



**Port of Los Angeles Presentation to the
Los Angeles Investors Conference
March 19, 2018**

Today's Focus

Introduction to the Port of Los Angeles

Market Position & Cargo Volumes

Capital Improvement Program & Key Initiatives

Financial Position

POLA's Credit Strengths

INTRODUCTION TO THE PORT OF LOS ANGELES

#1 Container Port in the Americas

Founded in 1907

Proprietary City Department

Mayoral-Appointed Board of 5

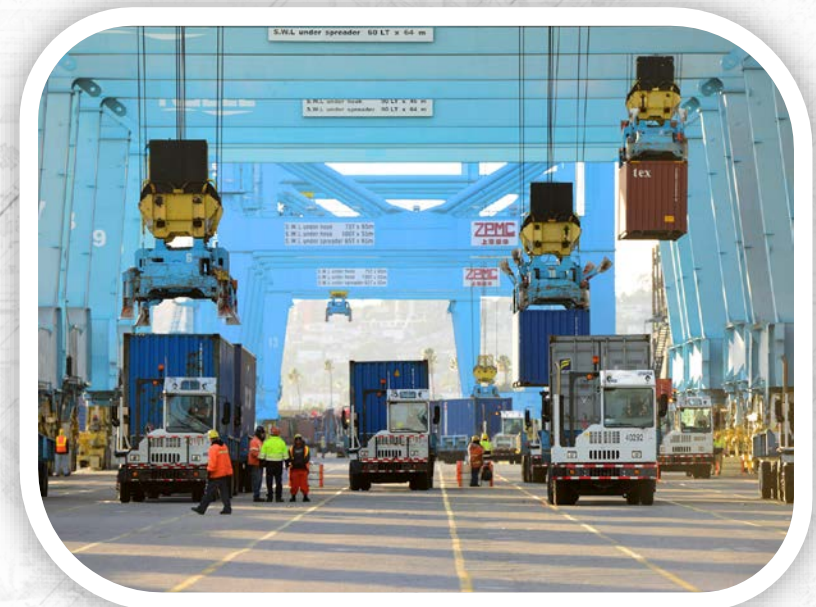
State Tidelands Trust Guidelines

Traditionally A “Landlord” Port Model

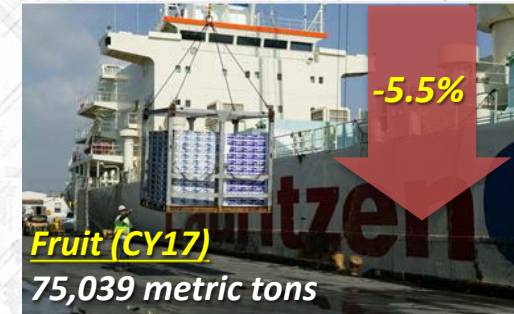
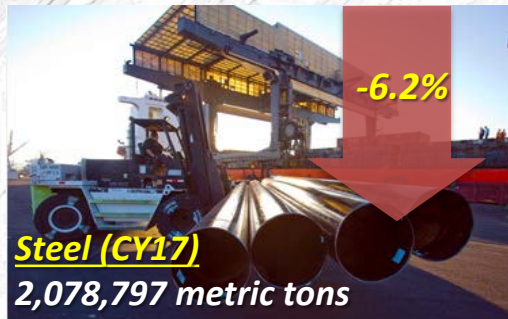
Container Volume

- Twenty-foot Equivalent Units (TEUs)
- 8.9 million TEUs in 2016
- 8.2 million TEUs in 2015
- 8.3 million TEUs in 2014
- 7.9 million TEUs in 2013
- 8.1 million TEUs in 2012
- 7.9 million TEUs in 2011
- 7.8 million TEUs in 2010
- 6.7 million TEUs in 2009
- 7.8 million TEUs in 2008

9.3 Million TEUs in 2017



Our Diverse Lines of Business



A "Full Service" Port

The L.A. Gateway of Connectivity

Superior Access to U.S. Markets

Strong Market

- Mega-region of 23 million consumers

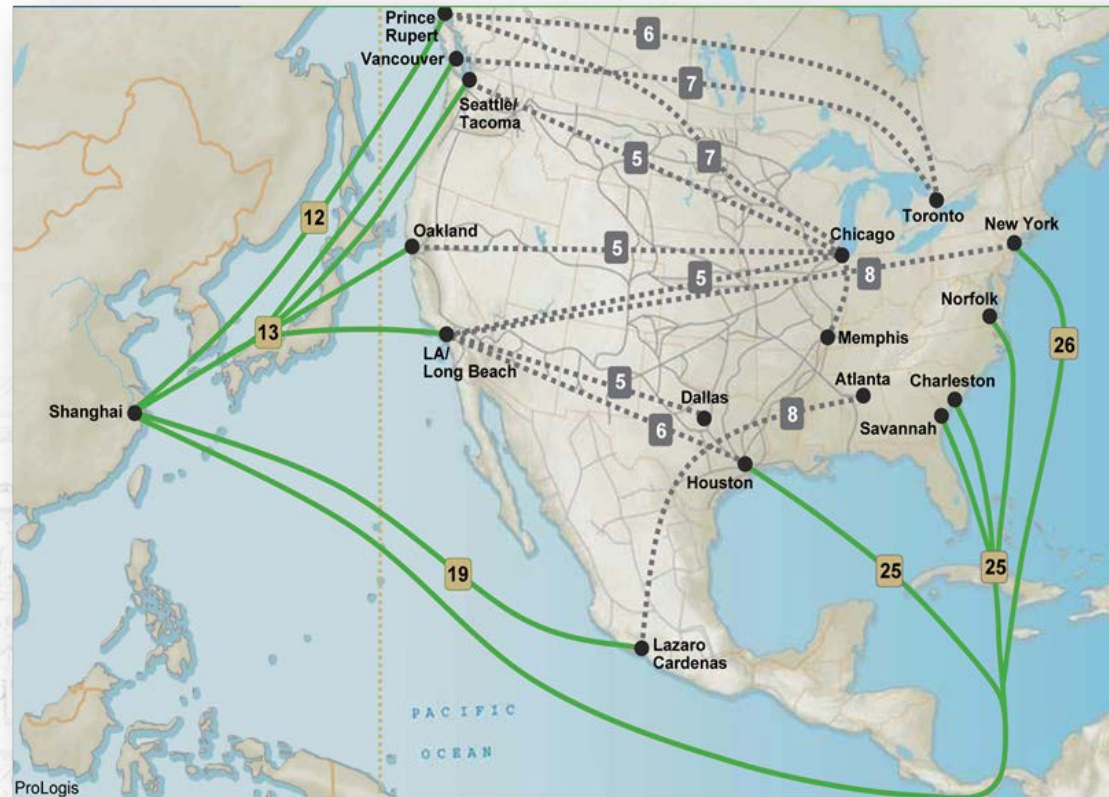
Intermodal Connectivity

- Alameda Corridor
- 100 trains daily through L.A. Basin
- 2 Class-1 Carriers: Union Pacific & BNSF

Access to Major Freight Hubs

Superior Infrastructure

- 53 foot water depth
- 8 container terminals, 91 cranes



MARKET POSITION & CARGO VOLUMES

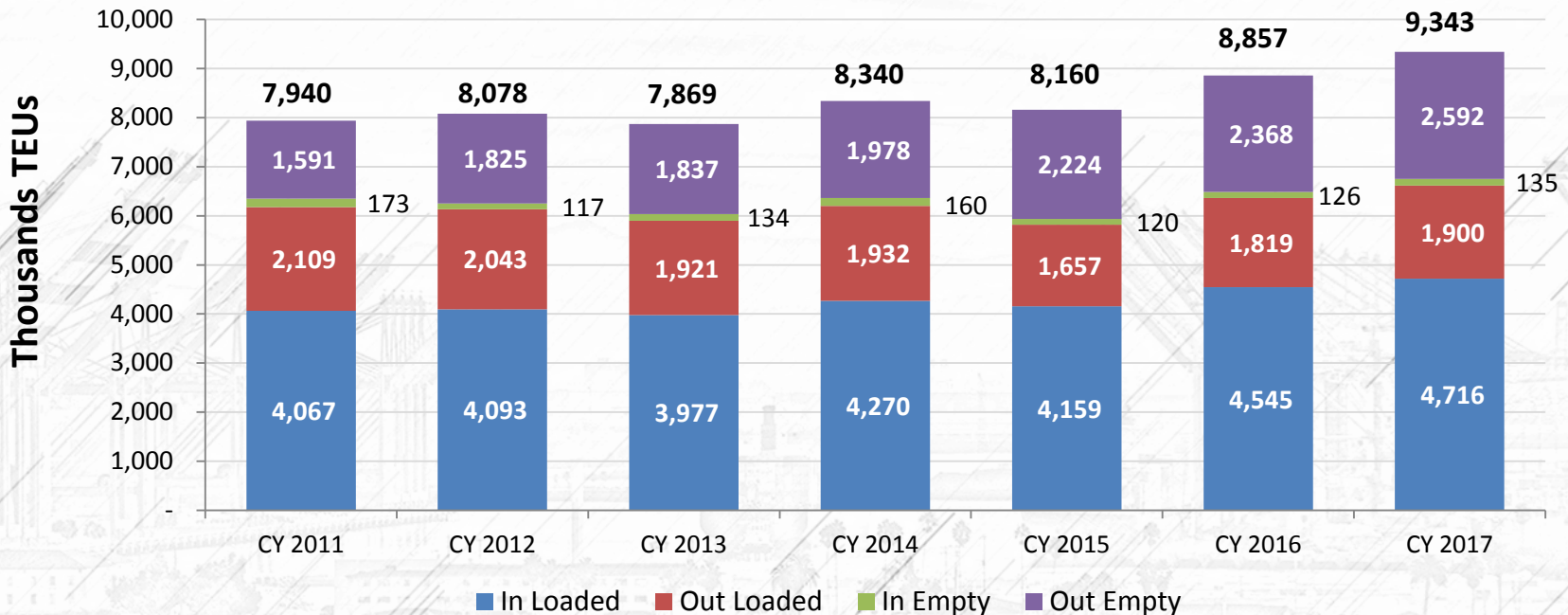
Critical Issues Facing the Port

- **Creation and Realignment of Major Global Shipping Alliances**
- **Greater Complexity in the Supply Chain**
- **Larger Ships**
- **Port Competition**
- **Environmental Mitigation**



Growing TEU Volumes

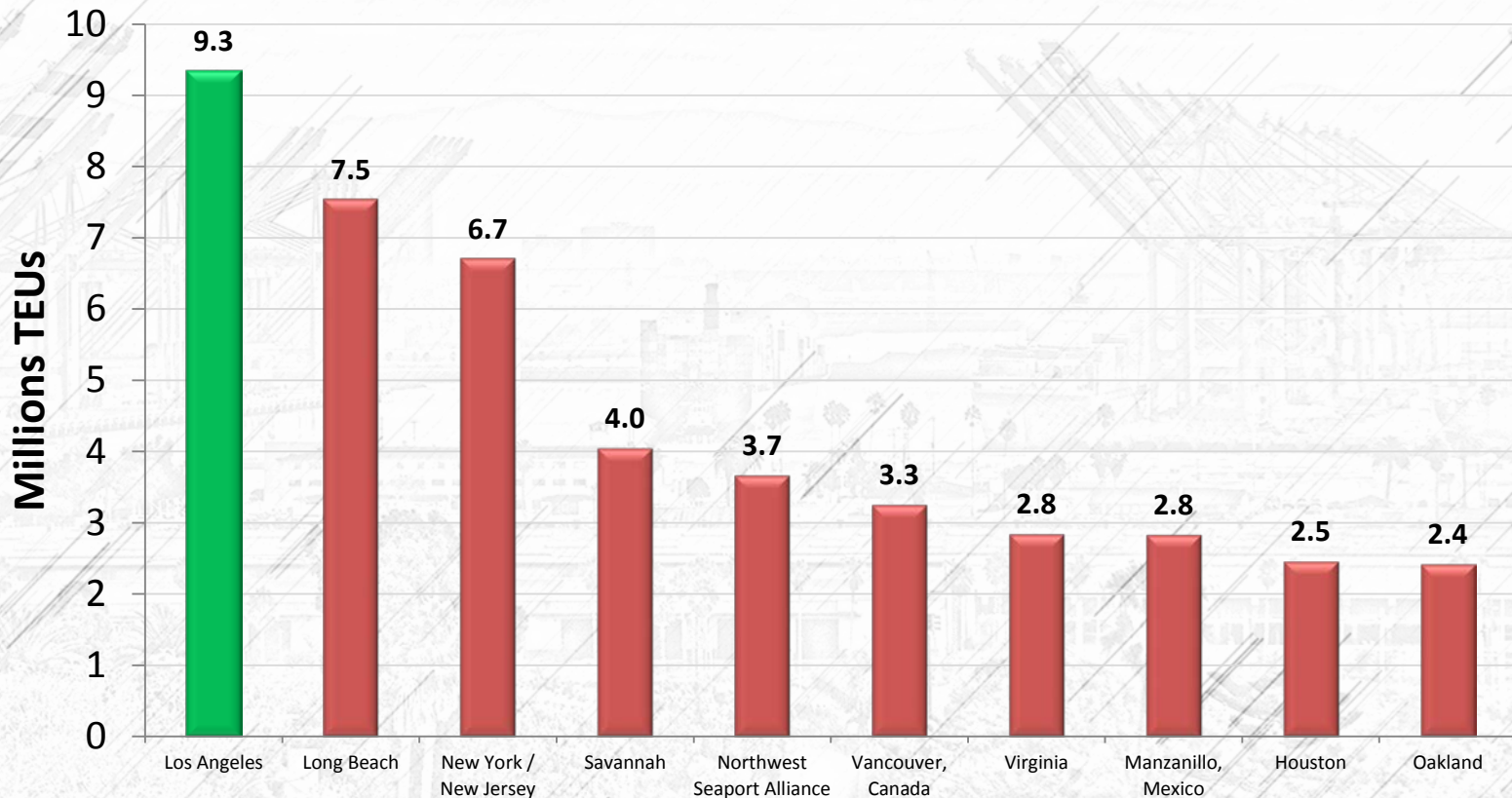
CY 2017 volumes increased 5.5% vs. CY 2016



- POLA is primarily a gateway for import cargo. It handles about twice as many imports than exports
 - The top five import commodities (by volume) are furniture, auto parts, apparel, electronic products, and footwear.
 - The top five export commodities (by volume) are wastepaper, animal feeds, scrap metal, cotton, and soybeans.

Competition CY2017

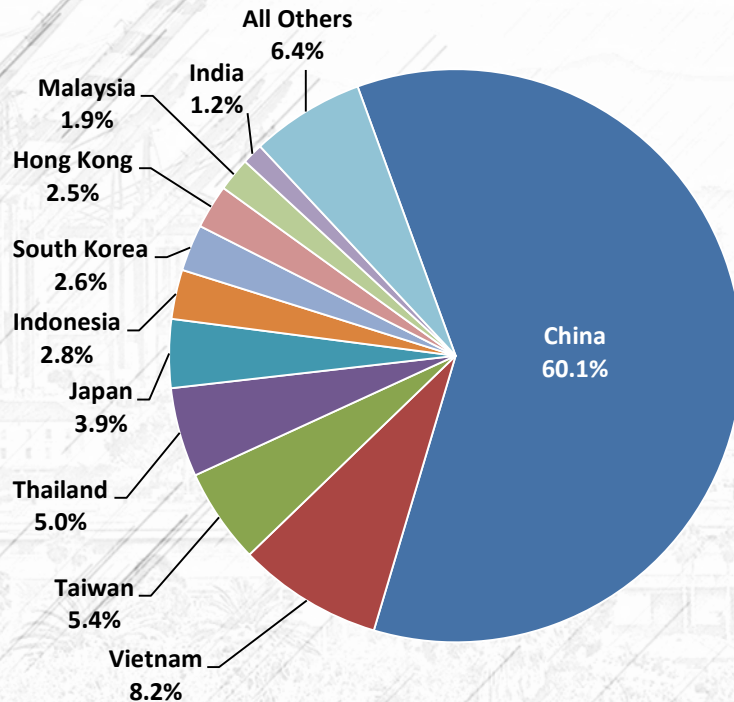
- POLA continues to lead North American container ports in terms of volume
- Combined, POLA and POLB are the 9th largest seaport complex in the world



POLA's Top Trading Partners Remain Stable CY 2017

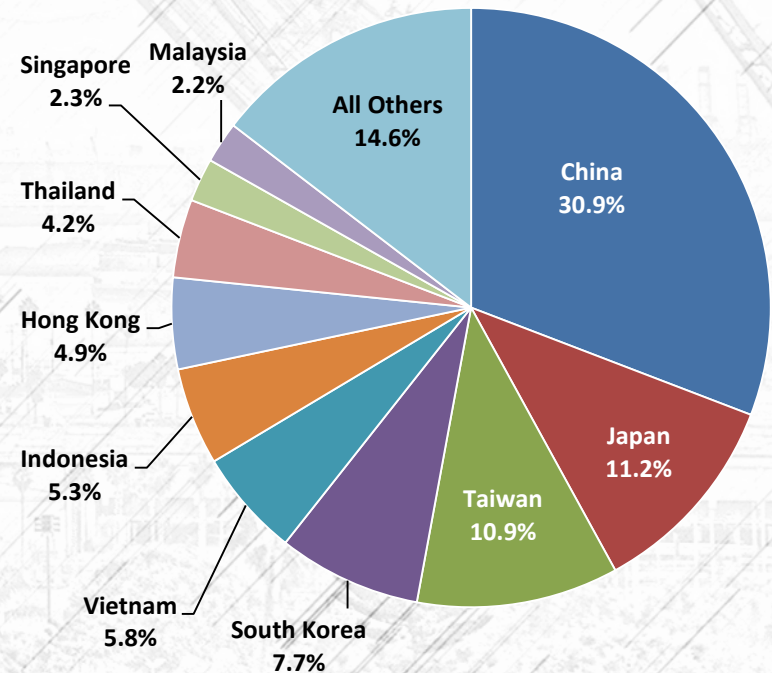
Imports

(% of Total TEUs)



Exports

(% of Total TEUs)

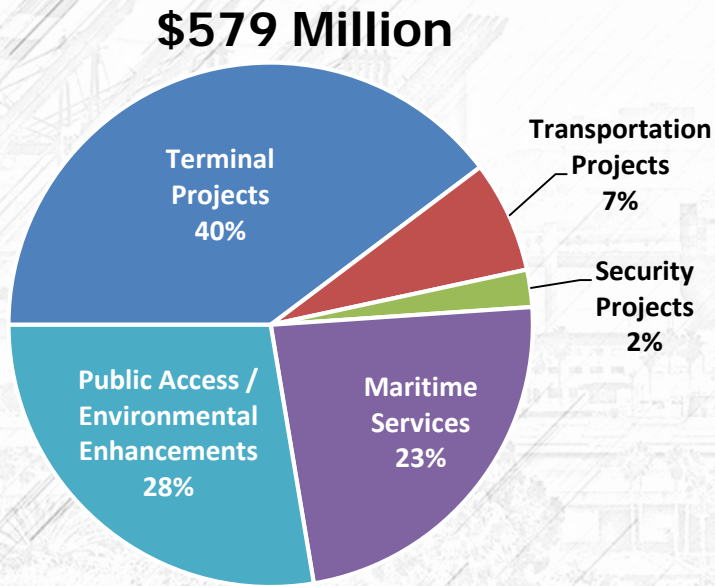


Source: Piers

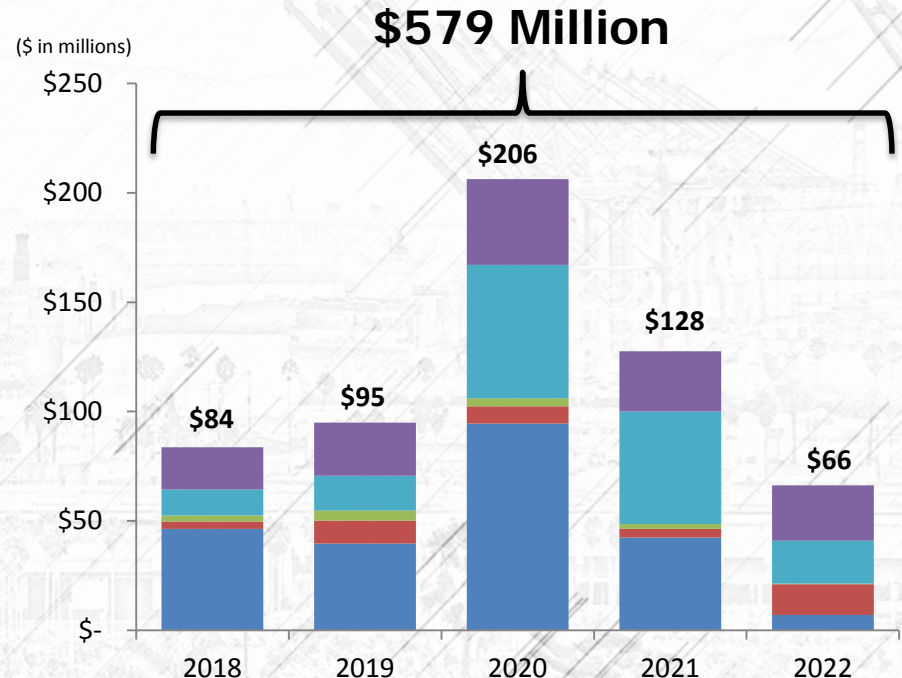
CAPITAL IMPROVEMENT PROGRAM & KEY INITIATIVES

5-Year Capital Improvement Plan

- POLA expects to fund the CIP with cash, grants, and commercial paper if needed



Source: POLA





**B. 121-131 Terminal
Redevelopment
\$1.1M**

**MOTEMS
Repairs
\$7.9M**

**B. 93 Customs
Improvements
\$2.1M**

**B. 91-93 AMP
Upgrade
\$8.9M**

**B. 84 Wharf
Rehabilitation
\$1.0M**

**Harbor Blvd. Roadway/
Sampson Way
\$8.7M**

**San Pedro Public
Market Promenade
& Town Square
\$2.0M**

**AltaSea
\$600K**

**B. 200 Rail Yard Track
Connections Enhancements
\$2.0M**

**B. 196-200A Wharf
Rehabilitation
\$5.4M**

**Avalon Promenade &
Gateway
\$1.0M**

**Wilmington Promenade
\$1.7M**

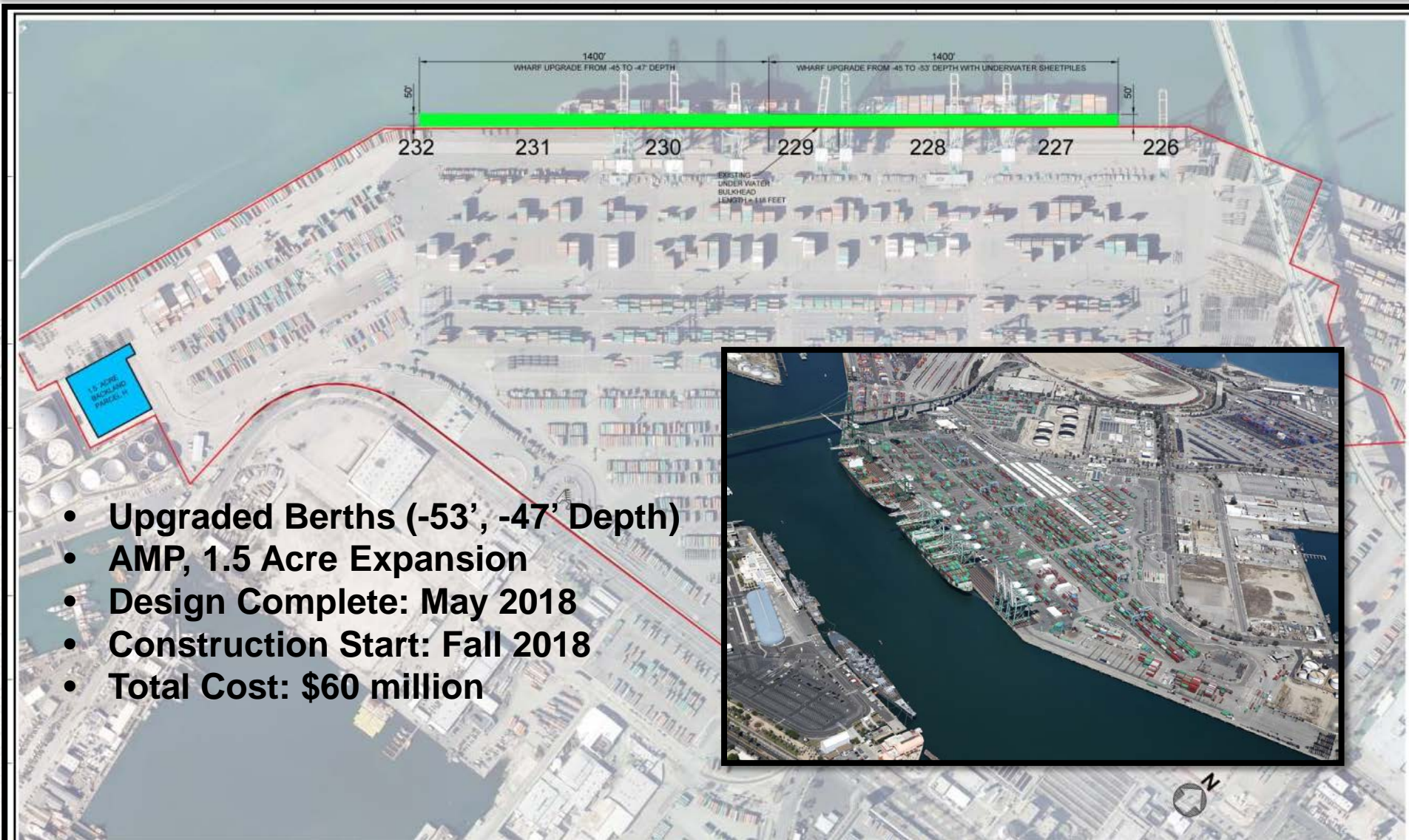
**B. 214-220 ICTF
Expansion
\$4.7M**

**B. 226-236 Terminal
Redevelopment
\$2.0M**

FY 2017/18 Capital Improvement Projects



Berth 222-236 Everport Redevelopment



Capital Improvements for Liquid Bulk Terminals



- **6 Marine Oil Terminals**
- **Berth 238-239 “PBF Energy” and Berth 164 “Valero” expected to start construction in 2019**
- **Total Cost: \$150 million**

POLA Partnering to Leverage Third Party Investment



San Pedro Public Market
Total Cost: \$150 million



AltaSea Urban Marine Research Institute
Total Cost: \$150 million



Harbor Performance Enhancement Center
Total Cost: \$135 million

Zero and near-zero emission technologies to improve air quality in our community

3,200 Tons Per Year	56,000 Pounds Per Year	14,100 Cars Off The Road Per Day
Greenhouse Gases	Diesel Particulate Matter, Nitrogen Oxides & Other Harmful Emissions	Equivalent South Coast Air Basin
REDUCED	ELIMINATED	CLEAN AIR GAINS

Pasha Green Omni Terminal
Total Cost: \$15 million

Port Optimizer Data Solutions Portal

POLA Partners with GE Transportation to Generate Supply Chain Efficiencies

Different Views for Different Users

The Port of Los Angeles Port Information Portal is designed to provide a single location for different port stakeholders to share data on inbound container movements.

By sharing information earlier in the process, supply chain stakeholders are better able to plan moves and position equipment more efficiently.

The Port Optimizer online portal is divided into different “persona” pages, each corresponding to a cargo stakeholder category. Each persona has a unique, secure view into the data about their contracted cargo movements.



Clean Air Action Plan 2017

San Pedro Bay Ports are working together to reduce environmental impacts.



Advancing the Clean Trucks Program to phase out older trucks and transition to zero-emission trucks by 2035



Transitioning to zero-emissions terminal equipment by 2030



Developing a Clean Ship Program to transition the oldest, most polluting ships out of the San Pedro Bay fleet



Accelerating the deployment of cleaner harbor craft engines and operational strategies to reduce harbor craft emissions



Expanding use of on-dock rail to shift more cargo leaving the Ports to go by rail

FINANCIAL POSITION

Strong Debt Service Coverage

- Annual results are well above POLA's financial policy of 2.0x

Historical Debt Service Coverage

(Fiscal Years Ending June 30th)

(\$000s)	2015	2016	2017	2018*
Available Revenues**	\$460,364	\$452,398	\$487,806	\$489,704
Operating Expenses	234,249	226,261	227,675	254,482
Net Revenues	226,115	226,137	260,131	235,222
Debt Service***	69,988	91,831	87,570	80,147
Debt Service Coverage	3.2x	2.5x	3.0x	2.9x

Source: POLA

* FY 2018 is estimated

** Available Revenues except for estimated FY2018 include investment and interest income

*** FY 2016 Debt Service was \$84.4 million plus \$7.4 million related to the early redemption of Series 2005C-1 Bonds

Liquidity Provides Flexibility

- Healthy revenue generation results in strong cash balances enabling cash funding of CIP.
- POLA's Days Cash calculation conservatively utilizes current fiscal year ending Unrestricted Cash and Available funds divided by the next fiscal year's expenses.

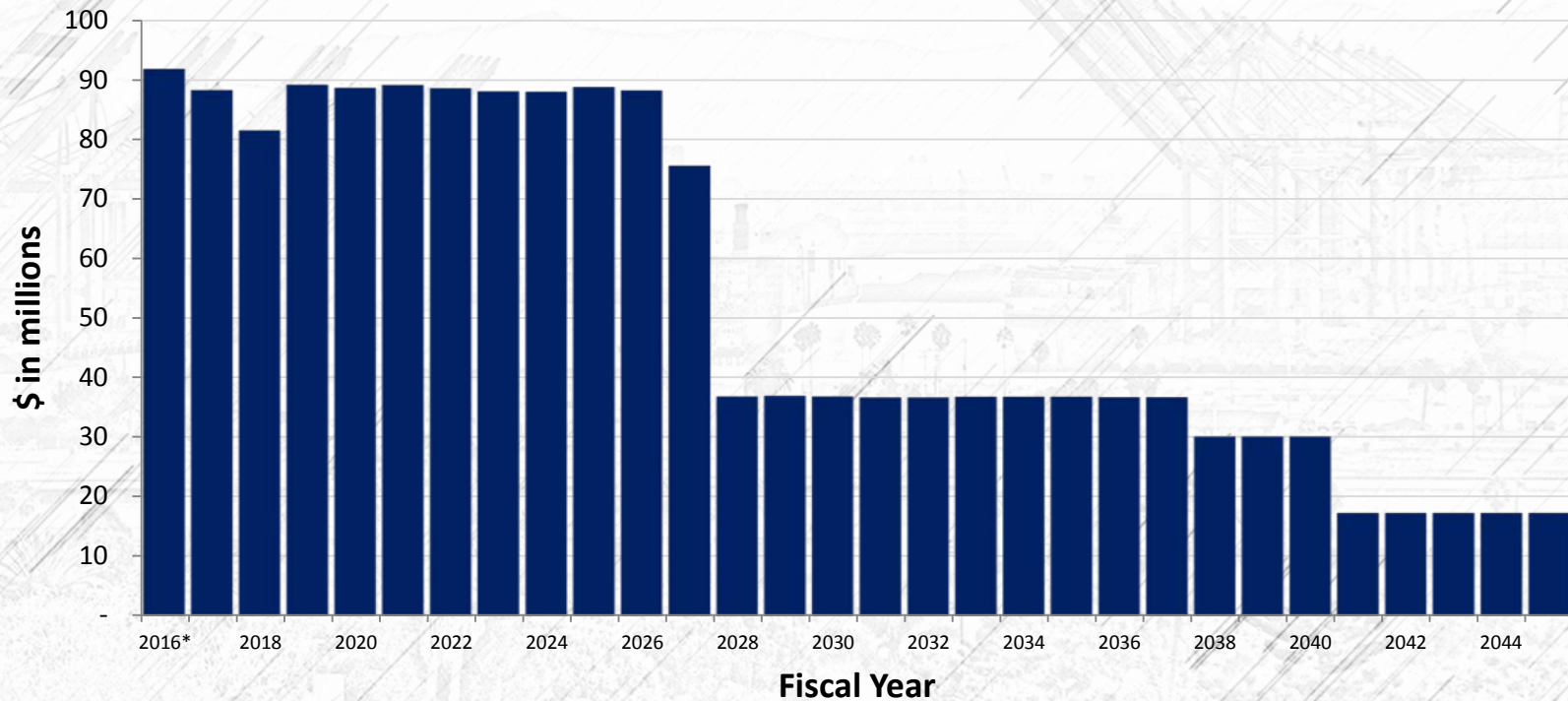
	FY 2015	FY 2016	FY 2017
Unrestricted Cash & Available Funds as of June 30 (in '000s)	\$441,834	\$445,289	\$619,413
Upcoming Operating Expenses (in '000s)	\$226,261	\$227,675	\$254,482
Days Cash	715	714	888

Source: Harbor Department City of Los Angeles CAFR

Note: Upcoming Operating Expenses refer to the subsequent year's operating expenses. For instance, the amount of unrestricted cash on hand at the end of FY 2016 (\$445.3 million) was compared to the amount of operating expenses incurred over the course of FY 2017 (\$234.2 million) to arrive at 714 days cash on hand. For FY 2017, unrestricted cash on hand as of June 30, 2017 was compared to FY 2018 estimated operating expenses of \$254.5 million.


Debt Service Profile

- POLA currently has \$854 million in outstanding senior lien fixed rate debt rated AA
- Issued \$35 million in **Green Bonds** in 2016
- Available \$200 million Commercial Paper Program with no notes outstanding
- POLA will potentially refund its 2009 Series A&C Bonds in 2019



POLA's CREDIT STRENGTHS

POLA's Credit Strengths



Competitive Advantages

- Strategic location
- Local market of 23 million

Vast Infrastructure

- Deep water
- Intermodal connectivity

Strong Financial Position

- Liquidity
- Conservative debt profile & high debt service coverage

Keeping in Contact with POLA

POLA's New Investor Relations Web Site

www.portoflabonds.org

BONDLINK Port of Los Angeles Investor Relations

Marla Bleavins
Deputy Executive Director & CFO
Mbleavins@portla.org

- Home
- Finance Team
- Financial Documents
- Bond Ratings
- Investor Resources
- EMMA Links
- Receive Notifications

BOND RATINGS
AA/Aa2/AA¹

CY 2017 CARGO VOLUME
9.3 million TEU¹

BONDS OUTSTANDING
\$854 million¹

Welcome Letter

On behalf of the Port of Los Angeles, I would like to welcome you to our new investor relations website. We appreciate your interest and investment in bonds issued by the Port, as it allows us to make critical investments in public infrastructure throughout the region. We are

Marla Bleavins

**Deputy Executive
Director & CFO**

mbleavins@portla.org

310-732-7706

Soheila Sajadian

**Director of Debt &
Treasury**

ssajadian@portla.org

310-732-3756