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CONTACT: Yvonne Avila, Director of Communications

(562) 590-4123 or

Art Wong, Media Relations Manager

E-Mail: [wong@polb.com](mailto:wong@polb.com)

Website: [www.polb.com](http://www.polb.com)

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(562) 590-4123

## **HANJIN SHIPPING SIGNS LETTER OF INTENT TO LEASE FORMER NAVAL PROPERTIES IN LONG BEACH**

Hanjin Shipping Co. of South Korea has signed a letter of intent to lease a 375-acre container terminal on the site of the former Long Beach Naval Station and Naval Shipyard, port officials announced today. The letter precedes final negotiations on a formal lease which, when signed, is expected to generate port revenues of \$42 million per year.

“The letter of intent indicates that Hanjin plans to lease the former Naval site for the largest container terminal in Long Beach,” said port executive director Richard D. Steinke, who signed the letter for the port. “Now that it is signed, we will begin lease negotiations.”

The letter spells out the terms that are expected to be finalized in the lease. According to the document, Hanjin will enter into a 25-year lease for 375 acres on Pier T. The port will construct a container terminal on the site which will offer 5,000 lineal feet of wharf, 50-foot water depths, a dockside rail yard, and 12 to 14 “post-Panamax” sized cranes capable of unloading ships too wide for the Panama Canal.

“We are pleased to once again be involved with the Port of Long Beach in the development of a new container handling facility,” said N.U. Park, executive vice president and managing director of Hanjin’s American headquarters. “Over the years, we have enjoyed a successful relationship not only with the Port of Long Beach but also with the city of Long Beach. We are proud to be part of this community, and we are convinced that we will continue to prosper and contribute to the economic well-being of the region through the development of this new facility.”

Park said Hanjin’s new terminal is expected to employ 600 management employees and union dockworkers.

The terminal will be constructed in two phases, with the 260-acre Phase I scheduled for completion in

the spring of 2002. That phase will encompass land formerly used for the Long Beach Naval Station, the Navy Mole (breakwater), and the western portion of the Naval Shipyard.

Phase 2 will include an additional 115 acres of former Naval Shipyard property, and will be opened in the spring of 2003.

Neither phase will include some 33-acres that have been set aside for a ship repair facility. The Long Beach Board of Harbor Commissioners recently terminated a lease with the planned operator of the ship repair facility due to non-payment of rent. The matter currently is tied up in bankruptcy litigation.

The port has already cleared structures from approximately 200 acres of the former naval properties. Dredging of the West Basin for the terminal is 60 percent complete, and more than half of the underground utilities have been installed. More than 60 acres have been paved, two-thirds of the 1,100 wharf piles have been installed, and 450 feet of concrete wharf decking have been constructed.

The design of Hanjin's gate complex, the rail yard and other terminal facilities will begin after the lease is signed.

Hanjin has been a customer of the Port of Long Beach since 1979. The company moved into its first dedicated terminal in the United States on Long Beach's Pier C in 1991. Hanjin moved from that 57-acre site to a new 170-acre site on Pier A in September 1997.

Hanjin's Pier A terminal is currently the largest terminal in Long Beach. Last year, Hanjin moved more than 1 million twenty-foot-container units through its Pier A terminal in 1999.

Once Hanjin moves into its new terminal on Pier T, its Pier A terminal will be leased to another steamship line. Steinke said other Port of Long Beach customers have expressed interest in that site.

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