

FOR IMMEDIATE RELEASE

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THE PORT OF LOS ANGELES ANNOUNCES A \$848.5 MILLION FY 2006/2007 BUDGET



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After 5:00 p.m.:

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SAN PEDRO, Calif. - The Port of Los Angeles will operate on a \$848.5 million fiscal year 2006/2007 [budget](#) that commits nearly \$85 million to environmental initiatives. With a motto of "Grow, Green, and Greatness," the Port's budget for the coming fiscal year, beginning July 1, balances aggressive environmental programs with an aggressive schedule of improvements for customer and Port-owned facilities.

Chief among the nearly \$85 million in environmental initiatives is the implementation of the Port's Clean Air Plan, which aims to significantly reduce health risks from Port operations and is expected to be available for public comment later this month.

Committed to maintaining its competitive position as the nation's leading container port, the Port's capital improvements in the coming year are budgeted at \$311 million. Highlights include: continuation of the Main Channel Deepening project; transportation improvement projects; West Basin, Terminal Island/East Basin terminal improvements; waterfront revitalization projects in Wilmington and San Pedro; security enhancements; and efficiency improvements at existing facilities.

"As the first budget of the new Board of Harbor Commissioners -- and my first as executive director -- this budget underscores our commitment to balancing two goals that, in the past, have seemed mutually exclusive," said Geraldine Knatz, Ph.D., executive director of the Port. "It demonstrates that we are stepping-up our role and time line for greening and growing operations at the Port of Los Angeles."

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Other environmental programs budgeted in 2006/2007 include: wetlands mitigation projects; protection and cleanup of Port soil and groundwater; water circulation enhancements at Cabrillo Beach; water improvement programs; enhanced air quality monitoring; new air emissions inventory; Clean Marina program; and an updated Port-wide Health Risk Assessment.

The FY 2006/2007 budget contains an Operating Budget of \$259 million, a Capital Budget of \$311 million, and \$42 million in future year commitments. The Capital Budget includes \$82 million related to land and property acquisitions. Operating Revenues for 2006/2007 are anticipated to reach \$409 million, an increase of \$26.2 million, or 7 percent, over last year's budget.

Operating Expenses are estimated at \$207 million, an increase of \$42 million, or 25.1 percent, from last year's budget primarily due to outside services costs for environmental, engineering & legal services, additional City services costs and expenses such as provisions for debt exposure and wharf and ground maintenance improvements.

The Department expects to support the proposed capital spending through available operating resources and the issuance of \$150 million in commercial paper. The Port's strong financial stability has resulted in continued AA ratings by all three rating agencies, the highest of any port without taxing authority.

New in this budget are the creation of several key divisions: Internal Audit, to provide assessments to management on Port policy and procedure effectiveness; Economic Development, to analyze and quantify in a timely manner the economic impacts of Port-related projects; and Goods Movement, to develop business outreach programs aimed at fostering opportunities for local companies to engage and participate in the broad arena of regional and international business opportunities anchored by the Port.

More details about the budget are available on the Port's website at www.portoflosangeles.org.

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The Port of Los Angeles is America's premier port and a recipient of two Environmental Protection Agency awards in 2006. As the leading container port in the nation and a critical hub in the international supply chain, the Port generates 259,000 regional jobs and \$8.4 billion in annual wages and tax revenues. A proprietary department of the City of Los Angeles, the Port is self-supporting and does not receive taxpayer dollars. High priority is placed on responsible growth initiatives combined with high security, environmental stewardship and community outreach. The Port of Los Angeles - A cleaner port. A brighter future.

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