



**THE PORT
OF LOS ANGELES**

Executive Director's
Report to the
Board of Harbor Commissioners

DATE: JANUARY 30, 2018

FROM: PLANNING & STRATEGY

**SUBJECT: RESOLUTION NO. _____ – APPROVAL OF THE PORT OF
LOS ANGELES 2018-2022 STRATEGIC PLAN**

SUMMARY:

Staff requests approval of the Port of Los Angeles (Port) 2018-2022 Strategic Plan (2018 Plan). The 2018 Plan is an update to the 2012-2017 Strategic Plan (2012 Plan) and builds upon the progress made in meeting the Port's strategic objectives. Approval of the 2018 Plan does not obligate the Harbor Department to any specific development project or financial expenditure. The 2018 Plan would be used as a policy document to align the allocation of resources with strategic priorities in the budget process and operationally.

RECOMMENDATION:

It is recommended that the Board of Harbor Commissioners (Board):

1. Find that the proposed action is administratively exempt from the requirements of the California Environmental Quality Act (CEQA) under Article II Section 2(f) of the Los Angeles City CEQA Guidelines as determined by the Director of Environmental Management;
2. Approve the Port of Los Angeles 2018-2022 Strategic Plan to replace the previous 2012 Plan; and
3. Adopt Resolution No. _____.

DISCUSSION:

Background/Context --The 2012 Plan was originally approved in April 2012 and was significantly revised in October 2014 to reflect the policy direction of Mayor Garcetti's Board appointments and the Harbor Department's Executive Director in response to changing conditions in a dynamic and competitive port industry environment. The strategic plan has been assessed to ensure relevance prior to the start of each year's annual budget process. The start of the 2017-2018 fiscal year marked the end of the five-year time frame of the 2012 Plan and the start of a new five-year planning period.

SUBJECT: 2018-2022 STRATEGIC PLAN

The 2018 Plan – A team consisting of senior management and select division heads engaged in a strategic planning process to update the 2012 Plan. Workshops with each of the five Harbor Department Bureaus were held to receive input and feedback on proposed changes. At the June 29, 2017 Special Meeting of the Board, staff provided the Board with a presentation on the primary elements of the team's recommended plan. Board feedback was generally positive and was incorporated into the plan or addressed in other staff efforts.

The proposed 2018 Plan (Transmittal 1) is not a major departure from the 2012 Plan as updated in 2014. The 2012 Plan's long-term aspirational vision was retained: *We are America's Port® - the nation's #1 container port and the global model for sustainability, security, and social responsibility.* The mission statement, which is the actionable focus of the organization, was revised to more strongly emphasize the significant economic contributions of the Port: *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.*

The seven Strategic Objectives in the 2012 Plan had been reorganized and consolidated into four new Objectives in 2014, focusing on: (1) infrastructure, (2) supply chain efficiency, (3) financial strength, and (4) stakeholder relations. Under each Objective, new or revised Initiatives and Metrics were developed. In the 2017, these Objectives remain the same. Infrastructure initiatives were updated to reflect the creation of the Public Access Investment Plan and the Maintenance Improvement Plan, and the identification of new infrastructure planning related to long-term energy and transportation demands and the potential impacts of sea level rise due to climate change.

Board Action – The 2018 Plan would not obligate the Harbor Department to undertake any specific development, construction project, or financial commitment. The 2018 Plan would align the various activities of the Port and the allocation of resources with policy direction. Should the Board approve the 2018 Plan, it would be utilized in future fiscal year budget processes to align financial resources with strategic initiatives. Consistent with the 2012 Plan, the 2018 Plan would be assessed on an annual basis.

ENVIRONMENTAL ASSESSMENT:

The proposed action is approval of the 2018 Plan which is an update to the 2012 Plan. The 2018 Plan does not obligate the Harbor Department to undertake any specific development or construction project. Any specific projects or activities outlined in the plan would be subject to environmental review under CEQA. As an administrative activity, the Director of Environmental Management has determined that the proposed action is administratively exempt from the requirements of CEQA in accordance with Article II, Section 2(f) of the Los Angeles City CEQA Guidelines.

DATE: JANUARY 30, 2018

PAGE 3 OF 3

SUBJECT: 2018-2022 STRATEGIC PLAN

FINANCIAL IMPACT:

Implementation of the proposed Strategic Plan will be in conformance with the Board adopted Financial Policies, which seeks to balance prudently the Port's core business requirements and strategic objectives with its financial resources. This action does not authorize funding for various strategic priorities. Any funding will be requested to be budgeted as part of the annual budget adoption process, which is subject to Board approval.

CITY ATTORNEY:

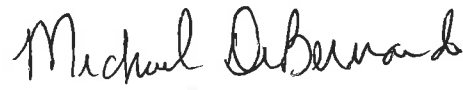
The City Attorney's office has reviewed this Board Report and determined that it raises no legal issues at this time.

TRANSMITTAL:

1. Port of Los Angeles 2018-2022 Strategic Plan

FIS Approval: MS (initials)
CA Approval: MS (initials)


MICHAEL KEENAN
Director of Planning and Strategy


MICHAEL DiBERNARDO
Deputy Executive Director

APPROVED:


EUGENE D. SEROKA
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