

 **THE PORT OF
LONG BEACH** NEWS RELEASE

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**COMMISSIONERS APPROVE \$411 MILLION BUDGET
Board Also Sets Aside \$100 Million for "Green Port Fund."***July 26, 2005*

The Long Beach Board of Harbor Commissioners voted unanimously on Monday, July 25, to give initial approval to a \$411.1 million budget for the 2005–2006 fiscal year beginning Oct. 1. The proposed budget is \$40 million or 8.8 percent lower than the current spending plan due primarily to reductions in capital outlays.

While the spending plan for the Port of Long Beach shows a slowing of construction activity, the budget does include major investments in environmental programs, community educational outreach and funds to be transferred to the city to pay for marina and beach programs.

The board also set aside \$100 million in a reserve fund for long-term environmental projects. "We're putting our money where our mouth is," said Commission President Doris Topsy-Elvord.

A key focus of the board is the continuing development of the new Green Port Policy, which commissioners adopted in January 2005 to promote a multi-faceted approach to environmental protection.

The proposed budget allocates nearly \$33 million for the Green Port efforts, including programs to reduce air emissions, promote sustainability, engage and educate the community, and establish specific goals and metrics to measure progress. The programs include development of shore-to-ship electrical power ("cold ironing"), storm water pollution prevention, dust controls, wetlands mitigation, diesel emissions reductions, remediation of Superfund sites, and reduction of petroleum coke impacts.

The \$100 million reserve fund, the Green Port Infrastructure Fund, underscores the board's long-term commitment to environmental protection. The fund will be used for projects such as the proposed electrical infrastructure for cold ironing, and rail improvements to move cargo more quickly and reduce truck trips.

As in previous years, the budget includes significant payments to the city of Long Beach for support services as well as an annual transfer to the city's Tidelands Operating Fund, which was requested by the City Council. The Port will provide \$23 million to fund vital services including police and fire protection. This amount includes \$9.5 million to the city's Tidelands fund for beach and marina programs.

The budget also allocates more than \$1 million for community outreach including the

sponsorship of community events, groups and outreach activities. These include education programs and scholarships at local colleges, harbor tours and the support of local events.

Operating revenues, primarily from the port's terminal leases, are expected to increase 7.2 percent to \$335 million, compared to the amount estimated for 2005, primarily because of container trade growth. Operating expenditures for 2006, including staff salaries and debt service, will decrease 12 percent to \$193.6 million. With the creation of five regular positions, total employment at the Port is set to increase to the equivalent of 386 jobs.

The spending plan sets aside \$217.5 million for capital improvements including the on-going improvements at Piers D, E and F, site preparations at Pier S, the third phase of development of the Pier T container terminal, and the rebuilding of the Ocean Boulevard/Terminal Island interchange. New projects include proposed improvements for the Pier A and Pier G container terminals.

To further tighten security, the Port will spend about \$27 million on security staff, enhancement of a video surveillance system, a command and control center, and an incident management system.

The Port of Long Beach is managed by the City of Long Beach Harbor Department, but is not supported financially by city taxes. The Port generates revenues from its operations through leases and fees charged to private terminal operators and shipping lines. Terminal space at the port is much in demand. Last year, Long Beach was one of the world's busiest container ports with its terminals handling the equivalent of 5.7 million twenty-foot-long container units.

The proposed budget is expected to return to the board for a final vote in early August. If the board gives its final approval, the budget will go to the City Council for its concurrence. The council is expected to hold hearings on the various city budgets between mid-August and the end of September.

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