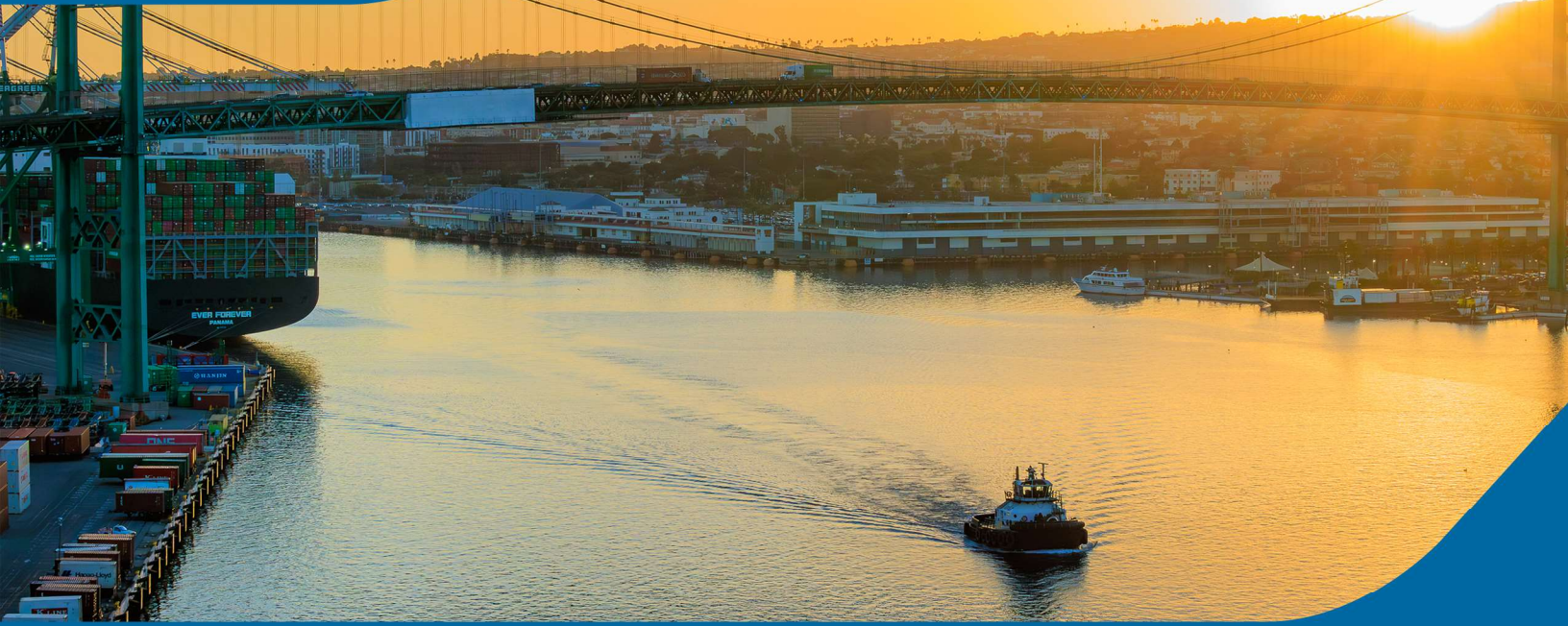


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CITY OF LOS ANGELES HARBOR DEPARTMENT



Proposed Annual Budget FY 2025/2026

**THE PORT
OF LOS ANGELES** 





PORT OF LOS ANGELES

PROPOSED

ANNUAL BUDGET

FISCAL YEAR 2025/26

Los Angeles Board of Harbor Commissioners

Lucille Roybal-Allard, President
John A. Pérez, Vice President
Yolanda De La Torre, Commissioner
Edward R. Renwick, Commissioner
I. Lee Williams, Commissioner

Eugene D. Seroka, Executive Director

Prepared by the Financial Planning & Analysis Division



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

Fiscal Year 2025/26 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.

For 25 consecutive years, the Port of Los Angeles has ranked as the top U.S. container port by volume and the busiest port in the Western Hemisphere. An economic engine at the local, regional, and national levels, the San Pedro Bay Port Complex operations and commerce are credited with facilitating one in eight jobs across the Southern California region.

Hailed as America's Port®, the Port of Los Angeles is recognized around the world for its leadership on key maritime issues, including sustainability and the environment, workforce development, and supply chain innovations that enhance the reliability, predictability, and efficiency of cargo movement.

YEAR IN REVIEW (FISCAL YEAR 2024/25)

The Port of Los Angeles ended calendar year (CY) 2024 by processing 10.3 million container units, a nearly 20% increase over CY 2023 and the second-best year in the Port's 117-year history. The feat was achieved while the Port showed continued improvement in air emissions at its 7,500-acre complex.

Port officials credit the significant cargo upswing to a relatively strong economy and other geopolitical factors. These included ongoing security concerns in the Red Sea affecting crossings at the Suez Canal; drought conditions in the Panama Canal; and protracted East Coast labor negotiations during the year, all of which helped drive more cargo to West Coast ports and the Port of Los Angeles specifically. The numbers also reflect continued confidence in the nation's biggest trade gateway.

Looming threats of tariffs leading up to the 2024 U.S. presidential elections also meant more front-loading of inventory by U.S. retailers, which additionally boosted the Port's third and fourth quarter 2024 cargo totals. Port officials predict that this inventory build-up will likely mean lower cargo levels at the nation's busiest trade gateway for the second half of CY 2025.

During fiscal year (FY) 2024/25, the Port's primary activities focused on three strategic priority areas: People, Planet, and Performance.

Emphasizing people and workforce development, the Port continued progress on its proposed Goods Movement Training Center, and ramped up operations at the \$16.4 million International Longshore and Warehouse Union and the Pacific Maritime Association (ILWU-PMA) Maintenance and Repair Training Center. This past year, the Port also formed educational partnerships with the University of California, Los Angeles (UCLA) and the California Community Colleges system to help prepare students for careers in the maritime industry. The Port's extensive community investments in the LA Waterfront also continued, which have amounted to more than \$400.0 million dollars over the last decade.

Building on its goal to be the first zero-emission port complex in the world, this past year the Port secured several major grants. Among these was \$411.7 million from the U.S. Environmental Protection Agency (EPA)—matched with \$232.5 million from the Port and terminal stakeholders—to purchase and deploy new zero-emission cargo handling equipment. Another \$31.0 million from the California Air Resources Board (CARB) will go toward testing and evaluating harbor craft emission-reducing technologies. Work on a major \$500.0 million enhancement project with the Los Angeles Department of Water and Power also kicked off, an initiative that will boost the Port's ability to handle more electric equipment and clean shore power operations in the future.

Progress to improve overall Port performance and operational efficiencies continued in FY 2024/25. Among these was the completion of a \$73.2 million Pier 400 On-Dock Rail Expansion project, and continued work on a similar rail expansion at Fenix Marine Pier 300. The Port Optimizer™—the Port's digital platform that provides Port stakeholders real-time data and predictable cargo planning capabilities—started the roll out of a new Universal Trucking Appointment System in 2024. The add-on will allow truckers to digitally and more efficiently manage terminal appointments.



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The Port marked several milestones this past year as well. It was named “Employer of the Year” by the Los Angeles Chapter of WTS International (WTS-LA), an organization dedicated to advancing women in transportation. WTS-LA cited the Port’s outstanding efforts to advance women in the transportation industry. WTS-LA also awarded the Port its top innovation award for the \$73.2 million Pier 400 On-Dock Rail Expansion, which was led exclusively by a team of women engineering professionals at the Port.

The Port welcomed two new Board of Harbor Commissioners during FY 2024/25: California State Assembly Speaker Emeritus and former UC Regent John A. Pérez, and Wilmington resident and community leader Yolanda De La Torre. This past summer, Port Executive Director Gene Seroka also celebrated his 10th anniversary of leadership at the Port, a decade marked by record cargo volumes and significant emission reductions at America’s busiest trade gateway.

Cargo Volumes

It was a banner year at the Port of Los Angeles for cargo volume, the second highest on record. The Port racked up 10,297,352 Twenty-Foot Equivalent Units (TEUs) in CY 2024, a 19.3% jump over the previous calendar year. All this cargo moved without any ships backed up at sea and with fluid operations on all container terminals.

Volumes for the months of February and July 2024 alone were significantly higher year-over-year, coming in at 60.2% and 37.3% respectively when compared to 2023. From July to October 2024, the Port moved more cargo units than at the height of the COVID-19 pandemic surge.

Loaded imports totaled 5,356,680 TEUs, a 20.6% increase relative to the prior calendar year. Loaded exports totaled 1,494,201, a 15.7% increase over the prior year. Empty container movements totaled 3,446,471, an increase of 19.0% relative to the prior calendar year.

People

Investing in workforce training, education, and surrounding communities were among the Port’s top priorities during FY 2024/25. Major initiatives to improve both lives and livelihoods included:

Workforce Development

- **Port of Los Angeles and Port of Long Beach Goods Movement Workforce Training Facility** – Planning continued on this joint \$150.0 million training facility, which will be the first-of-its-kind in the U.S. dedicated to the goods movement industry. When built, the facility will replicate goods movement environments, such as marine cargo terminals, to provide a safe training environment for workers and skill development for careers utilizing new and cleaner human-operated technologies. The State of California, has already provided \$70.0 million in funding through the state budget process for this project, and subject to legislative approval, will provide an additional \$40.0 million in upcoming years, for a total state contribution of \$110.0.



- **ILWU-PMA Maintenance and Repair Training Center** – This 20,000 square-foot facility, which opened in May 2024, is dedicated to reskilling and upskilling programs for ILWU workers. The Port was instrumental in identifying the four-acre property for the training center, located adjacent to Pier 400, which provides center operators a low-cost rent. The Port also played a role in connecting PMA and ILWU with the Los Angeles Unified School District (LAUSD) to develop the training curriculum taught at the new facility.



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- **Port of Los Angeles/UCLA Partnership** – In November 2024, the Port announced a partnership with UCLA to help advance sustainability, research, and healthier communities. The Memorandum of Understanding (MOU) focuses on fostering collaborations with communities around the Port and in the South Bay. The agreement will help create new learning, research, and workforce opportunities for UCLA students, faculty, and community members on issues such as maritime innovation, supply-chain management, clean technologies, and ocean sciences.
- **Port of Los Angeles/California Community College Partnership** – In February 2025, the Port signed an MOU with the California Community College Chancellor's Office to collaborate on initiatives to better prepare community college students for careers in the evolving goods movement industry. The MOU focuses on education, skills, and pathways related to issues facing the goods movement industry, such as zero-emission operations, decarbonization, and changing technologies.

Community Investment – LA Waterfront

Since 2005, the Port has invested significant funding to help transform the LA Waterfront into a world-class visitor destination. This investment has been guided by the Port's Public Access Investment Plan (PAIP), which allocates 10.0% of the Port's adjusted annual operating income to fund LA Waterfront public access projects, operations, maintenance, and programming.

In FY 2024/25, significant progress was made on a number of community-focused LA Waterfront capital improvement projects:

- **San Pedro Waterfront Promenade Phase II** – Construction of this \$31.4 million project was completed in December 2024 ahead of schedule. An extension of the \$57.0 million Phase I project completed in 2021, this second phase continues

the new public promenade to the southerly end of the new West Harbor development. The promenade runs parallel to the Los Angeles Main Channel and features such amenities as public seating, landscaping, hardscaping, signage, and architectural finishes.

- **West Harbor** – Work continued on this approximately \$194.0 million, 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. In November 2024, the Port released a draft subsequent environmental impact report for development's proposed waterfront 100,000 square foot amphitheater. The developers, The Ratkovich Company and Jerico Development, are expected to complete construction in spring 2026.



- **Avalon Promenade Bridge and Gateway Project** – This \$84.8 million project will create a signature pedestrian bridge along Avalon Boulevard, linking the Wilmington Waterfront Promenade to the future Avalon Promenade and Gateway. Construction will include an iconic pedestrian bridge over railroad tracks and Water Street, an entry plaza, landscaping, hardscaping, parking, restrooms, and architectural finishes. Grant funding for the project includes \$10.2 million from Metro Measure M/South Bay Council of Governments (COG); \$42.1 million from the California State Transportation Agency; and \$5.0 million from Federal Highway Administration (FHWA). Construction is slated to begin in March 2026.



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- **Cruise Industry** – The cruise industry at the Port continues to be a source of both jobs and significant economic benefits for the region. In CY 2024, 183 cruises set sail from the Port of Los Angeles with a total of 1.1 million passengers. Each cruise generates more than \$1.2 million in local payroll and business activity.
- **Community Grants Program** – In FY 2024/25, the Port awarded \$1.8 million in grants to 40 local organizations to support programs, projects, and events benefiting the Los Angeles Harbor area communities of Wilmington and San Pedro. Since the program began in 2014, the Port has awarded nearly \$12.5 million in grants to 375 local non-profit organizations in support of events, programs, and projects that benefit the Los Angeles Harbor community.

Planet

Reducing emissions while growing cargo and jobs has long been a focus of the Port. Together with the Port of Long Beach (POLB), the goal is to become the first zero-emission (ZE) complex in the world. In fact, the two ports are the only ones in the world committed to transitioning to all zero-emission cargo-handling equipment by 2030 and zero-emission heavy duty trucks by 2035.

Toward these goals, the Port’s achieved several notable sustainability milestones this past year, as well as progress on several major environmental initiatives:

- **Port Inventory of Air Emissions** – Issued in fall 2024, the Port’s latest 2023 Inventory of Air Emissions report showed broad gains in clean air progress, with air pollution from Port operations at its lowest level since 2005 when the Port began tracking emissions from all sources moving cargo through its gateway. The report showed increased turnover of trucks and locomotives to newer, cleaner models; wider use of renewable

diesel to power terminal equipment, locomotives, and harbor craft; and ongoing efficiency measures resulting in more fluid cargo operations helping to drive clean air gains. Diesel particulate matter (DPM), nitrogen oxides (NOx), and sulfur oxides (SOx) from ships, trains, trucks, harbor craft, and off-road terminal equipment were down 91.0%, 74.0%, and 98.0% respectively since 2005. Compared to the previous year’s report, DPM, NOx, and SOx fell 24.0%, 29.0%, and 40.0%.

- **\$411.7 Million EPA Grant for ZE Transformation** – In October 2024, the Port was awarded an unprecedented \$411.7 million from the U.S. Environmental Protection Agency (EPA) Clean Ports Program to support its transition to ZE operations. The Port and its private sector partners will match the EPA grant with an additional \$232.5 million, bringing the total new investment in ZE programs at the Port of Los Angeles to \$644.2 million. This funding will go toward purchasing nearly 425 pieces of battery electric, human-operated ZE cargo-handling equipment, installing 300 new ZE charging ports and other related infrastructure, and deploying approximately 250 ZE drayage trucks. The grant will also provide \$50.0 million for a community-led ZE grant program, workforce development, and related engagement activities.





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- \$31.0 Million CARB Grant for ZE Harbor Craft Testing** – In January 2025, the Port and its partners, Catalina Channel Express and Harbor Breeze Corp., received approximately \$31.0 million from the California Air Resources Board (CARB) to begin emission-reduction technology demonstration projects for specialized harbor craft. The project partners will be contributing a match funding of almost \$30.5 million. The project will involve testing and evaluation of two different harbor craft emission-reduction technologies, and a comprehensive evaluation of next-generation, less-polluting harbor craft. The Port will be contributing a match share as part of the Technology Advancement Program (TAP).
- Clean Truck Fund Rate (CTFR)** – The Clean Truck Fund Rate (CTFR) program started collection on April 1, 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. The CTFR program is a key component of the San Pedro Bay Ports Clean Air Action Plan (CAAP) goal of 100% ZE drayage trucks by 2035. Through March 2025, the Port of Los Angeles has collected \$122.5 million in revenue under the program exclusive of the collection fee. The Port's Environmental Management Division submitted a new three-year CTFR spending plan to the Board of Harbor Commissioners in May 2025.



Performance

In FY 2024/25, the Port continued to focus on improvements to both its physical and digital infrastructure, with the goal of maximizing planning, cargo efficiency, and throughput.

Because accurate cargo forecasting is critical for infrastructure planning, the Ports of Los Angeles and Long Beach are currently in the process of conducting a long-term forecast of demand for all cargo types at the San Pedro Bay. Together, the ports have historically performed such a forecast every seven to 10 years, the last of which was conducted in 2016. The forecast report will be presented to the Board of Harbor Commissioners for review in early 2026.

Major capital improvement projects for FY 2024/25 include:

COMPLETED:

- Pier 400 On-Dock Rail Expansion Project** – To accommodate future rail volumes on Terminal Island, improve cargo flow and reduce truck emissions, this \$73.2 million construction project completed in June 2024 added 31,000 linear feet of track with five new railroad storage tracks, a concrete rail bridge with lighting, an asphalt access roadway, new crossovers and turnouts, and modifications to the compressed air system. Work also included the relocation of a portion of the lead track onto Port of Los Angeles property, realignment of the track connection to the rail storage yard, modifications to Reeves Avenue, and relocation of the at-grade crossing from Nimitz Avenue to Reeves Avenue. The Port received \$21.6 million in grant funding for this project from the California Trade Corridor Enhancement Program (TCEP), which supports freight



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corridor improvements in the state. Additionally, the Port was awarded the "Innovation Transportation Solutions" top honor for this project with a team of women engineering professionals in key leadership positions.

- **Berths 177-182 Wharf Restoration** – The \$25.2 million project will add approximately 382 linear feet of concrete wharf (62-feet-wide) at these berths and partially replace an existing wharf damaged in a fire, as well as bring it into compliance with the Port's seismic code. Work also includes slope erosion repair and bollard upgrades. Construction is slated to be completed by June 2025.

UNDERWAY:

- **State Route 47/Vincent Thomas Bridge & Front Street/Harbor Blvd. Interchange Reconfiguration** – This \$130.0 million improvement project will enhance access to the LA Waterfront, San Pedro, Terminal Island, and the West Basin Container Terminal, as well as improve traffic safety. The project will replace the existing westbound off-ramp on the south side of the Vincent Thomas Bridge with a new off-ramp on the north side. The project also involves a number of other on- and off-ramp improvements. Grant funding includes \$49.3 million from Metro Measure R; \$9.9 million from US Department of Transportation (USDOT) Port Infrastructure Development Program; and \$13.4 million from TCEP. Construction began in March 2024 and is expected to be completed in November 2026.



- **Berths 302-305 On-Dock Railyard Expansion** – Design is complete and bids are being analyzed on this expansion of the existing railyard at Berths 302-305. The project will add approximately 16,200 linear feet of railroad track, five new loading tracks, and one tail track. This \$73.8 million project will improve the capacity of the existing overall on-dock railyard while also adding rail signal, storm drain, waterline, and electrical improvements. The project received grant funding of \$18.2 million from the USDOT Maritime Administration and \$19.2 million from TCEP. Construction began in April 2025 and is slated to be completed by March 2027.

IN DESIGN:

- **Berths 167-169 (MOTEMS) Shell Phase 2** – Construction on this project's second phase is expected to start construction in late 2025 and include 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 for completion in late 2026.
- **Berths 238-239 (MOTEMS) PBF Energy** – The Port is finalizing design of this new \$39.3 million marine oil platform at the PBF Energy Oil Terminal, which will provide for a new MOTEMS regulation-compliant marine oil terminal at Berth 238. The new terminal will consist of a new 125 x 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. Construction is slated to begin in July 2025 and completed by November 2026.



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- Harbor Administration Building HVAC Replacement** – This \$19.5 million project involves the redesign and replacement of the Harbor Administration Building’s Heating, Ventilation, and Air Conditioning (HVAC) system with an electric system. The improvement is in response to the City of Los Angeles’ policies and commitment for zero carbon in major building renovations. Construction is expected to start in November 2025 and be completed by December 2026.
- Terminal Island Maritime Support Facility (TIMSF)** – This \$194.6 million, 70-80 acre project will serve as a chassis support facility. It will involve grading, paving, power, lighting, fire protection, perimeter fencing, utilities, restrooms, guard booths, and a roadway connecting to the future Maritime Support Facility Access/Terminal Island Rail System Grade Separation. Grant funding includes \$149.3 million from the California State Transportation Agency (CalSTA). Construction is expected to begin in June 2026 and be completed by May 2028.



- Maritime Support Facility Access/Terminal Island Rail System Grade Separation (TIGS)** – This \$39.2 million project will add a four-lane, rail-roadway grade separation that will eliminate significant truck access impediments into the proposed TIMSF. It will also connect the TIMSF to Terminal Way, Ferry Street, and
- Pier 300.** Grant funding includes \$20.0 million from USDOT RAISE and \$15.0 million from TCEP. Construction is expected to begin January 2027 and be completed by August 2028.
- 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. To reduce the potential for collisions at this intersection, the project will eliminate left turns, add an auxiliary lane for westbound traffic, eliminate an intersection traffic signal, create a new eastbound collector-distributor road, and widen the northside highway bridge over rail tracks. The project is supported by a \$41.8 million CalSTA grant. Construction is expected to begin in September 2027 and finish by February 2030.
- 208 East 22nd Street Parking Lot Improvements** – This \$31.8 million project will involve the development and redevelopment of 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, additional entrances, and pay stations. Construction is estimated to start in June 2026 and be completed by May 2027.
- Zero-Emissions Port Electrification and Operations Program** – To support future power demands related to the Port’s goal of 100% ZE cargo handling equipment by 2030, the Port and the Los Angeles Department of Water and Power (LADWP) are set to begin a \$501.0 million construction project to build a fourth rack at the LADWP power receiving station in Wilmington (RS-Q), as well as separate projects to construct distribution lines and other electrical infrastructure from RS-Q to the Outer Harbor, West Basin, and Terminal Island. The construction start date has not yet been announced.



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- **Berths 49-51 Outer Harbor Cruise Terminal Development** – This \$57.3 million project will involve the installation of an Alternative Maritime Power® (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. Construction will begin in January 2026, with completion slated for March 2028.
- **Terminal Island Facilities Demolition and Improvements** – Making additional land available for lease, the Port is planning \$26.5 million in improvements on Terminal Island. The project will include demolition and lot conversion at both 1025 and 1050 South Ways Street; South Seaside Avenue storm drain restoration; Southwest Marine Administration Building demolition and pavement improvements; and Berth 209 Container Freight Station building demolition and pavement improvements. Work will also entail asbestos abatement, lead remediation and polychlorinated biphenyls (PCB) abatement, structure removal and disposal, grading and paving, contaminated soil disposition, among other activities. Construction is expected to begin in November 2025 and be completed by December 2026.
- **Berths 195-199 – WWL Terminal Alternative Maritime Power (AMP®)** – This \$17.7 million project will construct two AMP® vaults at the Wallenius Wilhelmsen (WWL) auto terminal, including associated infrastructure and power service from the LADWP. The vaults will be compliant with international standards and allow auto-carriers to plug in while at berth, in compliance with CARB standards. Construction is slated to start in January 2026 and be completed by January 2028. Funding includes a \$16.0 million grant from the EPA Clean Ports Program.

San Pedro Waterfront – Harbor Boulevard from SP 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 SP Slip to 22nd Street. Improvements include utility removals/relocations, street work, grading, paving, striping, lighting, street trees, landscaping, and a scenic pedestrian walkway. Construction is expected to start in December 2026 and be completed in November 2027.

Digital Infrastructure

- **Port Optimizer™** – In July 2024, the Port received an \$8.0 million grant from the California Governor’s Office of Business and Economic Development (GO-Biz) to add major enhancements to the Port’s community data platform, the Port Optimizer™. First introduced in 2017, the Port Optimizer™ is a cloud-based information portal that digitalizes maritime shipping data for cargo owners and supply chain stakeholders through a secure single access point.

The grant will accelerate the development and deployment of three new Port Optimizer™ tools:

- *Universal Truck Appointment System* – This new enhancement will provide a single user interface for truckers scheduling appointments at Port terminals. Phase 1 of the rollout took place in fall 2024.
- *California Ports Mobile Application (CalPorts)* – This enhancement will provide mobile access to the Port Optimizer™ and other port dashboards when available, making



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it easier for California ports to send and receive data such as cargo status, environmental performance, and port security data, among other information.

- o *Carbon Intensity Gateway* – This enhancement will add a single, online gateway for collecting carbon impacts of Port operations. Once developed, the gateway will provide users with a near real-time Green Asset Score based on rail, trucking, vessel, and on-port equipment particulate and greenhouse gas emissions, and give them the option of selecting more optimal routes that balance cargo speed and emissions impacts.

Cybersecurity

In FY 2024/25, the Port continued its focus on protection against cybersecurity risks and disruption threats to both Port operations and the overall supply chain. This included ongoing work at the Port’s Cybersecurity Operations Center (CSOC) and the Cyber Resilience Center (CRC). Created in 2021 in collaboration with IBM, the CRC focuses on detecting and protecting against malicious cyber incidents potentially impacting cargo flow, and accelerating the quality, quantity, and speed of cyber information sharing within the Port’s ecosystem.



FY 2025/26 PROPOSED ANNUAL BUDGET OVERVIEW

The Harbor Department’s FY 2025/26 Proposed Budget was developed during a time of economic uncertainty particularly around international tariffs and their effects on global trade. As the global landscape continues to evolve, the Port maintains its focus on three core priorities in managing the #1 container port in the U.S.: People, Planet, and Performance.

As with every organization, the strength of the Port lies in the people who operate and support it each and every day. To ensure that this critical workforce is trained and equipped for an ever-changing industry, the Port will continue work on the Goods Movement Training Campus, which will serve as the only dedicated training hub for the goods movement sector in the U.S., as well as partner with higher education to prepare students for careers in the maritime and logistics industries. The Port will also continue its investment in the local community through the Public Access Investment Plan, which has transformed the San Pedro and Wilmington waterfront areas for public use over the last decade. The FY 2025/26 Proposed Budget includes continued funding for the Community Investment Grant Program, which supports local initiatives, as well as funding for public events such as LA Fleet Week.

Recognizing that continued growth must be achieved in a sustainable manner, the Port continues to lead the maritime industry in environmental innovation and sustainability. As the first port in the world to implement shore power for container vessels, the Port has consistently demonstrated that economic advancement can be attained alongside environmental stewardship. After realizing a sustained and substantial decrease in air pollution in and around the port complex through multiple environmental incentive programs, the Port has transitioned to developing more ambitious environmental programs such as the Green Shipping Corridor (GSC) with major international ports aimed at decarbonizing the maritime routes between these



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ports. POLA will also continue its capital investment in clean energy technologies including the installation of a new distribution system and expansion of the existing electrical distribution racks in support of zero carbon port operations.

The Port has managed for the 25th consecutive year to maintain its position as the busiest container port in the Western Hemisphere partly due to its focus on high performance through innovation, efficiency, and strategic coordination. Being a leader in the industry, the Port launched the Port Optimizer in 2017, the first port community data platform of its kind in North America, aimed at enhancing the efficiency and predictability of the maritime supply chain. From its initial inception, additional enhancements have been and continue to be added consisting of advanced forecasting tools, operational efficiency monitoring, mobile access, and more.

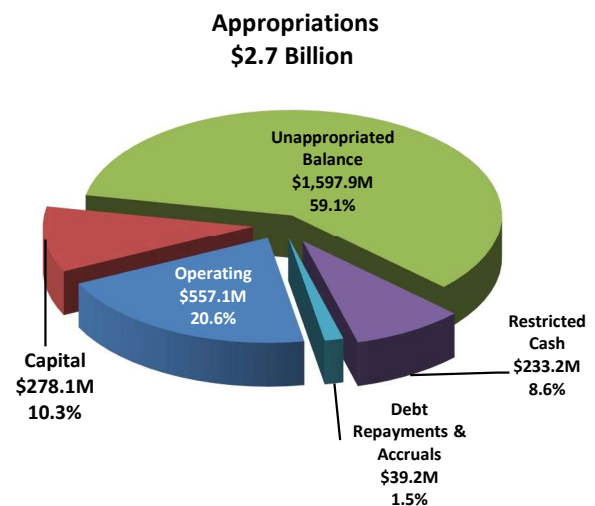
In light of ongoing uncertainties concerning the tariffs, the Port is projecting an 18.0% decline in TEU volumes for FY 2025/26 relative to the FY 2024/25 Forecast. Despite the projected decline in TEU volumes, the Port remains in a strong financial position supported by prudent fiscal management and long-term planning during the last decade. In addition to funding for programs that are focused on the core priorities of People, Planet, and Performance, the FY 2025/26 Proposed Budget will fund the daily operations of the Port and other high priority initiatives outlined in the Strategic Plan. The FY 2025/26 Proposed Budget also includes funding of \$231.3 million for Capital Improvement Projects, a 7.2% decrease relative to the FY 2024/25 Adopted Budget. This funding represents the Port’s commitment to investing in infrastructure, sustainability, and improving public access.

As in previous years, the Port has used the four strategic objectives outlined in the 2018-2022 Strategic Plan as a guide when developing the budget:

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



The Proposed Budget includes Capital, Operating, and other appropriations totaling \$2.7 billion.



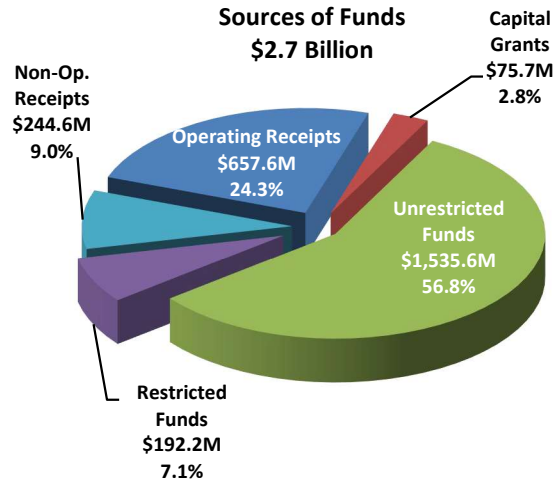


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To support the daily operations of the Harbor Department in FY 2025/26, \$427.1 million has been allocated for the Operating Expense Budget. This includes funding for activities such as ensuring the safe flow of ship traffic within the Los Angeles 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, 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, \$148.7 million has been budgeted for Depreciation Expense and \$130.0 million has been budgeted for Interest Expense and Other Non-Operating Expenses for a Total Expense budget of \$705.8 million.

With a total Capital Budget of \$278.1 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 \$1.6 billion in unappropriated funds, \$233.2 million in restricted cash, and \$39.2 million in debt repayments and accruals. The Proposed Budget is projected to create approximately 4,600 direct and indirect jobs (not including Harbor Department employees), of which 3,400 are attributable to capital spending.



The Capital, Operating, and other appropriations included within the Proposed Budget will be funded through \$2.7 billion in receipts and cash-on-hand. Operating Receipts will continue to be driven by cargo-related activities as Shipping Services revenue is anticipated to comprise the largest portion of the \$657.6 million in projected total Operating Receipts. Total receipts will continue to be augmented by \$75.7 million in Capital Grant Receipts and \$244.6 million in Non-Operating Receipts such as federal grant revenue, interest/investment income, and pass-through grants. Total cash of \$1.7 billion, comprised of \$1.5 billion in unrestricted funds and \$192.2 million in restricted funds, is anticipated to be available within the Proposed Budget. This level of total cash available represents a 3.1% increase relative to total cash of \$1.7 billion available at the beginning of FY 2024/25. 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.

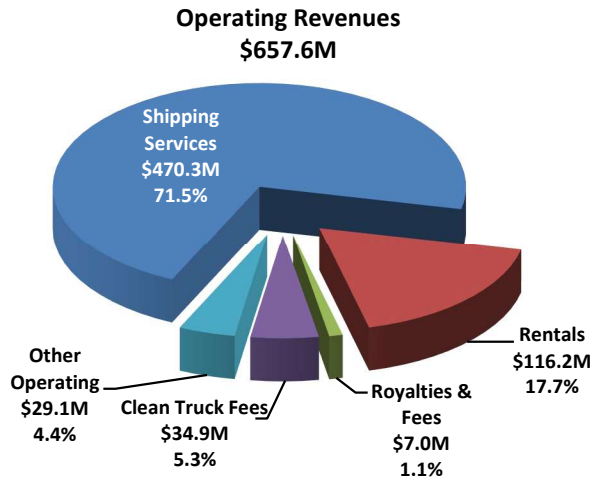


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OPERATING BUDGET

Operating Revenues



The Proposed Budget projects total Operating Revenues of \$657.6 million, reflecting a 4.0% decrease relative to the FY 2024/25 Adopted Budget (Adopted Budget) and a 15.6% decrease compared to the FY 2024/25 Forecast (Forecast). As part of the Proposed Budget, cargo volumes of 8.20 million TEUs are anticipated to be processed in FY 2025/26. This level of cargo volumes represents a 9.9% decrease relative to the 9.10 million TEUs assumed in the Adopted Budget and an 18.0% decrease relative to the 10.00 million TEUs assumed in the Forecast.

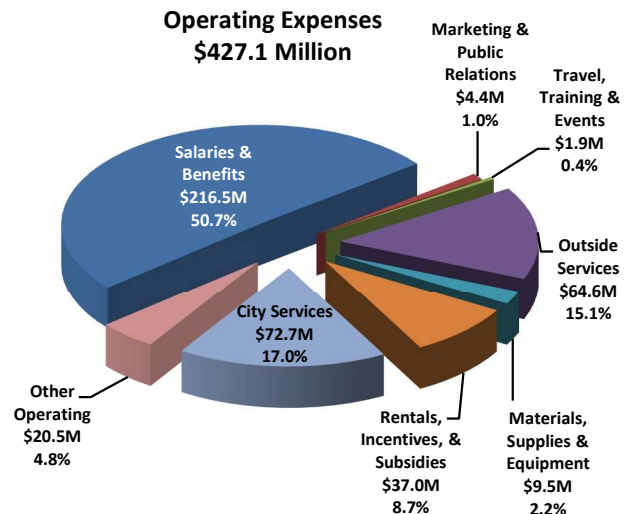
In FY 2025/26, Shipping Services revenues are projected to comprise 71.5% of Operating Revenues and remain their largest component, followed by Rental revenues at 17.7%, Clean Truck Fees at 5.3%, Other Operating Revenues at 4.4%, and Royalties and Fees at 1.1%. Relative to the Adopted Budget, FY 2025/26 Shipping Services revenues now represent a slightly smaller share of total Operating Revenues, primarily due to reduced wharfage revenues from lower cargo activities.

The 4.0% decline in total Operating Revenues relative to the Adopted Budget is largely attributable to reductions in Shipping Services, Clean Truck Fees and

Other Operating Revenues, most notably, AMP® Reimbursements. The decrease in Shipping Services revenues is driven by the anticipated decline in cargo volumes, which reflects ongoing impacts from trade disputes and tariff-related actions. Clean Truck Fees and AMP® Reimbursements are similarly lower due to cargo volume-related declines. These reductions are expected to be partially offset by higher Rental Revenues arising from Consumer Price Index (CPI) increases and modest growth in Royalties and Fees.

Relative to the Forecast, the 15.6% decrease in Operating Revenues is more pronounced. This decline is largely attributable to lower Shipping Services arising from lower anticipated cargo volumes, lower Other Operating Revenues arising from lower Harbor Maintenance Tax (HMT) receipts, and lower Clean Truck Fees stemming from the projected decline in cargo volumes. These declines are expected to be only partially offset by higher Rental revenues arising from CPI increases.

Operating Expenses



The FY 2025/26 Proposed Budget includes total Operating Expenses of \$427.1 million, which represents a 2.5% increase relative to the Adopted Budget and 6.4% increase relative to the Forecast. The increase in total Operating Expenses relative to



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the 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 Clean Truck Fund Rate subsidies and AMP®-related electricity.

The largest component of the Port's Operating Expense Budget is Salaries & Benefits with a proposed budget of \$216.5 million (net of \$16.0 million in direct capitalization), or 50.7% of the total Operating Expense Budget. Relative to the FY 2024/25 Adopted Budget, there is an increase of \$17.1 million, or 8.6%, resulting primarily from lower Salary & Benefits attrition savings largely driven by the increase in funding to absorb City of Los Angeles employees facing potential layoffs. Other drivers are employee memorandum of understanding (MOU) mandated increases to salaries, salary step increases, position upgrades, and the addition of seven new full-time positions; higher pension and health care contributions; higher bonuses and miscellaneous employee benefits pay; and an increase to overtime. These are partially offset by higher direct Salaries & Benefits allocation to capital and lower funding for a prospective employee training program.

The other two 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 \$72.7 million or 17.0% of total operating expenses will be increasing by \$4.2 million or 6.1% relative to the Adopted Budget. Outside Services – services provided to the Harbor Department by consultants and professional/technical service providers – totaling \$64.6 million or 15.1% of total operating expenses will be increasing by \$1.6 million or 2.5% relative to the Adopted Budget. This increase in Outside Services is largely attributed to higher spending for Hiring Hall and funding for the Industrial, Economic, and Administrative (IEA) Survey that is a Charter-required survey of proprietary departments that must be performed at least once every five years.

Within Other Operating Expenses, which includes Allocations to Capital, a \$10.5 million or 33.9% decrease relative to the FY 2024/25 Adopted Budget results largely from lower spending for electricity and claims & settlements, and higher Allocations to Capital, offset by higher spending for water service. The AMP®-related electricity is projected to decrease in FY 2025/26 as lower TEU volumes are anticipated due to the impact of the tariffs. Funding for the Rentals, Incentives, & Subsidies budget category will be decreasing by \$2.5 million or 6.4% due to lower spending for the Clean Truck Fund Rate subsidies partially offset by higher spending for container, environmental, and cruise incentives. Within the Marketing & Public Relations budget category, there is a slight increase of \$26,329, or 0.6% due to higher funding for sponsorships. Further, there is a \$505,171 or 36.0% increase within the Travel, Training & Events budget category for new and increased funding for travel related to training and conferences. Finally, there is a \$87,202 or 0.9% increase within the Materials, Supplies, & Equipment category due to the rising costs of parts and materials used to maintain land, property, infrastructure, and equipment.

CAPITAL IMPROVEMENT PROGRAM

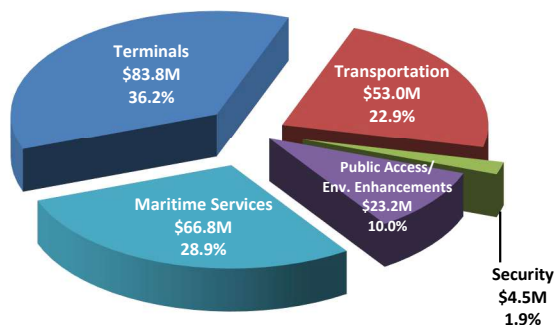
The FY 2025/26 Proposed Capital Budget of \$278.1 million reflects the objectives set forth by the Port's 2018-2022 Strategic Plan. The projects funded in FY 2025/26 will enable the Port to continue developing world-class infrastructure for container, cargo, and cruise terminals; ensure that the Port's marine oil terminals meet engineering and maintenance standards; make transportation improvements to promote efficient movement of goods; invest in environmental enhancements and zero emissions technology at the Port's terminals; deliver public access projects to the local community; and implement systems to enhance security at the Port. Comprising 10.3% of the department's total budget, the FY 2025/26 Proposed Capital Budget includes \$231.3 million of direct costs in the Capital Improvement Program (CIP), \$24.6 million in overhead allocations, and \$22.2 million in capital equipment.



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Capital Improvement Program
\$231.3 Million



Terminal Improvement Projects

To improve operations at the Terminals, \$83.8 million has been budgeted in FY 2025/26 for Terminal Improvement projects, which amounts to 36.2% of the FY 2025/26 Proposed CIP Budget. A total of \$26.4 million has been allocated for the construction of five new railyard tracks at the Fenix Terminal, reuse of three existing tracks, new tail track, new turnouts, and rail signal improvements.

An additional \$24.9 million has been budgeted for PBF Energy, Shell, and other marine oil terminals to ensure compliance with the Marine Oil Terminal Engineering Maintenance Standards (MOTEMS) as mandated by the California State Lands Commission. This work will ensure the structural integrity of these marine oil terminals for the protection of public safety and the environment.

Other terminal projects include a roof replacement, a new AMP® vault, the repair and waterproofing of the pedestrian deck of the passenger terminal, and other repairs at the World Cruise Center; development of a chassis support facility at the Terminal Island Maritime Support Facility; demolition of a former container freight station at Berths 208-209;

development of the outer harbor cruise terminal at Berths 49-51; and various other projects have been budgeted for \$32.5 million in the next fiscal year.

Transportation Improvement Projects

To promote faster, safer, and more efficient movement of goods and vehicular traffic flow, \$53.0 million, or 22.9% of the Proposed CIP Budget, has been budgeted for Transportation Improvement projects.

To help improve safety, access, and overall operational efficiency within the area, construction continues on the State Route 47/Vincent Thomas Bridge & Front Street/Harbor Boulevard Interchange Reconfiguration. Budgeted at \$47.6 million in the upcoming fiscal year, this project will modify the existing freeway on and off ramps.

Various other transportation improvement projects are allocated for a total of \$5.4 million in funding in FY 2025/26. These projects include modifications to the existing intersection at Navy Way and Seaside Avenue to improve traffic operations; construction of a four-lane, grade-separated roadway on Terminal Island; improvements to a CALTRANS pedestrian path and parking lot; and other assorted projects.

Public Access/Environmental Enhancement Projects

A total of \$23.2 million, or 10.0% of the FY 2025/26 Proposed CIP Budget has been allocated for public access projects in the Wilmington and San Pedro areas and various environmental enhancement projects.

At the Wilmington Waterfront, \$3.5 million has been allocated for numerous PAIP projects. With the design projected to be completed in summer 2025, \$2.8 million has been budgeted in FY 2025/26 for the bid and award, and the beginning stages of construction for the Avalon Pedestrian Bridge and Promenade Gateway. Development of the pedestrian bridge will provide safe pedestrian access to the Wilmington Waterfront Promenade over existing rail tracks. This



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project will also include the development of approximately 12 acres of visitor serving open space. Other Wilmington Waterfront PAIP projects, with cumulative funding of \$0.6 million in FY 2025/26, include work on the Wilmington Waterfront Park west end restroom and site restoration; removal of the DWP Marine Tank Farm; environmental review and design of the Wilmington Youth Aquatic Center; and the site characterization assessments for the Wilmington Waterfront.



In the FY 2025/26 Proposed Budget, a total of \$2.5 million has been budgeted for PAIP projects on the San Pedro Waterfront. Due to the increase in anticipated foot traffic, \$0.9 million has been allocated to continue the redevelopment of the East 22nd Street parking lot, providing an additional 2,350 parking spaces. Additional San Pedro Waterfront PAIP projects including the expansion of Harbor Boulevard into two travel lanes in each direction, construction of the Cabrillo Marine Aquarium Life Support System, soil testing and removal at West Harbor, and other Public Access projects have a combined FY 2025/26 budget of \$1.7 million.

An additional \$17.2 million has been allocated for Environmental Enhancement projects and other Public Access projects in FY 2025/26. These projects include the installation of a new distribution system and expansion of the existing electrical distribution racks in support of the Zero Emission Port Electrification & Operations project which will enhance operations throughout the Port, San Pedro, Wilmington, and Terminal Island districts; a

demonstration project on Berth 100 to construct wireless zero emission charging infrastructure to determine the feasibility of wireless charging as a future standard for Port operation; the construction of AMP® power at Berths 195-199; the testing and removal of stockpiled contaminated soil at Berths 58-60; as well as various other projects.

Security Projects

Security Projects make up 2.0% of the FY 2025/26 Proposed CIP Budget at \$4.5 million, which will fund Port Police and Information Technology initiatives.

The design, construction, and delivery of a Port Police Dive Boat is funded at \$2.0 million in FY 2025/26. Additionally, \$2.5 million has been budgeted for the remaining Security projects which include the construction of the Land Mobile Radio System Enhancement project; building renovations at the former Crowley Marine Building at Berth 86 for Port Security Officers; completion of the Port Police Phase II 700MHz radio system; project closeout of a fixed automated license plate recognition system; completion of the Port's CRC designed to reduce the ecosystem risk of cyber incidents that could disrupt the flow of cargo; as well as other Security projects.

Maritime Services

In the FY 2025/26 Proposed CIP Budget, \$66.8 million, or 28.9% of the budget, has been budgeted for Maritime Services. The Maritime Services category includes improvements and repairs to Harbor Department Facilities and other Port locations; costs for capital projects that do not fall under the other categories; and funding for unforeseen projects.

Harbor Administration Building (HAB) – In FY 2025/26, a total of \$11.5 million has been allocated for projects at HAB. Bid and award and construction of the heating, ventilation, and air-conditioning (HVAC) system replacement has been budgeted at \$8.6 million. To be code compliant with the Americans with Disabilities Act (ADA), the Board



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Hearing Room and Executive Session Room will be renovated to provide both rooms with accessible seating and paths of travel. The Harbor Department has allocated \$1.0 million in funding in FY 2025/26 for this project, which will include the replacement of all audio and visual equipment along with new furniture and other space needs. An additional \$1.9 million has been allocated for other projects at HAB including the coating and concrete sloping improvements in a section of the parking garage; the renovation of Information Technology Division staff workspaces; the relocation of the existing mailroom from the second floor to the first floor of HAB; and other projects.

Software – Funding of \$3.0 million in FY 2025/26 has been allocated for two software enhancement projects. The migration of the Port’s Oracle E-Business Suite (EBS) to a new Oracle Enterprise Resource Planning (ERP) Cloud system is funded at \$2.7 million in FY 2025/26. This new Oracle ERP Cloud system will improve functionalities for various financial modules within the Harbor Department’s financial system. With funding of \$0.3 million in FY 2025/26, enhancements of the Harbor Department’s Klein Billing and Port Pilot System software will continue.

Other Harbor Department Facilities – The design and installation of 140 electric vehicle charging ports at locations including Liberty Hill Plaza Parking Lot, Construction & Maintenance (C&M) Yard, HAB, Port Police Headquarters, and Port Pilots Station is allocated at \$1.6 million in FY 2025/26. Additionally, the remodel of the existing administration building in the C&M Yard, replacement of two compressors for the Compressed Natural Gas (CNG) fueling system at the C&M Yard, and improvement of various other Harbor Department facilities are funded for a total of \$2.1 million.

Miscellaneous Projects – Work on projects at various Port locations has been budgeted for \$34.7 million in FY 2025/26. The Harbor Department has budgeted \$7.8 million for the design and construction of a new workboat, barge, and crane to support wharf

maintenance and improvements. The Harbor Department’s C&M Division manages various deferred maintenance projects which are budgeted at \$6.7 million. In FY 2025/26, the Port plans to demolish two former Port facilities with a budget of \$6.7 million. An additional \$13.4 million has been budgeted for the following projects: preparation of an Environmental Impact Report (EIR) for the 20-acre Goods Movement Workforce Training Facility; the replacement of the wire ropes on the Badger Avenue Bridge; and various other projects around the Port.

Unallocated – Unforeseen projects that arise during the fiscal year are included in this category at \$14.0 million in funding for FY 2025/26.

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 2025/26. 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

As global trade continues to evolve amid economic uncertainty and shifting tariff policies, the Port of Los Angeles remains focused on sustaining cargo volume, strengthening customer relationships, and enhancing supply chain efficiency. The Cargo Marketing Division plays a critical role in these efforts by developing strategic partnerships with key stakeholders and supporting supply chain efficiencies.



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The Port continues to prioritize “speed to market” initiatives that enhance cargo flow, increase service reliability, and provide greater predictability for shippers and their supply chain partners. However, recent trade tariffs enacted by the current presidential administration have introduced significant uncertainty into global trade patterns. Historically, tariffs often lead to a temporary spike in cargo volumes prior to implementation, followed by a decline—a trend already evident in the first quarter of calendar year 2025. Accordingly, the Port’s FY 2025/26 cargo volume forecast reflects a projected slowdown in container volume growth as a result of these developments. That said, cargo patterns can shift quickly. As seen during the COVID-19 pandemic, initial declines in cargo volumes were followed by an unprecedented rebound. A similar recovery may occur once retailers deplete existing inventories. Supply chain stakeholders recognize this possibility and are cautiously preparing for a potential upswing in demand. In the interim, shipping lines are managing vessel capacity to maintain balance in the market and support sustainable freight rate levels.

With a FY 2025/26 Proposed Budget of \$21.3 million, the Cargo Marketing Division will continue to lead efforts to strengthen market share and maintain strong connections across key sectors of the supply chain including the trucking, rail and distribution, and warehousing industries. Each Cargo Marketing Manager is assigned to a specific sector in the industry, ensuring that stakeholders remain informed of emerging market trends and developments.

The Port is also making significant progress in the ongoing expansion of the Port’s digital tool, the Port Optimizer™, which provides supply chain visibility. Currently under development is the universal trucking appointment system, which will improve the ease of identifying, moving, and managing containers across the entire San Pedro Bay port complex.

The cruise industry remains a vital part of business activity at the Port. The division’s FY 2025/26 Proposed Budget includes \$3.0 million in funding for Cruise Incentives to encourage a greater number of cruise ship calls to the Port. In response to growing

demand, the Port issued a Request for Proposal (RFP) in FY 2024/25 for the operation of an existing cruise terminal and the development of a new terminal at the Outer Harbor. A final selection is expected to be announced during FY 2025/26.



Additionally, 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. It is also working closely with the Environmental Management Division on the advancement of GSCs—dedicated maritime routes between Asia and Los Angeles that promote the use of low- or zero-emission vessels.

Through continued investment in customer engagement, infrastructure development, and environmental leadership, the Port of Los Angeles can maintain long-term market competitiveness and operational excellence—ensuring it remains the busiest container port in North America.

Trade Connect Program

The Port of Los Angeles is an engine for our local, regional, and national economy, and the Trade Connect Program is a source of export training and support for our vital entrepreneurs and small businesses. Trade Connect makes the City of Los Angeles’ status as a crossroads of global commerce



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real in the lives of L.A.'s workers and employers, helping them expand the reach of products and services, increase revenue, support jobs, promote economic growth, and connect to marketplaces and customers across borders, oceans, and continents.

The cost of the Trade Connect Program is covered within the Trade Development Division's (Trade Development) FY 2025/26 Proposed Budget of \$1.2 million. The Trade Connect Program serves as the Port's educational trade outreach program to the business community, encouraging increased exports through the Port. This program helps 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 is tailored to small and medium-sized businesses to encourage them to consider export markets. The program's innovative seminars include introductory courses on the basics of commercial transactions, foreign markets, financing, documentation, and logistics; and advanced seminars on international demand for specific products and emerging global consumer markets.

With nearly \$32.3 billion in exports passing through the Port in 2024, exports remain a vital part of the Los Angeles regional economy. Due to Southern California's large manufacturing base, there is potential to continue increasing exports to expand into numerous world markets. It is estimated that 85% of manufacturers in California do not export to foreign markets, presenting an opportunity to grow exports by helping manufacturers incorporate foreign markets into their business marketing plans.

The Director of Trade Development was appointed by the U.S. Secretary of Commerce to the District Export Council of Southern California in 2022 and continues to serve in this capacity with the new administration. This appointment elevates the representation of the Port at the national level and as a key strategic leader in international trade. Trade Development frequently partners with other governmental agencies and the diplomatic corps to promote export trade.



In coordination with the overall goals of the Port and the Mayor's Office, the Director of the Trade Development Division continues to work closely with the Port's executive director to align strategic objectives with global ports around the world and enter into international port agreements promoting GSCs, data optimization of the supply chain, operational efficiencies, and cyber security initiatives. As a result, key business relationships have been cultivated and the Port has been promoted as a world class leader during international trade missions organized by the Trade Development Division.

Planning and Strategy

The Planning and Strategy (Planning) Division maintains the Port Master Plan, which establishes the policies and guidelines for development at the Port which are consistent with the California Coastal Act. The Planning Division's \$2.0 million FY 2025/26 Proposed Budget supports the efforts of its team of Harbor Planning and Economic Analysts (HPEA) who serve as the department's land use planners, researchers, and economists in their work to help guide future development at the Port. HPEAs expect to process and review more than 200 applications annually for development projects within the Harbor District.

In FY 2025/26, the division will be preparing project-specific amendments to the Port Master Plan in addition to continuing its work with the California Coastal Commission staff on larger changes to accommodate the Port's long-term development goals.

Continuing a joint effort with the POLB, Planning will finalize a new long-term forecast of cargo throughput at the San Pedro Bay ports, analyzing trends and shifts since the last study was performed nearly a



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decade ago. The results will then be used in Environmental Impact Reports to evaluate project purpose and need, and in the long-term planning of port development projects. The division has budgeted \$60,000 for this project in FY 2025/26.

Planning reports on the competitive position and the economic impacts of the Port, commodity flows, and shifts in global trade. The data from these reports is used by the Port to help grow its market share. The division has budgeted \$195,000 to procure the trade data necessary to perform this research. An additional \$18,611 has been budgeted in FY 2025/26 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, previously known as Labor Relations & Government Affairs, establishes and maintains positive relationships with elected and appointed leadership at all levels of government and advances workforce development initiatives to further the Port’s strategic initiatives for the benefit of the City, the department, and San Pedro Bay stakeholders with a \$3.7 million FY 2025/26 Proposed Budget.



In FY 2025/26, WGA will be working with government partners to advance POLA’s priorities regarding operations, infrastructure improvements, and furtherance of the Port’s environmental stewardship. In addition, WGA is coordinating efforts with the Los Angeles Unified School District, the California Community Colleges Chancellor’s Office, and other academic institutions to create workforce development programs.

Environmental Stewardship

The Environmental Management Division (EMD) supports all objectives under the Port’s Strategic Plan within its FY 2025/26 Proposed Budget of \$30.0 million. EMD consists of the Air Quality, Site Restoration and Assessment, Water Quality, and California Environmental Quality Act (CEQA)/National Environmental Policy Act (NEPA) technical groups with each discussed in more detail below.

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 \$2.5 million. Much of the funding allocated to air quality programs is associated with the implementation of the CAAP, first proposed in 2006 and most recently updated in November 2017. The goal of the Clean Truck Program (CTP), a core CAAP program, is for all trucks serving the 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. Additionally, as of April 2022, the Port collects a CTFR of \$10 per TEU. As of April 2025, the Port has collected approximately \$127.0 million that is allocated toward programs that facilitate the purchase of zero emission trucks and supporting infrastructure. Of this amount, \$9.0 million is allocated in FY 2025/26 for CTP subsidies and incentives to support the purchase of zero emission trucks and regional charging infrastructure.

The Air Quality budget also includes development, research, and/or oversight of the following programs: existing grants and grant applications for zero emission equipment deployment and infrastructure; air quality monitoring; annual emission inventories;



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the Technology Advancement Program (TAP); regulatory compliance; and stakeholder engagement. Additionally, the Port continues to work with ports in Shanghai and Singapore to create and promote GSCs to reduce greenhouse gas emissions along the world's busiest cargo routes.

The implementation of air quality improvement incentive programs, which continue to be among the most successful CAAP strategies, is also funded through the FY 2025/26 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 provides funds to support developing and demonstrating technologies that reduce emissions from port operations; and the Environmental Shipping Index, which rewards operators for deploying vessels with a "clean ship score" to the Port.

The Site Restoration Group provides environmental stewardship and compliance services to help manage the Harbor Department's environmental risks, such as contaminated properties, to allow for property development throughout the Port. In addition, this group manages hazardous waste and emergency response needs within the Port and is key to the Harbor Department's commitment to zero waste, as required by the City of Los Angeles' Green New Deal. Site Restoration's budget for assessment, emergency response, and zero waste management services are currently at \$2.4 million for outside services and fees in FY 2025/26. This budget covers many aspects, including site assessment and restoration services for regulated and non-regulated properties throughout the Port; design and implementation of the Harbor Department's Zero Waste Plan, the provision of environmental support to the Construction, Engineering and Real Estate Divisions to facilitate economic development, lease agreements, and baseline assessments; 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; hazardous materials and waste management, including Port-

wide response to hazardous spills, illegal dumping, and biohazard cleanups; maintaining the Port's Construction and Maintenance (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 Water Quality Services program, which addresses water, sediment, and biological resources, is budgeted at \$960,000 for FY 2025/26. Funds will be used to improve source control and water quality through the Clean Marina and stormwater Tenant Outreach Programs; and 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. Additional funds will be allocated to ongoing required monitoring of the endangered California Least Tern Nesting site, finalization of the *2023 Biological Surveys of Long Beach and Los Angeles Harbors* report, and implementation of biological mitigation programs.



The CEQA/NEPA technical group has been allocated \$870,000 for FY 2025/26. These funds are necessary to ensure compliance with state and federal statutes focused on the public disclosure of potential environmental impacts associated with Harbor Department or applicant proposed projects. This



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amount includes analyses not included under the capital budget; applicant proposed projects that may be under a reimbursement agreement; and as-needed evaluations necessary to comply with the Port's Built Environment Historic, Architectural, and Cultural Resource Policy. Also, work will begin in FY 2025/26 on the development of a new Residential Sound Insulation (RSI) Mitigation Program for residential sound proofing at select residences on Knoll Hill and in the West Amar Street/North Palos Verdes Street community of San Pedro. The amount allocated is for the initial start-up costs associated with obtaining consultant services to develop the program and provide project management support. 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.

Security and Public Safety Strategies

The Port Police Division's (Port Police) FY 2025/26 budget will continue to prioritize public safety and security measures that support the growing needs of the Port community and align with the Port's objective of a secure, efficient, and environmentally sustainable supply chain.

With a Proposed Operating Budget of \$63.7 million and a Capital Equipment Budget of \$9.0 million, Port Police will make investments that enhance public safety and ensure business continuity across the port complex. These investments are necessary as the need for policing activity continues to increase with the opening of West Harbor, ongoing construction projects, expanded cruise operations, and the growing popularity of community events. These developments require Port Police to maintain a strong presence to ensure the safety of visitors, customers, and business partners.

The division will remain focused on recruiting, training, and retaining a well-prepared workforce to meet the Port's evolving operational demands. Remaining focused on these efforts will ensure that Port Police can support effective and efficient

operations. With the ongoing threat of cyber incidents, the FY 2025/26 budget includes targeted investments to enhance cybersecurity capabilities and support a secure and efficient operating system. These measures are critical to protecting sensitive data and ensuring operational continuity. These investments will help ensure that the Port Police Division is fully prepared to meet both daily patrol responsibilities and emergency response demands.



Community and Waterfront Programs

The variety of initiatives and programs in support of stakeholder engagement, tourism growth, activation of the LA Waterfront with events, and strengthening relations with local non-profits remain key priorities for the Community Relations Division. As such, \$6.9 million has been budgeted in FY 2025/26 for the creation of high-value, positive-impact engagements, activities, and leadership opportunities that advance the Harbor Department's role as a partner and contributor to its broad community of stakeholders.

In the year ahead, the division will facilitate communications and external outreach in support of the Port's Strategic Objectives. In addition, the division will continue to manage school boat tours and educational events/initiatives; special group visits; cargo, cruise, and LA Waterfront® advertising/promotion; sponsorships; and production (or support) of a variety of LA Waterfront events. The Port's Community Investment Grants program will also continue in FY 2025/26 with a target to allocate



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up to \$2.0 million to a variety of projects and events organized by non-profit groups, consistent with Tidelands Trust guidelines. Nearly \$12.5 million in grants have been awarded since the program began in FY 2013/14.

The FY 2025/26 calendar includes a robust mix of year-round community and regional events. The Community Relations Division will kick off the FY 2025/26 events schedule on July 5th, 2025, with the Community Investment Grant-sponsored John Olguin Fireworks Spectacular at Cabrillo Beach. The Wilmington Waterfront Promenade continues to be a venue for community events, hosting an array of family fun experiences that include Community Investment Grant-sponsored events and the free harbor boat tours sailing from Wilmington and San Pedro in September 2025. The annual LA Fleet Week® celebration during the Memorial Day weekend continues to draw six-figure crowds to the LA Waterfront and boost revenue for local hotels and visitor-serving businesses. The year ahead will also see a mix of conventional fireworks displays and eco-friendly drone shows for the “anchor” Lunar New Year event in January and will conclude with the annual Cars & Stripes Forever!® classic car and music show at the World Cruise Center and Fanfare Fountain promenade areas.



With a FY 2025/26 Proposed Budget of nearly \$7.3 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, The Ratkovich Company and Jerico Development, are expected to invest approximately \$194.0 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.
- **Cabrillo Way Marina** – Complete lease and asset sale agreements for the purchase of the existing 700-slip Cabrillo Way Marina, and further hospitality and retail development of the adjacent land side parcels.
- **Cruise Terminal Development** – Select successful proposer to develop a new Outer Harbor Cruise Terminal and redevelop the existing Inner Harbor World Cruise Center.
- **Warehouse One** – 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



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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 2025.

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

Employee Recruitment, Retention, and Development

The Department remains committed to remaining the City and region’s employer of choice. The budget reflects that by the Port’s continued support of programs such as our fully subsidized vanpool program, public transit subsidies, employee club, and the Employee Assistance Program. Guided by various Mayoral Directives and the City’s Workplace Equity Policy, the department continues to prioritize diversity, equity, and inclusion (DEI) in every departmental function through increased accountability for all City employees.



As the Port has a social responsibility to ensure that the workforce reflects the diverse communities it serves, recruitment efforts for trainee and vocational positions through the City’s vocational worker programs such as the Targeted Local Hire and Bridge to Jobs programs will continue in FY 2025/26. These programs target and recruit individuals from vulnerable and underserved populations to create an alternate job pathway into civil service careers. While the full implementation of the Human Capital Management System, Workday, has brought challenges for the Department, the Bureau remains committed to working with City staff to ensure that employees are paid in an accurate and timely manner. Since implementation in June 2024, Bureau staff have continuously attended trainings and coordination meetings in order to stay current on updates and share information with Department staff.



As the Port of Los Angeles navigates the uncertainty stemming from shifting international tariff policies, its enduring commitment to People, Planet, and Performance remains the foundation of its success. While the FY 2025/26 Proposed Budget reflects the challenges of the current economic conditions, it supports the Port’s proactive approach in ensuring overall operational excellence and remaining a leader and difference maker in the maritime industry. With a clear focus on resiliency and innovation, the Port is well-positioned to meet future challenges and safeguard its long-term success, while achieving sustainability goals and investing in its workforce and surrounding communities.

"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 2023-24	Adopted Budget FY 2024-25	Forecast FY 2024-25	Description	Proposed Budget FY 2025-26
\$ 1,251,573,304	\$ 1,357,114,186	\$ 1,473,292,348	Unrestricted Funds Available	\$ 1,535,576,796
127,651,856	199,009,400	202,988,341	Restricted Funds (1)	192,230,518
1,379,225,160	1,556,123,586	1,676,280,689	Total Cash Available	1,727,807,314
707,038,642	684,714,392	778,676,365	Operating Receipts	657,587,468
54,321,138	46,839,579	53,115,367	Non-Operating Receipts	244,567,818
54,251,555	96,671,621	18,173,300	Capital Grant Receipts	75,667,503
-	238,756,801	243,563,607	Proceeds from Debt Issuance	-
\$2,194,836,495	\$2,623,105,979	\$2,769,809,328	Total Receipts & Cash	\$ 2,705,630,103

APPROPRIATIONS

Actuals FY 2023-24	Adopted Budget FY 2024-25	Forecast FY 2024-25	Description	Proposed Budget FY 2025-26
\$ 166,738,309	\$ 199,382,719	\$ 191,724,974	Salaries and Benefits	\$ 216,518,117
3,500,914	4,382,361	4,337,360	Marketing & Public Relations	4,408,690
865,644	1,404,292	1,397,873	Travel Expenses	1,909,464
35,925,797	63,018,768	61,540,393	Outside Services	64,625,435
6,990,596	9,394,087	8,195,286	Materials & Supplies	9,481,289
19,699,116	39,499,102	39,409,928	Rentals, Incentives, & Subsidies (2)	36,967,594
50,524,504	68,496,624	64,852,502	City Services	72,662,124
8,830,777	31,044,774	29,898,288	Other Operating Expenses (3)	20,511,840
293,075,657	416,622,727*	401,356,604	Total Operating Expenses	427,084,553
18,096,234	74,232,269**	22,818,816	Non-Operating Expenses (4)	130,035,063
311,171,891	490,854,996	424,175,420	Total Operating Budget	557,119,616
28,632,071	20,301,308	20,301,308	Capitalized & Allocated Expenditures (5)	24,562,326
-	-	-	Land & Property Acquisition	-
3,392,037	20,104,646	12,305,986	Equipment	22,237,675
138,246,042	249,397,393	192,480,879	Construction & Capital Improvement	231,324,616
170,270,150	289,803,347*	225,088,173	Total Capital Budget	278,124,617
481,442,041	780,658,343	649,263,593	Total Operating & Capital Budget	835,244,233
(6,241,235)	(18,356,418)	(22,780,082)	Accrual Adjustments	3,173,138
43,355,000	308,110,000	415,518,503	Debt Repayments	36,060,000
518,555,806	1,070,411,925	1,042,002,014	Total Budget	874,477,371
202,988,341	263,074,267	192,230,518	Restricted Cash	233,230,518
1,473,292,348	1,289,619,787**	1,535,576,796	Unappropriated Balance (UB)/Carried Forward	1,597,922,214
\$ 2,194,836,495	\$ 2,623,105,979	\$ 2,769,809,328	Total Harbor Department Budget	\$ 2,705,630,103

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 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 2024/25 Adopted Budget includes \$12.9 million in transfers to Operating Expenses approved by the Board of Harbor Commissioners in FY 2024/25. With \$4.7 million from the Unappropriated Balance (UB) and \$8.3 million from the Capital Budget.

** The FY 2024/25 Adopted Budget includes \$42.1 million in transfers to Non-Operating Expenses from the UB approved by the Board in FY 2024/25.

COMPARATIVE STATEMENT OF OPERATIONS

	Adopted Budget FY 2024/25	Proposed Budget FY 2025/26
Operating Revenues		
Shipping Services	502,976,833	470,315,485
Rentals	107,598,482	116,224,068
Royalties and Fees	6,817,181	6,987,242
Clean Truck Fees	36,396,226	34,923,865
Other Operating Revenues	30,925,670	29,136,808
Total Operating Revenues	<u>684,714,392</u>	<u>657,587,468</u>
Operating Expenses		
Salaries & Benefits (net of capitalization)	199,382,719	216,518,117
Marketing and Public Relations	4,382,361	4,408,690
Travel	1,404,292	1,909,464
Outside Services	63,018,768	64,625,435
Materials & Supplies	9,394,087	9,481,289
Rentals, Incentives & Subsidies	39,499,102	36,967,594
City Services	68,496,624	72,662,124
Other Operating Expenses	31,044,774	20,511,840
Total Operating Expenses	<u>416,622,727*</u>	<u>427,084,553</u>
Income from Operations before Depreciation	268,091,665	230,502,915
Depreciation & Amortization	152,410,323	148,729,081
Income from Operations	115,681,342	81,773,834
Non-Operating Revenues	46,839,579	244,567,818
Non-Operating Expenses	74,232,269**	130,035,063
Net Income	<u>\$ 88,288,652</u>	<u>\$ 196,306,589</u>

Note: Rounding of figures may occur.

*The FY 2024/25 Adopted Budget includes \$12.9 million in transfers to Operating Expenses approved by the Board of Harbor Commissioners in FY 2024/25. With \$4.7 million from the Unappropriated Balance (UB) and \$8.3 million from the Capital Budget.

**The FY 2024/25 Adopted Budget includes \$42.1 million in transfers to Non-Operating Expenses from the UB approved by the Board in FY 2024/25.

REPORT OF REVENUES

REPORT OF REVENUES (6-DIGIT)	ACTUALS FY 2023/24	ADOPTED FY 2024/25	FORECAST FY 2024/25	PROPOSED FY 2025/26
410000 - Space Assignments	14,616,661	13,380,594	10,377,475	8,908,956
411000 - Dockage	3,935,789	3,727,652	3,542,210	3,542,210
411010 - Pilotage	14,083,083	14,328,525	14,787,237	12,125,287
411020 - Lay Day Fees	45,000	22,500	37,500	30,749
411025 - Demurrage	100,559	102,326	100,559	82,457
411100 - Wharfage	479,682,951	471,415,236	505,245,864	445,625,826
41SHIP - Total Shipping Services Revenue	512,464,043	502,976,833	534,090,845	470,315,485
421000 - Wharf and Shed Leases	1,146,637	1,173,792	1,201,683	1,013,432
421005 - Building Leases	267,087	275,509	278,459	283,106
421010 - Warehouse Leases	678,732	701,745	779,155	719,828
422LAR - Land Rentals	114,655,424	105,447,436	109,508,032	114,207,702
42RENT - Total Rental Revenue	116,747,880	107,598,482	111,767,329	116,224,068
430000 - Clean Truck Program (CTP) Application Fee	559,500	644,251	458,780	376,193
430005 - Clean Truck Fund Rate Fee	42,380,000	33,036,187	40,000,000	32,800,000
430010 - CTP Day Pass Fee	83,805	65,002	68,719	56,348
430015 - CTP Annual Fee	2,515,457	2,650,786	2,062,633	1,691,324
43ENVP - Environmental Program Revenue	45,538,762	36,396,226	42,590,132	34,923,865
441000 - Movie Permits And Fees	96,932	125,229	96,932	96,932
441005 - Parking Fees	5,954,154	5,734,068	5,850,000	5,850,000
441010 - Concession Fees	6,200	8,400	6,200	6,200
441015 - Foreign Trade Zone Fees	239,112	265,818	239,112	239,112
441020 - Miscellaneous Permits & Fees	995,160	589,673	701,600	701,600
442000 - Oil Royalties	93,398	93,993	93,398	93,398
44FEES - Total Royalty, Permit, & Fees Revenue	7,384,956	6,817,181	6,987,242	6,987,242
450000 - Southern Pacific (SP) Tenant Income	1,065,352	899,542	1,948,820	1,948,822
450005 - SP Tenant Income Contra from Long Beach	(50,759)	(59,190)	(50,759)	(50,759)
450010 - Union Pacific Tenant Income from Long Beach	167,128	220,079	167,128	167,128
450015 - Credit For Tenant Services	(4,639,727)	(1,015,491)	(6,337,581)	(7,369,355)
45TENR - Tenant Revenues	(3,458,006)	44,940	(4,272,392)	(5,304,164)
490005 - Harbor Maintenance Tax Receipts	-	5,500,000	60,606,000	6,000,000
490015 - Accommodation Work Revenues	231,635	253,236	231,635	231,635
490020 - Port Police Revenues	118,888	41,244	118,888	118,888
490025 - Utility Charges (Non-AMP)*	20,911,679	19,934,345	4,593,329	1,200,000
490030 - AMP Electricity Reimbursements*	-	-	16,322,873	20,716,407
490035 - Other Operating Refunds & Reimbursements	6,042,163	4,500,000	4,583,842	5,117,400
490040 - Miscellaneous Other Operating Revenues	1,056,642	651,905	1,056,642	1,056,642
49OORV - Other Operating Revenue	28,361,007	30,880,730	87,513,209	34,440,972
Total Operating Revenues	707,038,642	684,714,392	778,676,365	657,587,468
600JPA - Investment Income	2,141,424	2,000,000	2,000,000	2,000,000
601INT - Interest Income	46,992,812	39,761,028	42,579,265	41,703,091
602NCG - Non-Operating Grant Revenues	4,040,596	4,362,176	855,220	14,302,540
603PTG - Passthrough Grant Revenues	275,884	5,000	325,882	115,987,187
604ONO - Other Non-Operating Revenues**	870,422	711,375	7,355,000	70,575,000
Total Non-Operating Revenues	54,321,138	46,839,579	53,115,367	244,567,818
Total Revenues	761,359,780	731,553,971	831,791,732	902,155,286

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 Other Non-Operating Revenue include \$70.2M in Gain on Sale of Assets.

REPORT OF EXPENSES

REPORT OF EXPENSES (3-DIGIT)	ACTUALS FY 2023/24	ADOPTED FY 2024/25	FORECAST FY 2024/25	PROPOSED FY 2025/26
511ESX - Employee Salaries	81,698,589	107,582,230	102,375,420	121,546,434
512EOX - Employee Overtime	8,904,524	6,612,568	11,366,327	6,832,570
513EBX - Employee Benefits	82,918,227	86,214,032	76,796,337	86,971,829
514EBO - Employee Benefits - Other	(6,783,031)	(1,026,111)	1,186,890	1,167,284
51ESBX - Employee Salaries & Benefits Expense	166,738,309	199,382,719	191,724,974	216,518,117
521APR - Advertising & Public Relations	3,500,914	4,372,361	4,337,360	4,398,690
522TRX - Trade Representation	-	10,000	-	10,000
52MKTG - Marketing and Public Relations Expense	3,500,914	4,382,361	4,337,360	4,408,690
531TRN - Transportation & Lodging	864,663	1,404,292	1,319,529	1,559,511
532EVX - Event & Training Registration	-	-	78,344	349,953
533CCX - Credit Card Expenses	981	-	-	-
53TRVX - Travel, Training, and Events Expense	865,644	1,404,292	1,397,873	1,909,464
541OPM - Operational Maintenance Services	24,561,218	24,270,045	23,810,984	25,463,762
542ITT - IT Data and Technical - Svcs. & Maintenance	12,215,611	25,982,007	26,163,438	26,082,860
543OFC - Office Equipment Services & Maintenance	27,383	46,750	31,750	41,750
544PRO - Professional Services	(878,415)	12,719,966	11,534,221	13,037,063
54OUTX - Outside Services Expense	35,925,797	63,018,768	61,540,393	64,625,435
550OTH - Other Expenses	98	-	-	-
551MAT - Materials	3,678,374	5,759,072	4,497,933	6,051,440
552SUP - Supplies	2,331,413	2,713,779	2,669,288	2,336,672
553EQP - Equipment	980,711	921,236	1,028,065	1,093,177
55MSUP - Materials, Supplies, & Equipment Expenses	6,990,596	9,394,087	8,195,286	9,481,289
561RNT - Rentals	218,059	2,032,427	1,452,649	1,551,013
562ICS - Incentives and Subsidies	19,481,057	37,466,675	37,957,279	35,416,581
56RNTL - Rentals, Incentives, & Subsidies	19,699,116	39,499,102	39,409,928	36,967,594
571CTY - City Services	50,524,504	68,496,624	64,852,502	72,662,124
57CTYX - City Services Expense	50,524,504	68,496,624	64,852,502	72,662,124
581UTL - Utilities	29,128,579	35,251,924	33,123,691	31,731,215
582LGL - Claims & Settlements	628,584	5,275,500	6,590,000	2,000,000
583INS - Insurance	5,903,149	6,647,500	6,284,815	7,132,600
584MEM - Membership, Subscriptions, Books & Manuals	1,128,014	1,400,399	1,348,027	1,264,190
585INV - Inventory Adjustments	193,626	270,000	208,254	205,000
586MOX - Total Miscellaneous Other Operating Expenses	(421,995)	1,202,000	1,427,444	1,516,459
587TAX - Total Taxes and Assessments	902,891	1,298,759	1,217,365	1,224,702
58 - Allocations	(28,632,071)	(20,301,308)	(20,301,308)	(24,562,326)
58OOPX - Other Operating Expenses	8,830,777	31,044,774	29,898,288	20,511,840
Total Operating and Administrative Expenses	293,075,657	416,622,727*	401,356,604	427,084,553
591DEP - Depreciation	147,540,486	148,315,323	145,919,334	145,927,991
592AMR - Amortization	2,342,591	4,095,000	2,906,196	2,801,090
59DPAM - Depreciation & Amortization	149,883,077	152,410,323	148,825,530	148,729,081
700NOP - Miscellaneous Other Non-Operating Expenses	56,191	6,000,000	1,195,701	22,376
701IEX - Interest Expenses	17,712,405	22,933,175	20,176,149	13,977,250
702PTG - Passthrough Grants	279,667	42,057,577	325,882	115,987,187
703ONX - Other Non-Operating Expenses	47,971	3,241,517	1,121,084	48,250
7NOPEX - Total Non-Operating Expenses	18,096,234	74,232,269	22,818,816	130,035,063
Total Expenses	461,054,968	643,265,319	573,000,950	705,848,697

Notes:

- The FY 2024/25 Adopted Budget includes Board-approved mid-year transfers in the amount of \$54.9M across various Budget categories:
 - transfer of \$8.3M from Capital Budget to Operating Budget,
 - transfer of \$4.7M from the Unappropriated Balance (UB) to the Operating Budget, and
 - transfer of \$42.1M from the UB to the Non-Operating Budget.
- Rounding may occur in subtotals of this report.

**CAPITAL PROJECTS REPORT
(SUMMARY)**

Terminals

<i>Berths 90-93 Inner Harbor Cruise Facility & Berths 45-53 Outer Harbor Cruise Facility</i>	\$	12,770,938
<i>Berths 100-102 Development (China Shipping)</i>	\$	596,856
<i>Berths 121-131 Development (Everglades)</i>	\$	4,639,392
<i>Berths 135-147 Development (TRAPAC)</i>	\$	16,573
<i>Berths 171-181 Development (Pasha)</i>	\$	1,026,993
<i>Berths 300-306 Development (Fenix/CGA CGM)</i>	\$	26,420,908
<i>Berths 400-409 Development (Maersk)</i>	\$	1,399,460
<i>Marine Oil Terminal Engineering Maintenance Standards (MOTEMS)</i>	\$	24,864,367
<i>Miscellaneous Terminal Improvements</i>	\$	12,070,863

TOTAL TERMINAL IMPROVEMENTS \$ **83,806,349**

Transportation Projects

TOTAL TRANSPORTATION PROJECTS \$ **52,974,298**

Security Projects

TOTAL SECURITY PROJECTS \$ **4,546,331**

Public Access/Environmental Enhancements

<i>Port-wide Public Enhancements</i>	\$	4,235
<i>Los Angeles Waterfront</i>	\$	9,989,609
<i>Environmental Enhancements</i>	\$	13,173,713

TOTAL PUBLIC ACCESS/ENVIRONMENTAL ENHANCEMENTS PROJECTS \$ **23,167,556**

Maritime Services

<i>Harbor Department Facilities</i>	\$	18,181,709
<i>Miscellaneous Projects</i>	\$	34,648,374
<i>Unallocated Capital Improvement Program Fund</i>	\$	14,000,000

TOTAL MARITIME SERVICES \$ **66,830,083**

***TOTAL CAPITAL IMPROVEMENT PROGRAM BUDGET** \$ **231,324,616**
(Including Salaries)

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

**CAPITAL PROJECTS REPORT
(DETAILED)**

Terminals

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

Planned FY 25/26 Capital Improvements for the Port's Cruise business include upgrades at the current Inner Harbor Cruise Facility: mobile gangways hydraulic cylinder replacement, Berth 91-92 Passenger Terminal roof replacement and pedestrian deck coating, escalator modernization, vehicular ramp corrosion mitigation, new Alternative Maritime Power (AMP) Vault, and Berth 93 gantry removal, repair, and roof replacement.

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, a new modular restroom facility, and new pedestrian ramps. Construction scheduled to begin in January 2026.

\$ 12,770,938

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 continues, which includes the assessment of existing breakers to enhance cranes power reliability and safety.

\$ 596,856

Berths 121-131 Development (Everglades)

Planning and Environmental preparation for the Everglades 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 1,260 Linear Feet (LF) of pile supported 100ft crane gauge concrete wharf, dredge to -53ft MLLW, construct Alternative Maritime Power (AMP), and improve adjacent backland and utilities. Project initiation occurred in January 2025, with design only approved at this time.

\$ 4,639,392

Berth 135-147 - TRAPAC Container Terminal

Capital investment in the TraPac Terminal continues with a transformer replacement at Berth 136. The project includes site/project preparation for crane rental, high voltage splicing, and coordination with tenants are underway aiming for a completed construction of March 2026.

\$ 16,573

Berths 171-181 Marine Improvements (Pasha)

Pasha Terminal improvements include the upgrade of 382 LF of concrete wharf to comply with the Port of Los Angeles seismic code, Berths 179-181 bollard repair, Berths 174-176 bollard repair, Berths 177-178 wharf restoration, and Berth 182 slope erosion repair. The wharf project completed construction in FY 24/25, the capital costs provided are the final project closing costs anticipated to be paid out in FY 25/26.

\$ 1,026,993

Berths 300-306 Development (Fenix/CGA CGM)

Work continues on Berths 302-305 with the anticipated 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. Construction is scheduled to start March 2025. Additional work in the terminal consists of Panzer belt improvements to prevent further damage to the crane power cables and ensure the structural and operational functionality of the Panzer belt system.

\$ 26,420,908

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 2025. In addition to design efforts, planned removal and replacement of multiple non-functional breakers in Berths 400-405 are underway, expected to start in October 2025.

\$ 1,399,460

Marine Oil Terminal Engineering Maintenance Standards (MOTEMS)

Phase 2 of the Berths 167-169 MOTEMS (Shell) is anticipated to advertise in Summer 2025. The Berths 238-239 (PBF Energy) project consisting of a new loading/unloading platform, access ramp, and catwalks. Advertised in Fall 2024 with construction expected to begin Summer 2025.

\$ 24,864,367

Miscellaneous Terminal Improvements (TI)

The Terminal Island Maritime Support Facility (TIMSF) will develop 70 acres of the approximate 80-acre site for 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 grade separation. Construction is anticipated to start mid-2026.

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 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.

\$ 12,070,863

TOTAL TERMINAL IMPROVEMENTS

\$ 83,806,349

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. Design 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. 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. The environmental phase was completed in late 2023 and design is on-going.

TOTAL TRANSPORTATION PROJECTS

\$ 52,974,298

**CAPITAL PROJECTS REPORT
(DETAILED)**

Security Projects

The Port Police Dive Boat Purchase project will replace the existing dive boat that is rapidly deteriorating due to its age and extensive operational use. Increased cruise operations and increased overall public access as the result of the development of West Harbor, the Amphitheater, Berth 73, Berth 46, the Wilmington Waterfront, and Banning's Landing will further expand the demand of Dive Boat operations. The original vessel was constructed in 2011 and the new project has an expected construction completion date of March 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. Construction is scheduled to start in July 2025.

TOTAL SECURITY PROJECTS \$ **4,546,331**

Public Access/Environmental Enhancements and Zero Emissions

Port-Wide Public Enhancements

In early 2023, the Front Street Beautification project started construction on the 22-foot wide landscaped area along the north side of Front Street from the Vincent Thomas Bridge to Pacific Avenue. Construction was completed September in 2024 . The small budgeted amount is for project closeout costs.

\$ **4,235**

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

The San Pedro Waterfront - Harbor Boulevard Improvements from SP Slip to 22nd Roadway include 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.

208 East 22nd St Parking Lot Improvements include developing and redeveloping 21 acres of parking improvements for a total of up to 2,350 parking stalls, with driveway modifications, site lighting, site security, fencing, a restroom facility, and a pedestrian pathway. Construction is anticipated to start mid-2026.

Berths 57.5-60 - AltaSea Soil Testing and Disposal comprise the testing and removal of stockpiled contaminated soil encountered during the Berths 57.5-60 improvements, which were conducted by AltaSea. A construction complete date is scheduled for June 2026.

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.

\$ **6,434,256**

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

The Wilmington Waterfront - Avalon Pedestrian Bridge and Promenade Gateway 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. This project is included in the Public Access Investment Plan and scheduled to start construction in March 2026.

The Wilmington Waterfront Park West End Restroom and Site Restoration project is a component of the Public Access Investment Plan. Work includes a new restroom, new shade structures, landscape modifications, site removals, and demolition. Construction scheduled to begin in April 2026.

\$ **3,555,353**

**CAPITAL PROJECTS REPORT
(DETAILED)**

Environmental Enhancements and Zero Emissions

Berths 195-199 – WWL Terminal AMP is planning to start construction in the first quarter of 2026. The Electrical Infrastructure Improvement Program is ongoing with LADWP, POLA and container terminals. DWP is continuing with the EIR/CEQA analysis. POLA is coordinating with DWP, continuing the plans and designs to provide additional power to POLA’s container terminals to meet Clean Air Action Plan (CAAP) goals for 2030.

\$ 13,173,713

TOTAL PUBLIC ACCESS/ENVIRONMENTAL ENHANCEMENTS AND ZERO EMISSIONS

\$ 23,167,556

Maritime Services

Harbor Department Facilities

Redesign work to comply with City of Los Angeles Green Building Code for the Heating, Ventilation, and Air Conditioning (HVAC) replacement project for the Harbor Administration Building (HAB) will be finished by 2026, and construction will start in September 2025. Construction to remodel the HAB Board Hearing Room and Executive Session Room will complete Construction by October 2025. Construction to replace the Compressed Natural Gas (CNG) compressor at Berth 161 will start in June 2024 and construction will be completed by December 2025. Other continuing projects include the remodel of the former administration building at Berth 161, and the Klein Billing and Port Pilot system enhancement.

\$ 18,181,709

Miscellaneous Projects

Projects listed under miscellaneous are not included in any specific program listed above. Terminal Island Demolition projects within this category include 1050 Ways Street (StarKist) Demolition and Storage Lot Conversion, South Seaside Avenue Storm Drain Restoration, Southwest Marine Administration Demolition and Pavement Improvements, 1025 S. Seaside Ave - Demolition and Lot Conversion, and Berths 208-209 Container Freight Station (CFS) Building Demolition and Lot Conversion. Other projects include the Sidewalk Repair Program, Berth 95 Catalina Channel Express Barge Landing Ramp Update, and the FY 25/26 C&M Deferred Maintenance projects. These projects will be in construction during FY 25/26. Also, the Port-wide Leak Detection Expansion Program will include the installation of smart meters to communicate with the Port's existing water monitoring program to identify anomalies in the system as a potential leak.

\$ 34,648,374

Unallocated Capital Improvement Program Fund

This category is for unanticipated projects which are initiated throughout FY 25/26. It includes construction services, consultants, hiring hall expenses, materials, equipment, services from other city departments, and administrative expenses.

\$ 14,000,000

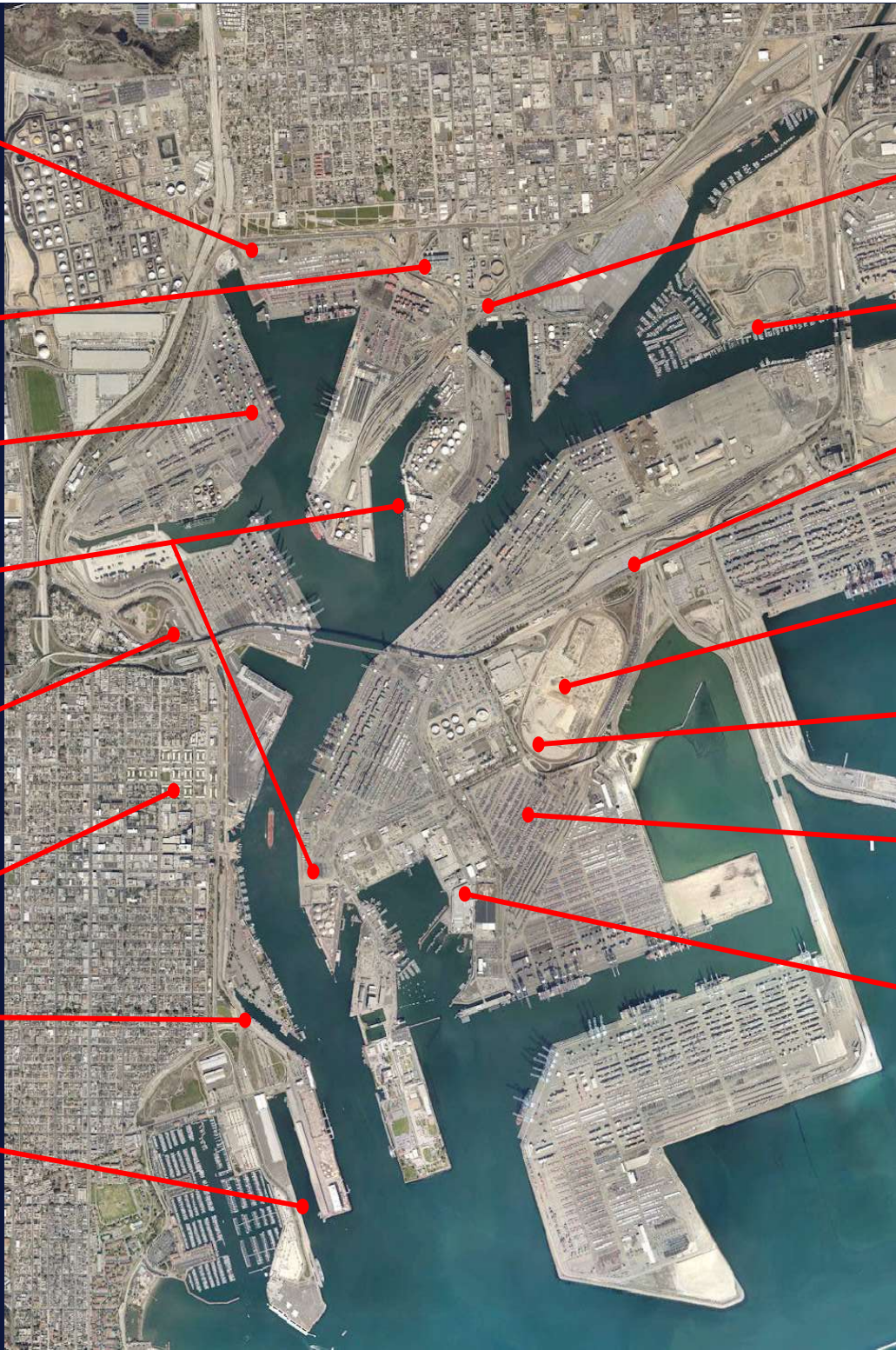
TOTAL MARITIME SERVICES

\$ 66,830,083

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

\$ 231,324,616

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



Wilmington Waterfront
West End Restroom and
Site Restoration
\$336K

Zero Emissions Port
Electrification &
Operation (ZEPEO)
\$8.6M

Berth 126-129 Wharf
Redevelopment
\$3.6M

MOTEMS Program (Ongoing)
\$24.4M

SR 47/Vincent Thomas
Bridge & Front St./Harbor
Blvd. Interchange
Reconfiguration
\$47.6M

Harbor Administration Bldg
– HVAC Replacement
\$8.6M

208 East 22nd St Parking
Lot Improvements
\$856K

Berths 49-51 Outer Harbor
Cruise Development
\$4.0M

Wilmington Waterfront Avalon
Pedestrian Bridge and Promenade
Gateway
\$3.0M

POLA-POLB Goods Movement
Workforce Training Facility
\$2.6M

Navy Way and Seaside Ave.
Interchange Improvements
\$2.2M

Terminal Island Maritime Support
Facility
\$4.3M

Maritime Support Facility Access/
TI Rail System Grade Separation
\$1.0M

Berths 302- 305 On Dock Rail
Expansion
\$26.3M

Terminal Island Facilities Demolition
& Improvement (TIFDI) Projects
\$12.1M

FY 2025/26 Capital Improvement Projects



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