

# **Inventory of Vacant Port Property**

**Audit Committee Meeting**

**October 16, 2014**

# REASONS TO INVENTORY VACANT PORT PROPERTY

## Overview:

- Achieve the highest and best use of Port of Los Angeles (Port) assets consistent with the Port's strategic goals and objectives
- Accurate identification of all Port-owned Property, the Value of such, and any encumbrances or limits to use
- Ability to proactively monitor, measure, analyze and evaluate revenue and use consistency and appropriateness

NOTE: Visual displays to be presented during meeting

# PURPOSE OF THE VACANT PROPERTY PROJECT

- Generate a complete catalog of all land at the Port that can generate revenue – excluding land used for streets, public parking, shared rail, landscaping or parks
- Identify vacant leasable land
- Estimate the opportunity cost of vacant leasable land at current rental rates
- Develop a useful vacancy rate measure based upon land that is leasable, while identifying land that cannot be leased at the current time due to environmental, physical or legal reasons
- Create a priority list of vacant land available based upon potential revenue and required Port investment (if any)

# SCOPE OF THE VACANT PROPERTY PROJECT

- Break the Port into three separate Districts, managed by Property Management Teams:
  - Wilmington
  - Terminal Island
  - San Pedro
- Catalog identifying land characteristics (address, assessor id, land size (sf), authority number and map location)
- Determine the occupancy type of all land
  - Permits/Leases/Revocable Permits
  - Temporary Construction Lay-Down
  - Open space/parks/public use
  - Port Use (Port police, construction & maintenance, infrastructure)
  - Environmental, legally or physically encumbered
  - Wharfs and water use (marinas/docks/piers)
- Maintain a database which references a visual map from which performance can be measured on vacancy rates, available land and potential revenue

# SUMMARY OF PROGRESS TO DATE

**TOTAL NUMBER OF LAND PARCELS MAPPED: 711**

(Terminal Island: 115, San Pedro: 186, Wilmington: 410)

**TOTAL LAND TRACKED: 3,300.44 ACRES**

Terminal Island: 1,669.50 acres, San Pedro: 866.57 acres, Wilmington: 764.37 acres

LAND TYPE	LAND AREA IN ACRES		
	TERMINAL ISLAND	SAN PEDRO	WILMINGTON
LEASED (PERMIT/RP)	1,328.41	513.86	468.20
VACANT LEASEABLE*	272.99	57.68	60.23
VACANT NON-LEASEABLE	21.73	33.07	17.19
PORT USE	34.38	162.09	101.29
LEASED MARINA, WATER/DOCKS	11.99	111.51	50.92
VACANT MARINA, WATER/DOCKS	0.00	0.65	5.10
<b>LEASEABLE VACANCY RATE:</b>	<b>16.92%</b>	<b>8.53%</b>	<b>11.18%</b>

\* MAY INCLUDE LAND THAT IS OCCUPIED BY SPACE ASSIGNMENT, TEUP OR USED AS TEMP. CONSTRUCTION LAYDOWN ON A SHORT TERM BASIS.

# ESTIMATED POTENTIAL REVENUE FROM VACANT PROPERTY

LAND TYPE	LAND AREA IN ACRES		
	TERMINAL ISLAND	SAN PEDRO	WILMINGTON
VACANT LEASABLE*	272.99	57.68	60.23
VACANT NON-LEASABLE	21.73	33.07	17.19
LAND VALUES (\$/SF)	\$35 - \$25	\$30 - \$25	\$30 - \$22
POTENTIAL RENTAL RATES (\$/SF/YR)	\$3.50 - \$2.50	\$3.00 - \$2.50	\$3.00 - \$2.20
POTENTIAL REVENUE OF LEASABLE LAND*	\$41.6M - \$29.7M	\$7.5M - \$6.2M	\$7.8M - \$5.7M

\* SOME OF THIS POTENTIAL REVENUE MAY ALREADY BE CAPTURED THROUGH SPACE ASSIGNMENTS AND TEMPORARY USE PERMITS.