,456,119
514EBO - Employee Benefits - Other	2,380,093	1,167,284	982,546	1,147,122
51ESBX - Salaries & Benefits	179,463,109	209,467,768	198,530,618	217,707,065
521APR - Advertising & Public Relations	3,525,482	4,398,690	4,374,279	4,578,822
522TRX - Trade Representations Expenses	-	10,000	-	10,000
52MKTG - Marketing & Public Relations	3,525,482	4,408,690	4,374,279	4,588,822
531TRN - Transportation Expenses	832,965	1,559,511	1,289,137	1,643,487
532EVX - Event & Training Registration	75,724	349,953	314,044	379,153
533CCX - Credit Card Expenses	(1,102)	-	-	-
53TRVX - Travel, Training, & Events	907,587	1,909,464	1,603,181	2,022,640
541OPM - Operational Maintenance Services	16,858,762	25,463,762	24,222,001	25,578,307
542ITT - IT Data & Technology - Service & Maintenance	20,229,879	26,082,860	25,865,778	23,077,749
543OFC - Office Equipment Services & Maintenance	312	41,750	19,901	23,000
544PRO - Professional Services	6,344,993	13,037,063	11,768,470	15,237,006
54OUTX - Outside Services	43,433,946	64,625,435	61,876,150	63,916,062
550OTH - Other Expenses	7,117	-	-	-
551MAT - Materials	3,862,336	6,051,440	5,510,301	5,542,231
552SUP - Supplies	2,696,923	2,779,672	2,639,461	2,654,506
553EQP - Equipment	832,832	1,093,177	1,045,025	1,150,690
55MSUP - Materials, Supplies, & Equipment	7,399,208	9,924,289	9,194,787	9,347,427
561RNT - Rentals	288,143	1,551,013	1,445,805	1,536,232
562ICS - Incentives and Subsidies	37,485,140	35,416,581	34,604,954	52,008,598
56RNTL - Rentals, Incentives, & Subsidies	37,773,283	36,967,594	36,050,759	53,544,830
571CTY - City Services	57,324,614	72,662,124	70,796,705	76,793,341
57CTYX - City Services	57,324,614	72,662,124	70,796,705	76,793,341
581UTL - Utilities	34,366,744	38,338,565	38,883,381	42,912,775
582LGL - Claims, Settlements, & Workers Compensation	7,325,946	2,000,000	2,000,000	3,000,000
583INS - Insurance	6,666,030	7,132,600	5,982,602	7,086,001
584MEM - Membership, Subscriptions, Books, & Manuals	1,226,944	1,264,189	1,276,699	1,350,658
585INV - Inventory Adjustments	102,944	205,000	200,000	275,000
586MOX - Miscellaneous Other Operating Expenses	1,242,436	1,516,459	1,109,096	1,623,000
587TAX - Taxes, Assessments, Permits, & Fees	885,301	1,224,702	1,985,160	2,919,178
58ALLO - Allocations	(35,253,218)	(24,562,326)	(24,562,326)	(35,605,751)
58OOPX - Other Operating Expenses	16,563,127	27,119,189	26,874,612	23,560,861
Total Operating and Administrative Expenses	346,390,356	427,084,553*	409,301,091	451,481,048
591DEP - Depreciation	149,287,551	145,927,991	150,833,264	165,697,823
592AMR - Amortization	3,385,920	2,801,090	2,803,000	2,803,000
59DPAM - Depreciation & Amortization	152,673,471	148,729,081	153,636,264	168,500,823
700NOP - Miscellaneous Other Non-Operating Expenses	250,858	22,376	650,000	1,200,000
701IEX - Interest Expenses	10,360,749	13,977,250	14,082,820	12,200,362
702PTG - Passthrough Grants	-	115,987,187	25,169,530	126,174,778
703ONX - Other Non-Operating Expenses	1,104,521	48,250	95,389	27,309,978
70NOPEX - Total Non-Operating Expenses	11,716,128	130,035,063	39,997,739	166,885,118
Total Expenses	510,779,955	705,848,697	602,935,094	786,866,989

Note: Rounding may occur in subtotals of this report.

* The FY 2025/26 Adopted Budget includes a Board-approved mid-year transfer in the amount of \$7.1M across various budget categories.

**CAPITAL PROJECTS REPORT
(DETAILED)**

Terminals

Berths 90-93 Inner Harbor Cruise Facility & Berths 45-53 Outer Harbor Cruise Facility

Planned Capital Improvements for the Port's Cruise business include upgrades at the current Inner Harbor Cruise Facility: mobile gangways hydraulic cylinder replacement, Berths 91-92 Passenger Terminal pedestrian deck coating, escalator modernization, vehicular ramp corrosion mitigation, new Alternative Maritime Power (AMP) Vault, new AMP cart, and Berth 93 gantry removal, repair, and roof replacement. Other work includes a preliminary engineering study of the mooring and berthing improvements at Berths 91-93.

The Berths 49-51 Outer Harbor Cruise Terminal Development project will upgrade the berths to accommodate larger cruise vessels, provide AMP for cruise vessels at Berths 49-51, and improve vehicular and pedestrian circulation. Improvements include new AMP infrastructure, wharf upgrades, new power supply and distribution, a new fendering system, a new hybrid fender backing panel outfitted with steel pipe and timber piles, new mooring platforms, new utilities, and new pedestrian ramps. Construction began February 2026.

\$ 39,902,260

Berths 100-102 Development (China Shipping)

At China Shipping, work for the Final Supplemental China Shipping Environmental Impact Report (EIR) continues (the EIR itself was completed in December 2020). The planning of Berth 100 crane breakers replacement which includes the assessment of existing breakers to enhance the power reliability and safety for cranes.

\$ 403,674

Berths 121-131 Development (TIL)

Planning and Environmental preparation for the Terminal Investment Limited (TIL) Berths 121-131 Terminal Redevelopment projects continues; capital costs include the Draft Environmental Impact Statement (EIS)/Environmental Impact Report (EIR) analysis, additional legal review, and final EIS/EIR.

The Berths 126-129 Wharf Redevelopment project will demolish the 50ft crane gauge wharf, construct 1,500 linear feet (LF) of pile supported 100ft crane gauge concrete wharf, dredge to -53ft mean lower low water (MLLW), construct AMP, and improve adjacent backland and utilities. Design started January 2026, with design only approved at this time.

\$ 4,063,225

Berth 135-147 - Development (TRAPAC)

The transformer replacement at Berth 136 in the TraPac Terminal has been completed as of March 2026. The project included site/project preparation for crane rental and high voltage splicing.

\$ 8,530

Berths 171-181 Development (PASHA)

Berths 174-176 Bollard Improvements includes improvements to the front marginal beam and bollards. Work includes a comprehensive above water inspection of the wharf front marginal beams supporting 12 existing bollards. Work also includes wharf repairs based on findings from inspection summaries including but not limited to the following elements: mooring bollards, front marginal beam, wharf soffit, wharf deck, pile caps, and piles.

\$ 805,071

Berths 212-224 - Development (YTI)

The Berth 212-225 Container Terminal Re-Roof project includes the removal and replacement of 12 existing skylight windows. The new roof system will include insulation, DensDeck roof boards and a Sarnafil membrane installation to provide effective waterproofing with long-term durability. Construction is underway and is expected to be completed June 2026.

\$ 48,192

Berths 300-306 Development (Fenix/CGA CGM)

Construction continues on Berths 302-305 On-Dock Railyard Expansion which includes five new tracks (approximately 17,000 new track feet), reuse of three existing tracks, new tail track, new turnouts, expanded throat, and rail signal improvements. This project was awarded \$37.4 million in grant funding. Construction started April 2025 and is scheduled to be completed March 2027.

\$ 34,101,427

**CAPITAL PROJECTS REPORT
(DETAILED)**

Berth 400-409 Development (Maersk)

Ongoing design work for the Pier 400 Roadability Canopy Improvements comprises the total replacement of the heavily corroded metal roof and reconstruction of damaged exterior steel frame beams and columns. Construction is anticipated to start in November 2026. In addition to design efforts, planned removal and replacement of multiple non-functional breakers in Berths 400-405 are underway and expected to be completed May 2026. \$ 1,413,948

Marine Oil Terminal Engineering Maintenance Standards (MOTEMS)

Phase 2 of the Berths 167-169 MOTEMS (Shell) is anticipated to advertise in March 2026. The Berths 238-239 (PBF Energy) project consisting of a new loading/unloading platform, access ramp, and catwalks. This project started construction in July 2025 and is anticipated to be completed in March 2027. \$ 22,687,118

Miscellaneous Terminal Improvements (TI)

The Terminal Island Maritime Support Facility (TIMSF) will develop 70 acres of the approximate 80-acre site for a container support facility, including grading, paving, storm drain, electrical, lighting, fire protection, potable water, sewer, fencing, roadability canopy, longshore restrooms, guard booths, and connection to the future Terminal Island Grade Separation. TIMSF has been awarded \$149.3 million in grant funding. Construction is anticipated to start early 2027.

The Berth 153 Window Replacement project will rehabilitate 450 windows. Scope of work includes mobilize, lead and asbestos abatement for all windows, and disposal of all materials. Design is underway and construction is scheduled to start in April 2025.

Miscellaneous Terminal Improvement projects also include the Southwest Marine Administration Building demolition and pavement improvements, Berths 208-209 Container Freight Station (CFS) demolition, Berths 172-179 fire water line replacement, Cannery St. & Barracuda St. facilities demolition and improvements, and Berth 200 G-H Improvements. The Terminal Island Facilities Demolition and Improvement Projects started construction in February 2026. \$ 14,160,248

TOTAL TERMINAL IMPROVEMENTS \$ 117,593,693

Transportation Projects

The Navy Way and Seaside Ave Interchange Improvements project includes the removal of the last traffic signal and at-grade intersection on State Route 47 between I-110 and I-710, a new westbound auxiliary lane, a new eastbound collector-distributor road, widening of existing westbound underpass off-ramp, and widening of the north side of the existing highway bridge over POLA/POLB rail tracks. This project was awarded \$41.8 million in grant funding. Design is scheduled to be complete in February 2027.

The State Route 47 (SR 47)/Vincent Thomas Bridge (VTB) & Front Street/Harbor Boulevard Interchange Reconfiguration project entails the replacement of the existing westbound (WB) off-ramp from the VTB with a new off-ramp, realignment of the existing WB on-ramp onto the SR 47 and Interstate 110 connector, and modification of the eastbound (EB) on-ramp onto the VTB toward Terminal Island. This project was awarded \$73.1 million in grant funding. Construction started in March 2024 and is scheduled for completion in November 2026.

The Terminal Island Rail Grade Separation (TIGS) project is a four-lane grade separated roadway over the POLA mainline rail tracks connecting Terminal Way, Ferry Street, and Pier 300 to the TI Maritime Support Facility without impeded access. The project includes site preparation, grade separation roadway structure, roadway, connection of Pier 300 to the grade separation, intersection modifications, re-signalization of the traffic signals at Terminal Way and Ferry Street, roadway lighting, a turn out lane from the existing Terminal Way grade separation Pier 300 entrance, paving/stripping, a storm drain system, fencing, and landscaping. This project was awarded \$34.9 million in grant funding. The environmental phase was completed in late 2023 and design is on-going.

The Terminal Island Rail Infrastructure (TIRI) Improvements project will construct 6 new crossovers to improve efficiencies. Scope includes removal, grading, and realignment of existing track, fencing, and rail signal system upgrades. This project was awarded \$13.4 million in grant funding. Construction is anticipated to start early 2028.

TOTAL TRANSPORTATION PROJECTS \$ 35,486,118

**CAPITAL PROJECTS REPORT
(DETAILED)**

Security Projects

The Berth 86 Crowley Improvements include upgrades to accommodate usage and occupancy by the Port Police Security Unit. Phase 1 includes first floor building renovation for: data networking and security infrastructure, updates to wall, ceiling, and floor finishes, reprogramming existing spaces to create locker rooms, kitchenette, storage, offices, and a roll-call area. Heating, Ventilation, and Air Conditioning (HVAC) replacement, electrical and lighting upgrades, plumbing fixture replacements, plumbing water leak repairs, fire detection system, and parking lot restriping. The new fiber optic lines to connect and operate the security cameras along the multi-use path for North Gaffey Street to serve the proposed North Gaffey Street Beautification Phase 2A project. Work includes connecting the existing spare conduits to junction boxes (pathway additions), clearing and validating existing micro duct infrastructure (existing conduits), installing new fiber optic cable within existing conduits, terminating the newly installed fiber optic cable at HAB and at the freeway 110 on/off ramp point of connection, and fiber testing and documentation.

The Port Digital Twin will serve as a dynamic, real-time, digital representation of the Port's physical assets and operational processes. The Digital Twin will integrate spatial and non-spatial datasets, ranging from asset locations and maintenance records to financial metrics and environmental sensor data, into an immersive, interactive platform. Construction is anticipated to start July 2026.

The Port Police Land Mobile Radio System Enhancement project will enhance the existing 700 MHz public safety land mobile radio (LMR) system used at the Port. Planning is underway and construction is scheduled to start in June 2026.

TOTAL SECURITY PROJECTS \$ **3,976,260**

Public Access/Environmental Enhancements and Zero Emissions

San Pedro Waterfront Public Access Investment Plan (PAIP) & Miscellaneous Projects

Harbor Boulevard Improvements from SP Slip to 22nd Roadway, a PAIP project, includes the design and construction of a reconfigured and expanded Harbor Boulevard to include two travel lanes in each direction, a scenic pedestrian walkway, and pedestrian access from SP Slip to 22nd Street Roadway. Construction is anticipated to start late 2026 as a combined contract with 208 East 22nd St. Parking Lot.

208 East 22nd St. Parking Lot Improvements, a PAIP project, includes developing and redeveloping 20 acres of parking improvements for a total of up to 2,350 parking stalls, driveway modifications, site lighting, site security, fencing, a restroom facility, and a pedestrian pathway. Construction is anticipated to start late 2026 as a combined contract with the Harbor Boulevard Roadway Improvements.

North Gaffey Street Beautification - Supplemental Work is part of the North Gaffey Street Beautification Phase II project, which is a continuation of the North Gaffey Phase I project. Work includes landscaping, irrigation, and adding fencing, benches, light poles, and a multi-use concrete path. \$ **18,197,489**

Wilmington Waterfront Public Access Investment Plan (PAIP) & Miscellaneous Projects

The Avalon Pedestrian Bridge and Promenade Gateway, a PAIP project, includes a new 380 foot pedestrian bridge and developing 12 acres into public access open space with amenities such as a restroom, play areas, picnic areas, pathways, public art, and a gateway monument. Construction is scheduled to begin in March 2026.

The Wilmington Waterfront Park West End Restroom and Site Restoration, a PAIP project, includes a new restroom, new shade structures, landscape modifications, site removals, and demolition. Construction is scheduled to begin in fall 2026. \$ **60,375,279**

**CAPITAL PROJECTS REPORT
(DETAILED)**

Environmental Enhancements and Zero Emissions

The Zero Emission Port Electrification and Operations (ZEPEO) project (formerly named "Electrical Infrastructure Improvement Program") is ongoing with the Los Angeles Department of Water and Power (LADWP), POLA, and Marine Terminal Operators (MTO) input. ZEPEO will provide over 200MW of additional power to POLA's MTO's to meet San Pedro Bay Clean Air Action Plan (CAAP) goal to convert container handling equipment to zero emission by 2030. ZEPEO project will expand the LADWP Receiving Station Q (RS-Q) as well as construct new 34.5kV distribution pathways, three new switching stations, and new industrial stations at MTO terminals.

Berths 195-199 WWL Terminal Alternative Maritime Power (AMP) will add shore power for car carriers to comply with California Air Resources Board (CARB) At-Berth Regulation, and is planning to start construction in the second quarter of 2027.

\$ 16,258,315

TOTAL PUBLIC ACCESS/ENVIRONMENTAL ENHANCEMENTS AND ZERO EMISSIONS

\$ 94,831,083

Maritime Services

Harbor Department Facilities

Harbor Administration Building (HAB) HVAC replacement project started construction in the first quarter of 2026 and will be finished in 2027. Construction to remodel the HAB Board Hearing Room and Executive Session Room will complete by April 2026. Other continuing projects include the Klein Billing and Port Pilot system enhancement.

\$ 16,044,642

Miscellaneous Projects

Projects listed under miscellaneous are not included in any specific program listed above. Other projects include the 1050 Ways Street (Starkist) Demolition and Storage Lot Conversion, South Seaside Avenue Storm Drain Restoration, Berths 150-195 Under Wharf Pipeline Hangers Replacement, and the FY 26/27 C&M Deferred Maintenance projects. These projects will be in construction during FY 26/27.

The Port-wide Leak Detection Expansion Program will install smart meters to communicate with the Port's existing water monitoring program to identify anomalies in the water supply system to identify potential water leaks. Construction started in first quarter of 2026.

The Badger Avenue Bridge Wire Ropes Replacement project includes the replacement of the main counterweight, auxiliary counterweight, uphaul and downhaul wire ropes. Work includes removing and replacing the main counterweight wire rope and its associated 112 sockets as well as the auxiliary wire rope and its 32 sockets. Construction is set to complete in December 2026.

\$ 19,314,907

Unallocated Capital Improvement Program Fund

This category is for unanticipated projects which are initiated throughout FY 26/27. It includes construction services, consultants, hiring hall expenses, materials, equipment, services from other city departments, and administrative expenses.

\$ 15,000,000

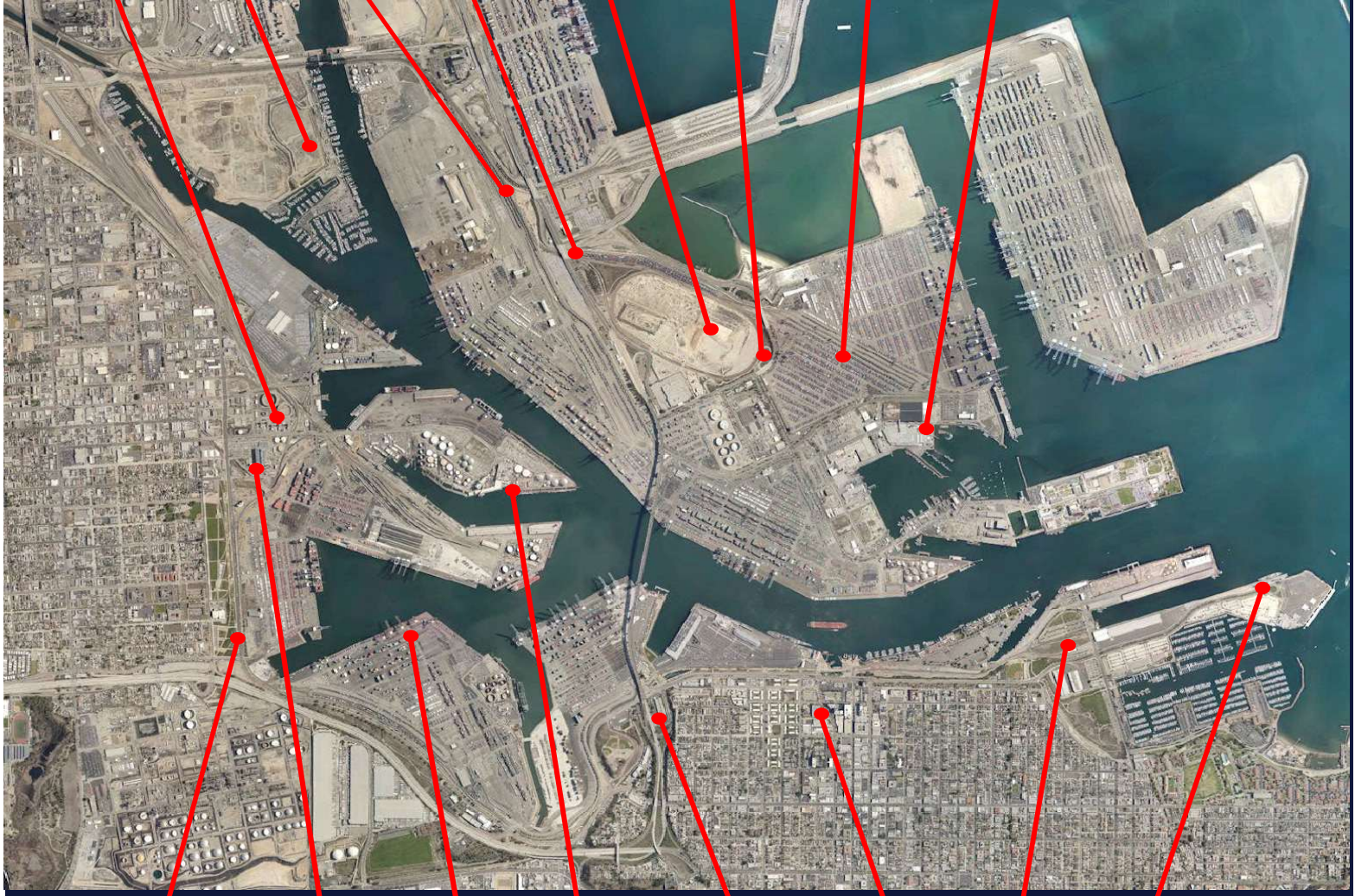
TOTAL MARITIME SERVICES

\$ 50,359,549

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

\$ 302,246,703

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



Wilmington Waterfront Avalon
Pedestrian Bridge and Promenade
Gateway
\$56.6M

POLA Goods Movement
Workforce Training Facility
\$5.8M

Terminal Island Rail Infrastructure
(TIRI) Improvements
\$0.5M

Navy Way and Seaside Ave.
Interchange Improvements
\$2.4M

Terminal Island Maritime Support
Facility
\$5.6M

Maritime Support Facility Access/TI
Rail System Grade Separation
\$1.7M

Berths 302-305 On Dock Rail
Expansion
\$30.2M

Terminal Island Facilities Demolition
& Improvement (TIFDI) Projects
\$7.1M

FY 2026/27 Capital Improvement Projects

Wilmington Waterfront
West End Restroom and
Site Restoration
\$3.7M

Zero Emissions Port
Electrification &
Operation (ZEPEO)
\$7.7M

Berth 126-129 Wharf
Redevelopment
\$3.5M

MOTEMS Program (Ongoing)
\$22.1M

SR 47/Vincent Thomas
Bridge & Front St./Harbor
Blvd. Interchange
Reconfiguration
\$27.4M

Harbor Administration
Building – HVAC Replacement
\$9.6M

208 East 22nd St Parking
Lot Improvements
\$9.0M

Berths 49-51 Outer Harbor
Cruise Development
\$34.7M



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