

## **Trade and Port Growth**

The Port of Hueneme has been part of Ventura County's economy and history for over 65 years. Only over the last decade however, with the growth of international trade via globalization has the Port's business experienced dynamic growth. This long history notwithstanding, the Port has only recently come to people's attention through controversies whipped up in public forums, political discussions and the local media. It is time for the facts about the Port's past, present and future, including a frank discussion about the contested property on Hueneme Road to be told.

### **Jobs and Revenue**

According to a study by economist Leeper, Cambridge & Campbell, Inc., the Port of Hueneme generates approximately 3,800 jobs for Ventura County residents and over \$535,000,000 in local economic activity. In addition, Port activities account for over \$142,000,000 in customs revenue for the United States Treasury annually.

A livelihood from the Port doesn't just mean working on the docks. It also means county and state businesses that sell products and services tied to Port related activities, businesses who in turn patronize other county businesses, multiplying jobs and revenue and strengthening our economic base. The Harbor District does all this without receiving a dollar from taxpayers. Although the District is a public entity supervised by elected commissioners, it operates strictly on money earned from port activities.

### **Growth is essential**

The Port is, and has been in the past, land poor. With the restricted space it has, it proudly provides jobs and revenue while being good stewards of the land and sea. The District seeks

smart growth to keep the Port viable as well as continuing its economic contributions to Ventura County. The current and potential customers are also growing as global trade increases. They want to do more business with the Port of Hueneme. Like any other forward-thinking enterprise, the Harbor District cannot take comfort in static performance and revenue. If port customers cannot get greater capacities and services they need locally, they will go elsewhere. Their ships can sail to any other port starting tomorrow.

However the Port's growth does not have to come at the environment's expense. The Port has been long recognized for green operations, including for example a majority of the stevedore's forklifts operate on electrical power, water quality inside the Port good enough to support and raise sea-life, and the use of alternative fuels such as bio-diesel made available to all motor vessels working at and around the harbor. The emphasis on Ro-Ro (roll-on - roll-off), and palletized cargos is another environmental plus. Products that come off ships under their own power such as automobiles and tractors and other products utilizing ship's cranes allow stevedores to forego the use of numerous heavy gantry cranes—a source of potential air, noise and visual pollution—associated with many larger harbors.

The Port of Hueneme is a niche port, suited for specialized cargoes, making it unique and highly competitive among west coast maritime facilities. This specialization is one of many reasons ensuring that it will never become a complex resembling Los Angeles/Long Beach. However, the Port will not remain competitive if it stands still. The Port of Hueneme, as an identified coastal resource, must comply with the legislative mandate spelled out in the California Coastal Act and pursue actions necessary for the benefit the state and the nation. It must stay the course of smart growth in order to meet the service needs of its customers as well as the economic needs of the broader communities served.

## **Maritime Roots**

Hueneme has long been a seafarer's location. The "Point" at Hueneme was the closest mainland approach and jumping off point to Anacapa Island for the Chumash. In 1872, Bard's Wharf launched Hueneme's maritime industry, sending Ventura County's agricultural products to new markets. At the turn of the 20<sup>th</sup> century a large produce packing facility near the wharf was built, affirming the arrival of citrus' and its near 100-year dominance in local agriculture. In the late 1930s, a public bond financed construction of today's harbor, the dream of Richard Bard, son of U.S. Senator Thomas Bard, namesake of the original wharf.

The Port has been local agriculture's window to the world for decades, a partnership instrumental in the success of Ventura County

## **The District's relationship with the Navy**

Contrary to certain published remarks and public accusations, The Oxnard Harbor District has never sought the closure of our harbor neighbor, Naval Base Ventura County, nor did it hire a lobbyist to manipulate the Navy's expulsion. The District developed a plan for growth that involved expanding joint use or leasing and upgrading Naval Base Ventura County assets, without adversely impacting (indeed enhancing) the Navy's mission in peace and war all without taxpayer expense.

The Port's first wharf was complete in 1940 and customers began calling in 1941. Not long after, the U.S. Navy took over the entire facility for military support of World War II, adding 1500 more acres creating a base for the newly formed Seabees. After the war, commercial and naval operations would share the harbor, a situation that remains to this day. The District has always worked closely with the Navy. The importance of this partnership was re-affirmed when in 1992 Congress passed legislation allowing the District and the Navy to

negotiate directly regarding the sharing of facilities commonly called 'Joint-Use'. Under the current Joint Use Agreement, the District utilizes land and facilities on the Navy side of the harbor generating funds in part for Base improvements and long-term maintenance.

### **The Harbor District and the City of Port Hueneme**

The Port and City share a name, a history and a vision of prosperity by the sea. Indeed the Port gave birth to the City name. For two decades, the District has paid the City a percentage of its gross revenues and a fee per every imported car driven on public streets. The District has taken a direct role in road and infrastructure improvements and beatification at the City's behest. Harbor workers live and shop and send their children to school in the city of Port Hueneme. By the end of fiscal year 2006, the City will have received in excess of \$10,000,000.00 directly from port operations.

### **Port Hueneme Road Property**

The unfortunate controversy over the Hueneme Road property and the District's planned Vehicle Handling and Distribution Facility at the site has become a defining issue. The Oxnard Harbor District is not committing a "last minute land-grab," as some portray. The District's involvement with this longtime industrial property goes back decades. The District's interest in and intentions regarding this vacant property have been spelled out in official documents known well in advance to both parties.

Major business at the Port includes the importation of automobiles which are processed by automobile processors such as Pacific Vehicle Processors and BMW at sites on Hueneme Road in the City of Oxnard, approximately two miles from the Port gate. The proposed Vehicle Handling and Distribution Facility is critically needed by the District to accommodate existing and anticipated business, and to relieve congestion at the Port waterfront complex which

interferes with other dock operations and could create potential safety concerns. Much of this situation is caused by the increased cargo capacity of modern ships. While there has been no significant increase in vessel calls at the Port, the volume of automobiles offloaded at one time has continued to rise.

### **The District's Interest in the Hueneme Road Property**

In 1983, the Oxnard Harbor District and the City of Port Hueneme entered into a written agreement which included the City of Port Hueneme's consent to the District's eventual acquisition of the Hueneme Road property. This agreement, the first of three, also paved the way for the District to begin paying a percentage of its gross operating revenues to the City, an amount as indicated earlier totaling over \$10,000,000 dollars over the past two decades. The Ventura County Superior Court validated this 1983 agreement, with the City's acceptance of the Port's interest in the land deemed consideration for the millions of dollars in payments to the City that followed.

More recently, a third party consultant advised the City of Port Hueneme and developer John Laing Homes, the new owner of the property, in writing as early as June 2004 that the District had an interest in acquiring this vacant property. There should have been no surprises to the developer or the City.

### **Industrial Land**

Some people have an image of the District kicking homeowners off of the Hueneme Road property. This is impossible since there are no homeowners on the property. The site, all this time, has been zoned for port related industrial use and only as the District's customers business has grown has the District's need for this property become more critical. Industrial properties border it on three sides with Port Hueneme Road, a designated truck route, forming

the fourth boundary. Despite prior knowledge that the Port had an interest in the property, the City nonetheless conditionally approved in February 2005 a change in its Local Coastal Program, General Plan and Zoning from its longtime industrial use to a residential use. It was after the City conditionally changed its zoning that the developer purchased the property from the then-owners and evicted the commercial tenants. The developer has advised the District that it is unwilling to sell the vacant property to the District.

### **Operationally Suitable Sites**

The District has looked at alternative sites, and despite claims to the contrary, there are no other suitable sites that match the benefits of the proposed site. All suggested alternative sites would have more adverse environmental impacts than the proposed vacant site, with two possible exceptions: Naval Base Ventura County property and a 38 acre site in the City of Oxnard along Hueneme Road at Saviers Road.

It took, quite literally, acts of Congress for the District to obtain what is now known as Wharf 2 from the federal government, followed later by the current Joint Use Agreement which took nine years to finalize. While the District is interested in expanding its Joint Use Agreement with Naval Base Ventura County, this has not yet come to fruition. The City of Oxnard in effect rejected an auto facility for the 38 acre site along Hueneme Road at Saviers Road proposed by a customer of the District.

### **Looking to the future**

The Port of Hueneme is an economic and infrastructure asset to Ventura County the State and the Nation. The Oxnard Harbor District is entrusted via the Coastal Act and the Harbors and Navigation Code with the Port's operation and growth, which must always be balanced with the

concerns and needs of our neighbors including the United States Navy, the cities of Port Hueneme and Oxnard, and the entire county.

