

Promoting Regional Equity 2008

America's Gateways: Building A Progressive Ports Agenda

Bernida Reagan
Director, Community and Client Relations
March 7, 2008



Merriwether & Williams
INSURANCE SERVICES

... Of Like Minds

America's Gateways: Building A Progressive Ports Agenda



- Ports impact their host cities, as well as driving the surrounding regional economies. The impact on the environment, labor relations, education, training and employment of local residents, small and minority business opportunities, housing and land use are but a few of the issues.



Merriwether & Williams
INSURANCE SERVICES

... Of Like Minds

How do local communities promote strategic public investment, healthy financial returns and positive social outcomes?

- As with most social agendas, changes are made through grassroots activism, enlightened policy development and management, and continuous outreach, dialog and shared leadership with impacted communities.



Ports operate in an immense playing field—spanning continents and oceans and subject to the conditions and fluctuations of a vast global economy.

Drivers include:

- Regulatory and legislative mandates (FAA, State Lands, City, County, TSA, CARB, DTSC, BAAQMD, EPA, MARAD)
- Community and advocacy groups (open space, preservationists, health, environmental , small business, labor workforce and community based organizations.)
- Customers (logistical service providers, shipping companies, beneficial cargo owners, patrons of commercial and retail establishments, folks visiting the waterfront)
- Bondholders



Port of Oakland

- Fourth Largest Container Port in the United States (Maritime=46% of income)
- Rapidly expanding airport (represents 50% of income)
- 19 miles of waterfront including logistics movement, retail, hotel and housing development (CRE represents about 4% of income)
- \$267 Million in revenue and a debt ratio of about 1.5
- Generated \$372 Million in state and local taxes in 2005
- Revenue must be allocated pursuant to City charter rules: debt repayment, maintaining operations (maintenance, security, materials, supplies, advertising and marketing); then retirement benefits; seaport and aviation infrastructure; reserves
- Tideland Trust law requires that lands under the ocean and navigable streams are owned by the public and held in trust for the people by government; uses include commerce, fisheries, navigation, environmental preservation and recreation—ports marinas, docks, wharves, buoys, hunting, commercial and sport fishing, bathing, swimming and boating, commercial facilities located on or directly adjacent to the water, such as warehouses and container cargo storage, and facilities
- Businesses at Port pay possessory interest taxes, a portion of which goes to the City of Oakland (\$25.5 Million in 2003)
- Port pays City according to agreements: administrative, personnel, south airport policy security, aircraft rescue and fire fighters and financial services police, fire, public street cleaning and maintenance and similar services, and maintenance of Lake Merritt (About \$25 Million in '05-'06)



West Coast Ports

Ports of Los Angeles & Long Beach

- Numbers 1 and 2 in the country
- Gateway from Asia into the United States
- Three California Ports represent 42% of trade into the U.S. from Asia and Europe
- Diversity and Economic Disparity

Other West Coast Ports

- Seattle
- Prince Rupert
- Portland
- Mexico
- Central and South America
- Panama Canal



Represent

Workforce Development/Labor Opportunities

- The Port of Oakland claims 24,580 jobs that depend on the Port's existence; Another 24,820 indirect and induced jobs are created by people and businesses involved with the Port spending money in the Bay Area (jobs generated by direct job holders spending their salaries on goods and services, or jobs generated by Port related businesses spending their income on local goods and services).



Construction



- Construction Projects include many opportunities for minority contractors and skilled trades
- Many construction/skilled trades opportunities allow for employment regardless of criminal histories
- Shortage of 2 million workers by 2014 nationwide; 188,000 – 500,000 in California alone
- For every three workers leaving the skilled trades, only one in the pipeline
- Funding allocated and the need represent opportunity to get local workers into construction



- Trade with major international corporations
- Opportunities to clean up the environment world-wide
 - Diesel emissions (ships and trucks) #1 threat to human health and the environment
 - Cancer
 - Asthma
 - Greenhouse gases
 - Traffic congestion and noise
 - Emissions from Ships must be contro
 - Labor and ability to organize truckers will have a profound impact on the trucking industry over the next decade



Infrastructure Development

- In California, Infrastructure Bond Opportunities in Construction
- Many Port and infrastructure projects will have security requirements which negatively impact employment opportunities for previously incarcerated



Logistics Industry

- Logistics trade comprised of low-skilled, low-paying jobs
- Trucking important but unregulated, low wages, health threats
- Over next decade, greening of Ports provides many opportunities
 - Planning and engineering and architecture opportunities
 - Alternative fuel development
 - Alternative energy (wind, solar, hydropower)
- Intermodal trade opportunities
- Housing and community benefits



Small Business Contracting Opportunities

- Large infrastructure projects generally favor prime builders and mega-project structure
- Federal dollars may invoke federal procurement and development policies which take precedence over state policies (which are becoming more and more exclusionary after Prop 209, I-200 in Washington, etc.)
- Race and gender specific procurement strategies show greater benefit to those underutilized groups
- Where race-conscious contracting strategies are prohibited, race neutral strategies can be developed to ensure greater equity
 - Targeted outreach
 - Unbundling larger contracts into smaller contractors
 - Technical assistance programs
 - How to bid
 - Estimating
 - Technology for Business
 - Marketing and Outreach
 - Bonding and financing programs



Strategic Public Investment

- Oakland Partnership is highlighting trade and logistics as a cluster
- Infrastructure bond monies being targeted to areas of highest need and highest impact in terms of reducing congestion, improving the environment and growing the economy



Healthy Financial Returns

- Ports seek to maintain or increase market share
- Container fees/concession fees increase costs which may reduce profits
- Must balance financial return with positive social outcomes



Examples of Progressive Policies at the Ports

- Maritime and Aviation Project Labor Agreement (Port of Oakland)
 - Doubled the percentage of local residents working on Port projects
 - Tripled the percentage of local apprentices working on Port projects
 - Included a small business exemption which allows small businesses to work in a union environment
 - Monthly Social Justice meetings with community members, contractors, labor, Port representatives and community based workforce development and support organizations



Examples of Progressive Policies at the Ports (cont.)

Airport Concessions Disadvantaged Business Enterprise Program (Port of Oakland)

- Met federal requirements for a race-conscious concessions program
- Yielded 25% MWBE participation
- Strong representation of local businesses in concession offerings

Port Jobs (Seattle)

- Separately incorporated non-profit employment program
- Initiated by community members and labor concerned about local employment
- In-kind contributions from Port; leveraged with support for the City, County, and other community institutions



Successful Organizing Strategies

- Know who makes the decision
 - Elected board vs. appointed board
 - Board terms and selection processes
 - When Board and committees meet
 - Public participation opportunities
- Know what others are doing
 - Clean and Safe Ports initiative
 - Workforce development efforts
 - Small, local and minority business efforts
 - Links to public education from elementary schools through post-secondary
 - Local chamber, advocacy and labor organizing efforts
- Share successes
- Be visionary



Bernida Reagan

Director, Community & Client Relations

(415)217-6575

bernida@imwis.com



Merriwether & Williams
INSURANCE SERVICES

... Of Like Minds



Merriwether & Williams
INSURANCE SERVICES

... Of Like Minds

www.imwis.com