

# Port Stakeholders Summit



## Port Sustainability from a Business Perspective

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# Overview of Majestic Realty Co.

- Founded in 1948
- One of the largest privately held developers in the U.S.
- Headquartered in Los Angeles
  - Offices in Dallas, Las Vegas, Atlanta, Denver and Bethlehem
- Portfolio of over 70 million square feet
- Core competency is master planned business parks dominated by light industrial, distribution/fulfillment tenants

# Active Community & Civic Leaders

- Engaged civic and philanthropic leaders in our communities
  - Established Majestic Realty Foundation, a 501C3 to move from “passive to active” philanthropy
  - 2013 Community Leader of the Year by the Southern California Leadership Network
  - 2012 Business Leader of the Year by SCAG, our regional MPO
- Active in public policy
  - Member of the California Transportation Commission
  - Member of the U.S. Department of Transportation National Freight Advisory Committee

# Our Portfolio

- “Build and hold”
- We serve as landlords, similar to many ports
  - Do not operate facilities but are long-term portfolio owners
  - A wide range of tenants
- In the industrial/distribution sector, basic buildings are concrete tilt-up
- Typically qualify for Section 179-D energy efficiency credits
- Majestic buildings currently under construction:
  - Texas: 1,200,000 sf
  - Georgia: 1,500,000 sf
  - Pennsylvania: 1,200,000 sf
  - Colorado: 500,000 sf

# Majestic's Perspective of Industry Trends

- Consummate student of industry trends
- New development primarily transload, distribution and fulfillment centers
- 32+ foot clear
- Cross-dock
- Bigger buildings

# Our Relationship with Goods Movement and the Ports

- We recognize we are part of the overall regional supply chain
- Freight “derived demand” – influences our tenant’s site selection
- Supply chain partner

# Lessons Learned from the San Pedro Bay Clean Air Action Plan (CAAP)

- An unprecedented partnership
  - Between the San Pedro Bay Ports POLA/POLB, SCAQMD, CARB, U.S. EPA regional business and the environmental community
- *A multi-faceted plan*
  - W/ periodic updates and measurements of success
- Was painful at times and not particularly easy
- But the results were great – since the adoption of the CAAP:
  - 81% reduction PM
  - 88% reduction of SoX
  - 54% reduction of NoX
- The most important by-product was relationships were forged among a diverse group of industry stakeholders
  - While we don't always agree, there is a mutual respect for all voices to be

# A Changing Landscape

- E-commerce is a game changer
  - Mass personalization
  - New definition of just-in-time delivery
  - “The real trick is data and we’ve just scratched the surface”
- Bigger vessels and the mega-alliances
  - P3 and G6
- President Obama’s “National Export Initiative” to double exports by 2015
- U.S. Department of Commerce “Open for Business Initiative”
- Panama Canal
- Canadian competition
- Chassis pool evolution
- *Greening of the supply chain*



# Discussions with Port Partners

- Terminal productivity
  - Truck turn times
  - Harbor Trucking Association truck mobility data
    - GPS data from over 1,600 port trucks
- On-dock rail
- Alternatives to shore power
  - “Cold-ironing”
  - Grid reliability?
- Ports of choice:
  - Big ship ready?
  - Channel depth?
  - Super panamax cranes?
- “Gray” chassis revolution
- Infrastructure funding

# Our Freight Future

- How are we going to talk about sustainable freight looking forward, as part of a greater transportation system?
  - Can't have a one size fits all approach
- Important to understand logistics economics
  - We have an imperfect market littered with financial intermediaries
- Innovative solutions
  - We need to get away from picking winners and losers and create a system that fosters innovation
  - Think in terms of systems of systems, not single modes
- It is in an evolving, dynamic, multi-faceted world we live in
- We realize there is still a lot more that needs to be done!