



Port of
LONG BEACH
The Green Port

Tidelands Transfer

City Council Study Session
October 6, 2009

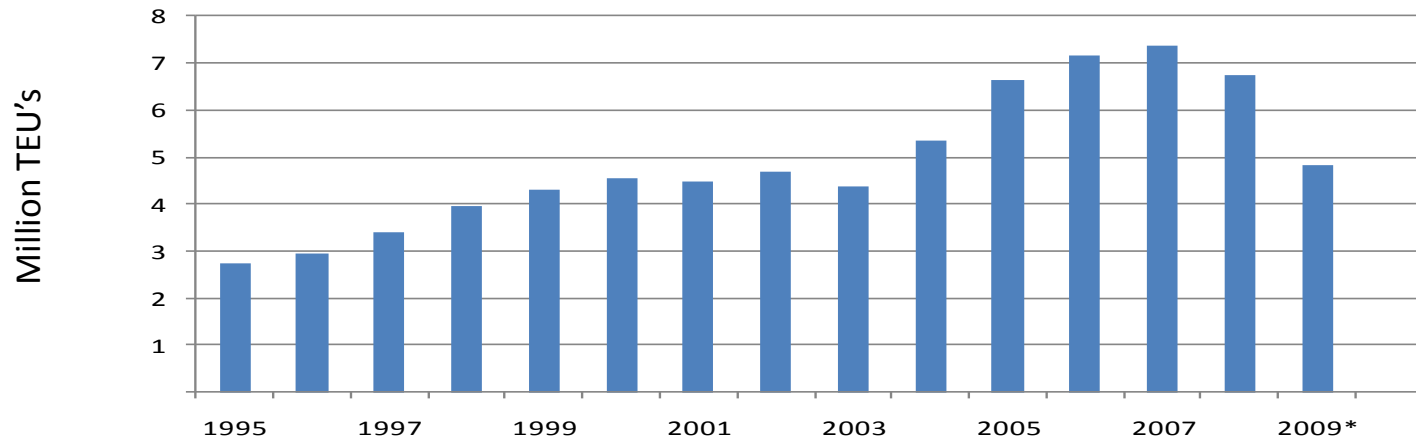
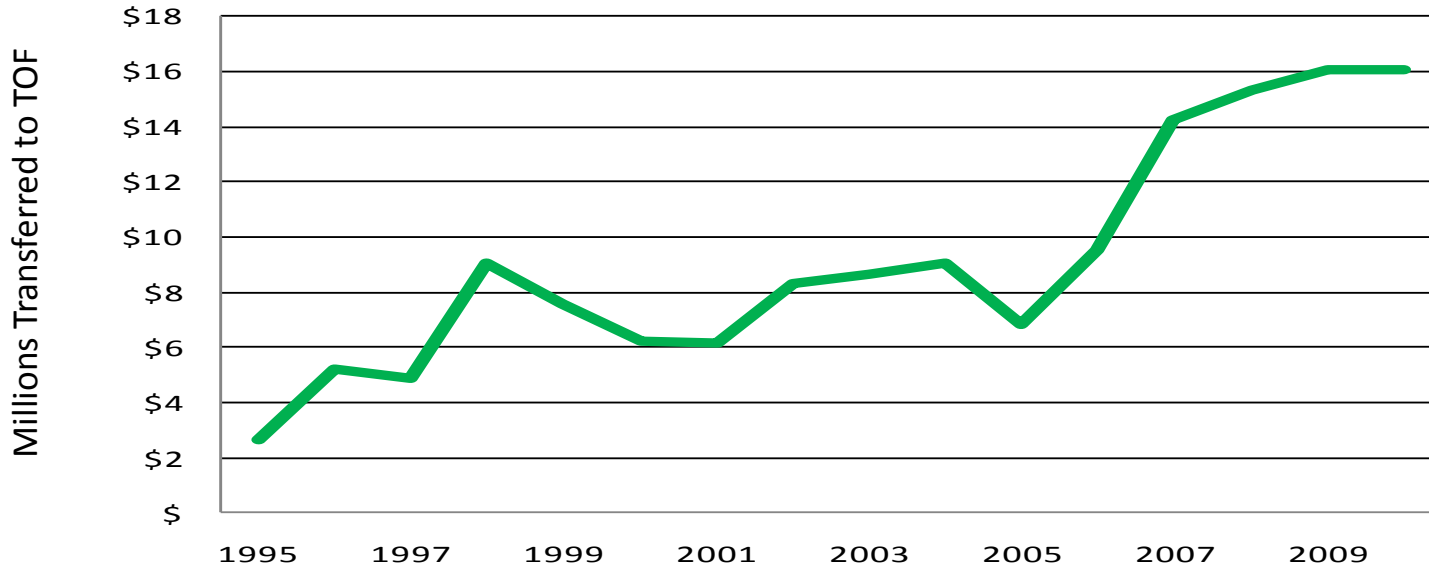
Richard D. Steinke, Executive Director

- Transfers from the Harbor Department to the Tideland Operating Fund (TOF)
 - Upon City Council resolution by a vote of two-thirds at beginning of fiscal year
 - Amount of transfer shall not exceed 10% of net income on most recently audited financial statements to meet lawful obligations of TOF
 - Subject to prior approval of a resolution by majority of Board of Harbor Commissioners
 - Funds will not be needed for Harbor Department operations (including operating expenses, capital projects and debt service)

Transfers and Container Volume



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* Estimated TEU's

The State of the Industry

- Global goods movement trends
- Carriers are operating at a net loss
 - AP Moller-Maersk - \$540 million net loss in 1H 2009
 - COSCO - \$672 million net loss in 1H 2009
- Competition



FY09 Projection



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	<u>% Growth 1999 - 2008</u>	<u>2009 Estimate vs. 2008</u>
Total TEUs	56.6%	-14.5%
Operating Revenue	81.0%	-13.4%
Net Income	161.5%	-31.7%
Tidelands Transfer	157.1%	+4.3%

Net Income

- Capital expenditures convert cash to fixed assets with no immediate impact on net income
- Assets start to depreciate when put in service at which point revenue generally exceeds depreciation expense and therefore have positive impact on net income

Investing in Long Beach

The Harbor Department has made investments in the City that include, but are not limited to;

- \$170 million – Investment in Public Safety
 - \$8 million - Station #24
 - \$5 million in rent/improvement cost savings for the Fire HQ)
- \$118 million - Tax Increment Funds since 1996 (North and West Long Beach Redevelopment Project Areas)
- \$13 million - Tax Increment Fund (2009), plus \$4 million for affordable housing projects
- \$24 million - Relocation of the World Trade Center
- \$90 million - Construction of Convention Center Expansion
- \$2 million – Development of Cesar Chavez Park
- \$2.4 million - Historic Preservation Fund assistance
- \$5 million - I-710 EIR Study
- \$5 million - Catalina Ferry Basin Dredging
- \$197 million - Alameda Corridor
- \$15 million - Community Grant Funds related to Middle Harbor
- Over \$3 million – Support for City events (i.e. Grand Prix, Sea Festival, community parades, harbor tours) since 2002
- \$200,000 - Scholarships since 2007
- Provided 15,000 sq. ft for Homeless Services Center for 12 years at no charge

Thank You



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