



Port of Los Angeles
America's Port™

STRATEGIC PLAN 2006 - 2011



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PORT OF LOS ANGELES

The Port of Los Angeles is among the world's premier ports and is a critical hub for global trade. This prominence brings with it responsibilities and expectations for the highest possible standards for efficiency, safety and security, and environmental leadership.

Booming Asian trade has made Los Angeles the nation's busiest container port – and part of the world's fifth busiest port complex, handling 8.4 million twenty-foot equivalent units (TEUs) in 2007. The six-county metropolitan area surrounding the Los Angeles Harbor is home to 21.2 million residents, 485,000 businesses and – with more than 930,000 workers – is one of the largest U.S. manufacturing centers. The Port is the optimal gateway for Pacific Rim cargo moving to Sunbelt and Southeastern United States factories and distribution centers.

San Pedro Bay, which includes both the ports of Los Angeles and Long Beach, receives more than 42% of total U.S. waterborne containerized imports, with some 70% of such imports coming from Asia. Container cargo moving across Port of Los Angeles docks has doubled since 1999, and tripled since 1995. The Port's 7,500 acres, 43 miles of waterfront, 270 berths and 26 cargo terminals represent a critical segment of the U.S. trade infrastructure and the global supply chain.

In addition to containerized cargo, the Port's diverse maritime operations handle bulk products, scrap metal, steel, and cruise passengers. But it is container traffic, with its double-digit annual growth over much of the past decade that poses the greatest challenge for all U.S. ports, especially those on the West Coast. Regularly scheduled vessel calls, and the increasing need for more terminal acreage and more efficient operations, contribute to this challenge. Port staff is also focused on transforming the Port into a model environmental-friendly gateway through the implementation of the San Pedro Bay Ports Clean Air Action Plan, which promotes a "grow green" philosophy.



PORT OF LOS ANGELES - STRATEGIC PLAN

DEFINITION: *A strategic plan is a management tool used to improve the performance of an organization and outlines the organization's direction and priorities.*

OBJECTIVES: *This summary identifies the twelve (12) strategic objectives for the next five years. Each of the objectives identifies a series of initiatives/action items that the Port will undertake to accomplish that objective.*

Initiatives are shaded by color, see below:

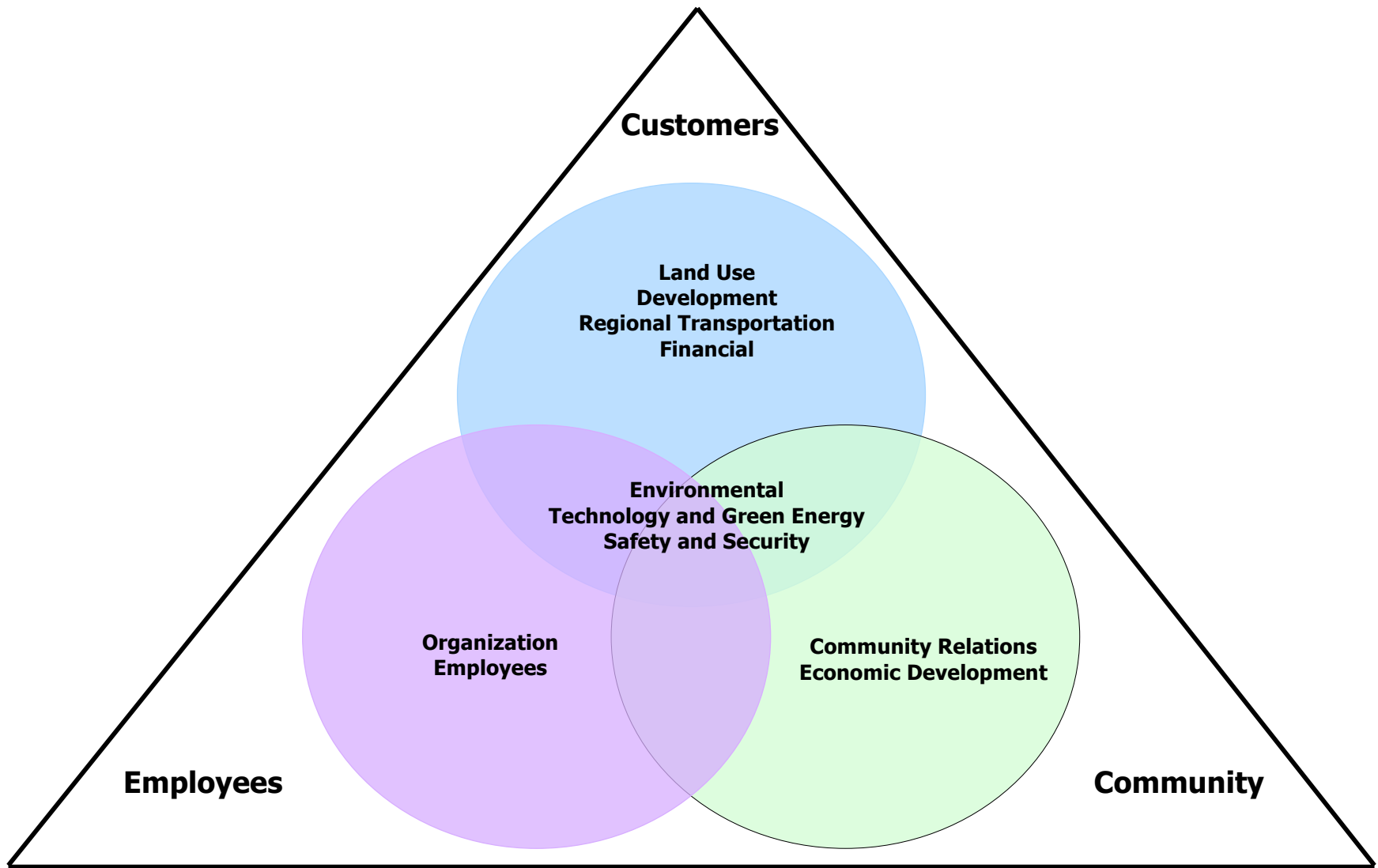
- ❖ **BLUE:** Denotes consistency with Mayor Villaraigosa's four-year strategic plan
- ❖ **RED:** Targeted for Fiscal Year 2008/09
- ❖ **GREEN:** Completed in Fiscal Year 2007/08
- ❖ **BLACK:** Will be identified during the budget preparation process for each subsequent year of this plan

**Any and all projects would be subject to CEQA review*

PORT OF LOS ANGELES – OUR MISSION



To be the world’s premier port in planning, design, construction, maintenance and security, and to promote a “grow green” philosophy, while embracing evolving technology and meeting our fiduciary responsibilities while promoting global trade.



LAND USE

Strategic Objective:

Ensure the Port maintains and efficiently manages a diversity of cargo and land uses; maximize land use compatibility and minimize land use conflicts

Initiatives/Action Items:

Marketing Plan

- Develop and maintain an annual strategic marketing plan that highlights improvements to customer service and builds relationships with beneficial cargo owners, shipping lines, and terminal operators
- Continuously identify and communicate customer-focused messages that support the Business Development Plan's goals and objectives, while promoting the Port of Los Angeles brand

Land Use Planning

- Develop a conceptual facilities plan for a maritime research complex at City Dock No. 1 that will accommodate academic and governmental marine research labs, a research and development park and business incubator for emerging marine environmental companies and educational support facilities.
- Develop an Ancillary Uses plan that addresses the land and water needs of a variety of harbor support services (tugboats, barges, water taxis, pilots, sportfishing and harbor tour vessels) as well as public safety facilities, consistent with the comprehensive port land use plan
- Develop a specific plan for the long term use of Knoll Hill after the relocation of the temporary use by Eastview Little League
- Maximize water-dependent uses at all waterfront facilities

Made it Happen in 2007/08

- Updated cargo forecast examining potential long-range influence of Mexican and Canadian ports and the Panama Canal expansion
- Developed a comprehensive land use plan that recognizes the needs of commerce and recreation; establish land areas that consolidate liquid bulk storage facilities; retain economically viable breakbulk operations; promote the expansion of water-dependent institutional/research facilities and develop appropriate recreational facilities
- Consolidated and modernized proposed commercial fishing facilities that meet fishing industry forecasts and local fishing industry needs

DEVELOPMENT

Strategic Objective:	Maximize the efficiency and the capacity of current and future facilities
Initiatives/Action Items:	Customer Needs <ul style="list-style-type: none">○ Identify existing customers' expansion plans along with growth opportunities and pursue development that meets their needs Facility Development and Maintenance <ul style="list-style-type: none">○ Implement the San Pedro and Wilmington Waterfront infrastructure elements within five years○ Develop and implement an affordable multi-year capital improvement program to modernize facilities and improve security and safety○ Modernize recreational boating facilities in Wilmington and in the San Pedro West Channel Aesthetics <ul style="list-style-type: none">○ Create a physical presence, particularly at the port/community interface, that is distinctive, recognizable, and well maintained throughout the Port○ Implement the Mayor's Million Trees L.A. Planting Program within the Port area

REGIONAL TRANSPORTATION

Strategic Objective:	Define and address infrastructure requirements needed to support safe, environmentally friendly, and efficient goods movement throughout the region
Initiatives/Action Items:	Transportation Studies/Plans/Projects <ul style="list-style-type: none">○ Update transportation and trip generation models for use in upcoming EIRs and the I-710 Corridor EIS/EIR○ Analyze Port rail needs, including on-dock and off-dock (SCIG, ICTF, APL, and other POLA projects)○ I-110 Connectors: Caltrans Project Report traffic studies; needed for environmental documentation, PS&E, and CTC final allocation of Prop 1B funds○ Electric Container Mover System (ECMS): Working with ACTA and POLB, evaluate possible Ports area project in conjunction with I-710 effort○ I-710: As funding/management partner with METRO, oversee project, including evaluation of ECMS working with ACTA and POLB Funding Mechanisms <ul style="list-style-type: none">○ Prop 1B TCIF: Secure Prop 1B TCIF and Air Quality funds (support role): On-going advocacy○ Implement Infrastructure Cargo Fee; revenue collection scheduled to begin January 1, 2009○ Advocate for funded "freight program" in re-authorization of federal surface transportation program (SAFETEA-LU); seek fair share of funds for Southern California and ports area projects

FINANCIAL

<p>Strategic Objective:</p>	<p>Maintain financial self-sufficiency and generate sufficient funds to implement strategic and policy priorities</p>
<p>Initiatives/Action Items:</p>	<p>Compensation Strategies</p> <ul style="list-style-type: none"> ○ Develop an equitable compensation strategy for Port leases while promoting business objectives of the customer and the Port <p>Budget Accountability</p> <ul style="list-style-type: none"> ○ Establish accountability of the budget process within each division <p>Insurance & Risk Management</p> <ul style="list-style-type: none"> ○ Review and improve Port insurance requirements ○ Develop a wellness program that benefits all Port employees ○ Provide a health fair for all employees that is as successful as last year's ○ Reduce Injury on Duty and the associated costs from FY 2008 levels ○ Increase safety training, particularly in those divisions with a high frequency of claims <p>Enhance Ability to Set Priorities for the Port's Financial Resources</p> <ul style="list-style-type: none"> ○ Increase usefulness of the operating budget as a management planning tool for near-term resource allocation <p>Increase Financial Transparency and Monitoring</p> <ul style="list-style-type: none"> ○ Refine financial management reporting to support decision making ○ Focus internal audits to increase operational efficiency ○ Modernize the Port's accounting systems <p>Protect Port's Financial Assets</p> <ul style="list-style-type: none"> ○ Streamline contracts and purchasing processes, while maintaining appropriate safeguards <p>Made it Happen in 2007/08</p> <ul style="list-style-type: none"> ○ Developed comprehensive capital plan to assist management with long-term priority setting ○ Implemented new budget system ○ Completed audits of the Engineering and Construction & Maintenance divisions

ENVIRONMENTAL

Strategic Objective:	Transform the Port of Los Angeles into the greenest port in the world by raising environmental standards and enhancing public health
Initiatives/Action Items:	Clean Air Action Plan (CAAP) <ul style="list-style-type: none">o Implement the Clean Air Action Plano Promote adoption of Clean Air Action Plan measures internationally Sustainability Ethic <ul style="list-style-type: none">o Incorporate sustainability ethic into all Port activities and communicate to employees, customers, and the community CEQA/Mitigation <ul style="list-style-type: none">o Conduct timely, user friendly CEQA evaluations of waterfront projects and terminal improvements, and utilize mitigation as an implementation strategy for environmental action plans toward "growing green" Clean Water/Habitat Plans <ul style="list-style-type: none">o Create and implement water resources action plan (WRAP) and habitat management plan, including pursuing additional habitat mitigation projects Clean Soil & Groundwater <ul style="list-style-type: none">o Create and implement clean soil and groundwater actiono Complete remedial action planning in support of key port waterfront and terminal projects and properties Compliance Measures <ul style="list-style-type: none">o Provide an environmental compliance program for Port and customer construction and operations in support of the environmental directive of the Port's Leasing Policy Made it Happen in 2007/08 <ul style="list-style-type: none">o Adopted Green Building Policy and Sustainable Construction Guidelineso Completed Phase 1 Cabrillo Beach Sand Replacement Project

TECHNOLOGY AND GREEN ENERGY

Strategic Objective:	Be the leading port for new, emerging and environmentally-friendly cargo movement technology and energy sources
Initiatives/Action Items:	Alternative Cargo handling and Transportation Equipment <ul style="list-style-type: none">○ Develop prototype Electric Rubber-Tired Gantry Crane (ERTG)○ Explore emerging alternative container transport technology that can be used within and beyond Port boundaries○ Continue development of electric-powered heavy-duty truck for short haul drayage and terminal operations○ Facilitate conversion of terminal operating systems to electrical power○ Advance technological programs that will achieve the long-term goal of an emissions-free port AMP Power Rates <ul style="list-style-type: none">○ Develop power rate structures with Los Angeles Department of Water and Power (LADWP) to enhance customer receptivity to Alternative Maritime Power (AMP)/Cold-ironing Green Power Investments <ul style="list-style-type: none">○ Pursue investment in green power production with LADWP to ensure power rate stability for Port customers○ Install the first 1MW of solar power at the Port○ Working with LADWP, implement a Power Purchase agreement as a basis for the remaining 9MW of solar power at the Port○ Encourage Port tenants to implement solar power projects Made it Happen in 2007/08 <ul style="list-style-type: none">○ Executed MOU with Attorney General for solar production within the Port

SAFETY AND SECURITY

Strategic Objective:

Transform the Port into a world-class model for crime prevention, counter-terrorism detection, and emergency incident response and mitigation

Initiatives/Action Items:

Public Safety – Enhance the safety of the Port and the community by:

- Expanding the Port Police personnel, facilities, and operations
- Establishing a police substation in Wilmington and increase marine and land patrol
- Establishing 24-hour waterborne patrol
- Expanding Port Police communication capabilities
- Enhancing vehicle and cargo inspection capabilities
- Developing Port-wide and City-wide emergency operations contingencies
- Continuing the “Responsible Marina” program

Homeland Security/Emergency Preparedness – Improve the capability of the Port to prevent or detect an event, to respond to an incident, mitigate its effects on the Port and the community and resume critical operations by:

- Installing of a Port-wide emergency public notification system
- Updating emergency procedure and Port recovery plans
- Conducting a real-time evacuation exercise that involves the Port and the community
- Continuing security upgrades at all critical locations
- Working with Transportation Security Administration (TSA) to initiate implementation of the TWIC security credentialing program
- Promoting increased scanning of cargo prior to loading at overseas ports
- Developing a security awareness training program for Port, terminal, and dock workers
- Enhancing outreach to terminals, labor, and educational institutions

OPERATIONS, CONSTRUCTION AND MAINTENANCE

Strategic Objective:	Transform the Port into a world-class model for safe and efficient operations and outstanding customer service
Initiatives/Action Items:	Port Operations and Maintenance – Enhance operational efficiency and service to our customers by: <ul style="list-style-type: none">○ Improving internal communications in the Operations Bureau○ Automating pilot and dockage invoicing○ Streamlining access to truck gate, rail gate, and ACTA data for improved revenue verification○ Implementing internet-based pilot order system○ Implementing an electronic customer feedback system○ Implementing the operational aspects of the Clean Truck Program○ Implementing the Construction and Maintenance Division (C&M) Audit Recommendations Made it Happen in 2007/08 <ul style="list-style-type: none">○ Implemented a “Responsible Marina” program

COMMUNITY OUTREACH

Strategic Objective:

Strengthen relations with local community members through meaningful interaction and community focused programs

Initiatives/Action Items:

City Planning/Community Redevelopment Agency (CRA) Partnerships

- Develop a partnership with the City Planning Department and the Community Redevelopment Agency (CRA) to effectively plan physical and economic linkages between the Port and the community

Port Community Advisory Committee (PCAC)

- Assess PCAC's role and mission and implement adjustments that benefit the Port and the community

Community Support

- Expand the Port's network of supportive Harbor Area businesses and residents

Education

- Expand our region-wide outreach programs through the new POLA mobile exhibit, a multi-tier Speakers Bureau program, a re-launched "CommunityConnect" program and a more automated booking process for POLA's successful school boat tour and field trip programs

Made it Happen in 2007/08

- Executed loan to CRA
- Utilized the Port's year-long Centennial Celebration as a milestone opportunity to educate Southern Californians and out-of-area visitors about the Port

ECONOMIC DEVELOPMENT

Strategic Objective:

Realize the potential of the diversity of L.A.'s population by expanding opportunity and inclusion. Develop more and higher quality jobs

Initiatives/Action Items:

Jobs/Economic Impacts

- Promote economic development in San Pedro and Wilmington
- Include the Port in the redevelopment districts

Small Business Enterprise

- Develop a mentoring program

Workforce Development Program

- Facilitate entry into workforce for all residents by creation of a workforce development program

CDD/CRA Partnerships

- Develop a partnership with the Community Development Department (CDD) and Community Redevelopment Agency (CRA) to promote economic and career development in the surrounding communities

Outreach

- Conduct outreach programs in various Los Angeles City neighborhoods that focus on trade and business opportunities with the Port

Made it Happen in 2007/08

- Identified the jobs and economic impacts the Port provides to the local communities
- Initiated visioning process for maritime research facilities at City Dock No. 1
- Developed a Small Business Enterprise (SBE) program
- Selected Director of Economic Development

ORGANIZATION

Strategic Objective:

Ensure Port leadership, staff and facilities are in place to meet current and future workforce needs

Initiatives/Action Items:

Leadership Development

- Develop the leaders of the organization to meet current and future needs

Training

- Enhance and develop staff skills and capabilities by working with each Bureau head to explore and assess staff needs

Information Technology

- Upgrade our information technology systems

Workplace Environment

- Create a safe, healthy and comfortable working environment for employees that encourages collaboration and team building

Workers' Compensation

- Strive for continued positive trends in workers' compensation claims, Injury on Duty hours, and light duty through safety training and communication

Made it Happen in 2007/08

- Initiated five year IT strategic plan development
- Enhanced labor relations through the use of a newly created specialized position
- Reviewed the role of Construction and Maintenance Division and ensured the proper amount of equipment and staff are in place to meet future needs

EMPLOYEES

Strategic Objective:

Make the Port a Great Place to Work

Initiatives/Action Items:

Morale

- Review, assess, and implement actions that improve employee morale
- Increase laughter by 30%
- Work with the A-Team to make recommendations to senior management on action items needed to address the areas needing improvement as described by our 2007 Employee Opinion Survey

Communications

- Improve communication and information sharing with employees by emphasizing the five 2008/09 Budget Priorities frequently so that all employees can use them as a guide in prioritizing their daily work

Recruitment and Retention

- Seek ways to become competitive to attract and retain quality employees

Office Space

- Develop short-term and long-term plan to provide adequate facilities for employees, including a gathering space within the existing facility for employee informal collaboration

Empowerment

- Create a culture that supports strategic thinking at all levels and quality internal customer service
- "Make it Happen" philosophy is the first step toward a supportive culture where employees are empowered to make the decisions that need to be made on a daily basis
- Empower employees to make decisions in order to improve customer service

Made it Happen in 2007/08

- Employee opinion survey completed



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