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The **AIVP** Days

Dublin - Ireland
28 - 30 May 2015
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"Working Waterfront": a City-Port mix in progress

In pertnership with:

Comhairle Cathrach
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Panel 5: Working waterfront, a space fitting within its territory
Friday, 29 May 2015: 14:15 - 15:30

Bob Nelson was sworn in to represent the City of San Diego in January 2011. His 40 years of government and political service includes participation as President Clinton's representative on the U.S. Competitiveness Policy Council, and serving as chair of the San Diego Convention Center Corporation, the San Diego LGBT Community Center, and City of San Diego Revenue Review and Economic Competitiveness Commission. He has also served on the City of San Diego Public Utilities Advisory Commission and in various advisory capacities to the Mayor of San Diego and the San Diego County District Attorney. He also serves on the Board of Directors of CleanTECH San Diego and Middle Class Taxpayers Association. Prior to public service, Nelson built one of America's largest independent public relations agencies, now part of Porter-Novelli Group. His clients have included American Water, Anheuser-Busch Companies, the Association of American Railroads, California Teachers Association, The Irvine Company, San Diego-Imperial Counties Labor Council, and International Brotherhood of Electrical Workers.

Bob NELSON
Board of Port Commissioners
Port of San Diego, San Diego, United States

Les trois ecosystemes du Working waterfront de San Diego (États-Unis)

Le working waterfront urbain peut être perçu comme un ensemble d'écosystèmes industriel, social, et biologique en interaction les uns avec les autres. Les écosystèmes sont des communautés d'éléments vivants qui côtoient des éléments non vivants dans un même environnement.
San Diego est le port le plus méridional de la côte ouest des États-Unis. Sur ce waterfront industriel, où sont établis d'importants chantiers navals, transitent annuellement 8% des importations nord-américaines de véhicules automobiles, environ 500 000 tonnes de fruits frais, du vrac et des marchandises industrielles. Le waterfront accueille également des navires de croisière. Ces activités génèrent 23 000 emplois à l'échelle locale. La baie de San Diego, qui a la plus forte concentration de personnel militaire du monde, abrite aussi 52 navires de guerre. Le Port, la Ville de San Diego, General Dynamics/NASSCO, BAE et d'autres entités sont en passe d'achever la plus grosse opération de dragage de l'histoire de la baie qui prévoit l'enlèvement d'environ 80 000 mètres cubes de sédiments contaminés menaçant la chaîne alimentaire. Entre-temps, les structures d'accueil des gros navires se développent avec l'achèvement de deux nouveaux postes à quai et un bassin de radoub supplémentaire en cours de construction. Dans le but de préserver les communautés avoisinantes, le Port limite l'accès à ses terminaux aux seuls camions les moins polluants et développe le courant de quai afin de réduire les émissions des moteurs diesel. Au milieu de ces succès, les difficultés rencontrées par le port sont surtout d'ordre social. Dans un quartier voisin, un projet d'aménagement de la Ville a suscité de vives tensions entre employeurs industriels et habitants sur des questions foncières et de stationnement. Des divergences de vues subsistant au sein du Conseil d'administration du port ont étouffé la croissance des activités d'importation de voitures.

The Three Ecosystems of San Diego's Working Waterfront

The urban working waterfront may be viewed as industrial, social, and biologic ecosystems that interact with each other. Ecosystems are communities of living things together with the nonliving things in their environment.
San Diego is the USA's southernmost west coast port. Its industrial waterfront is home to major shipbuilding and repair, annually handles eight percent of U.S. automobile imports, about 500,000 tons of fresh fruit, bulk and project cargo, and cruise ships. This activity generates 23,000 waterfront jobs and in the local economy. San Diego Bay is also home to 52 U.S. warships and the largest concentration of military personnel in the world. The Port, the City of San Diego, General Dynamics/NASSCO, BAE, and others are completing the largest toxic sediment removal in the history of San Diego bay, removing 100,000 cubic yards threatening the bay's food chain. Meanwhile, heavy ship work is expanding with two new pier-side berths complete and an additional drydock in progress. To protect nearby neighborhoods, the Port enforces access to Port terminals only by modern, less-polluting diesel trucks, and has added electric shore power to reduce diesel emissions. Amidst these successes, the Port's challenges are mostly social. City plans for an adjacent neighborhood has resulted in a tense divide between industrial employers and local residents over land use and parking. Unresolved differences among the Port's governing board have stifled growth of the Port's auto import business.

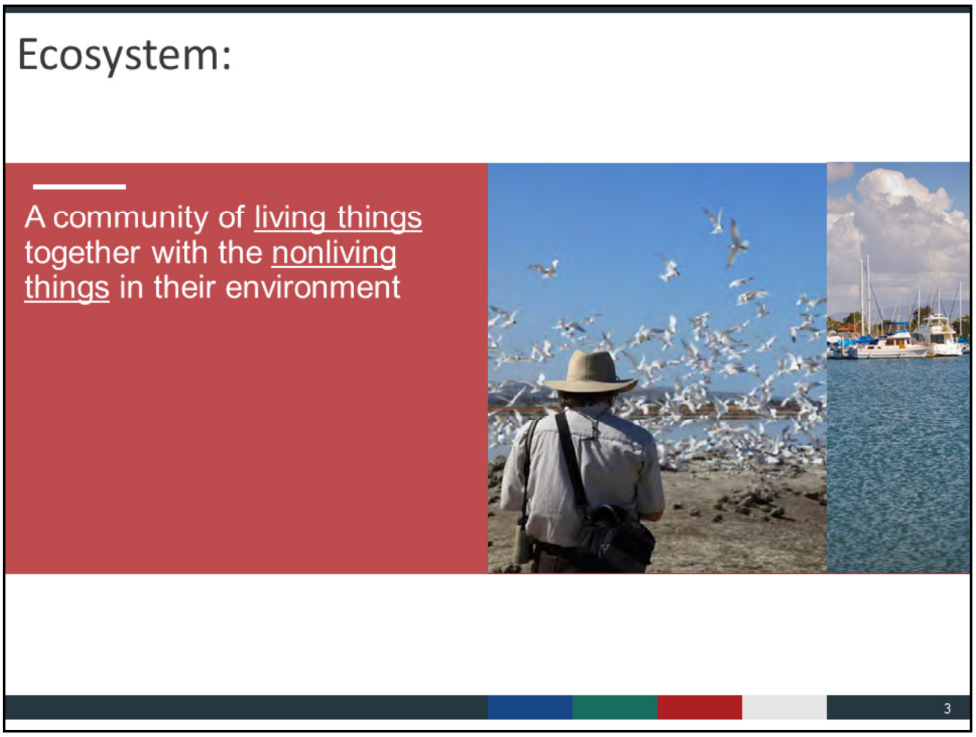
Los tres ecosistemas del Working waterfront de San Diego (Los EE.UU)

El working waterfront urbano puede considerarse como un conjunto de ecosistemas industrial, social y biológico que interactúan entre sí. Los ecosistemas son comunidades de cosas vivas junto con cosas no vivas en su ambiente.
San Diego es el puerto situado más al sur de la costa oeste de los Estados Unidos. Su frente costero industrial es sede de importantes astilleros, además de tratar el 8% de las importaciones automotrices de los Estados Unidos, cerca de 500.000 toneladas de fruta fresca, graneles y cargas de proyecto, junto con cruceros. Esta actividad genera 23.000 empleos en el frente costero y en la economía local. La Bahía de San Diego Bay alberga también a 52 buques de guerra y posee la mayor concentración de personal militar en el mundo. El Puerto, la Ciudad de San Diego, General Dynamics/NASSCO, BAE y otras entidades están llevando a cabo la mayor remoción de sedimentos tóxicos de la historia de la Bahía de San Diego, retirando 100.000 yardas cúbicas que amenazaban la cadena alimentaria de la bahía. Mientras tanto, los trabajos de barcos pesados se expanden con dos embarcaderos completos en el muelle y un dique seco adicional en progreso. Para proteger los barrios cercanos, el Puerto solo permite el acceso a las terminales portuarias de camiones modernos, con motores diesel menos contaminantes, y ha incorporado energía eléctrica costera para reducir las emisiones de diesel. En medio del éxito, los desafíos del Puerto son principalmente de índole social. Los planes de la ciudad de un barrio adyacente se han traducido en una tensa división entre los empleadores industriales y los residentes locales por el uso del suelo y los estacionamientos. Las diferencias no resueltas entre el consejo directivo del Puerto han sofocado el crecimiento del negocio de importación automotriz del Puerto.

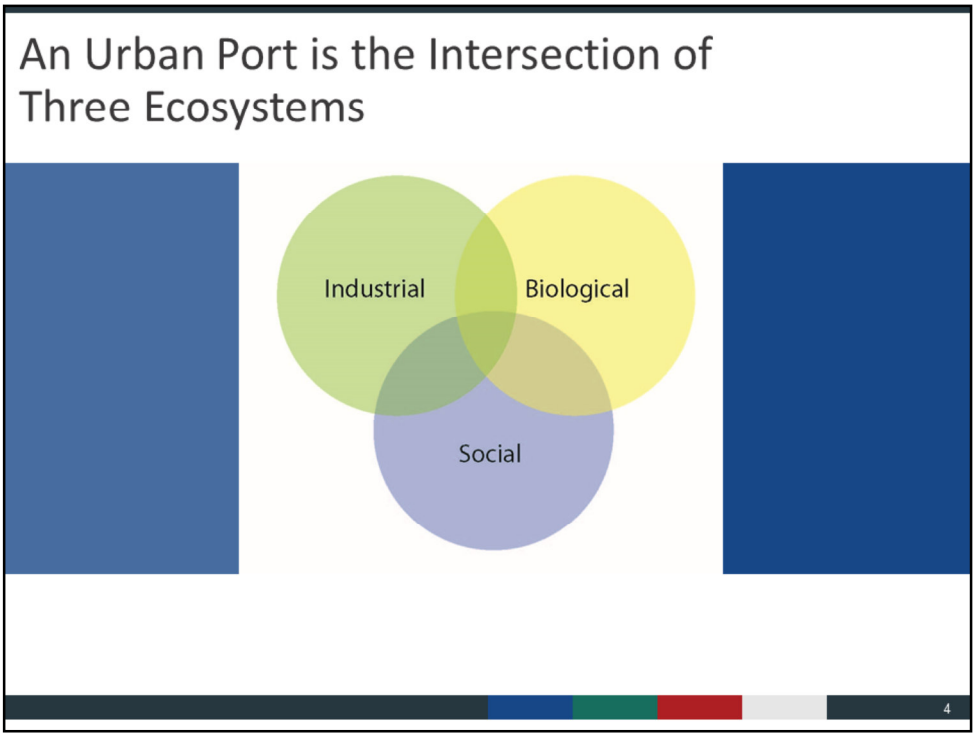

Unified Port
of San Diego
The Three Ecosystems of
San Diego's Working Waterfront
Presented by Bob Nelson
Commissioner, Unified Port of San Diego

Thank you for inviting me to share San Diego's working waterfront story.

A working waterfront amidst a livable city faces sometimes-irreconcilable tension between the past and the future, between industrial sector needs and the desires of nearby residents.

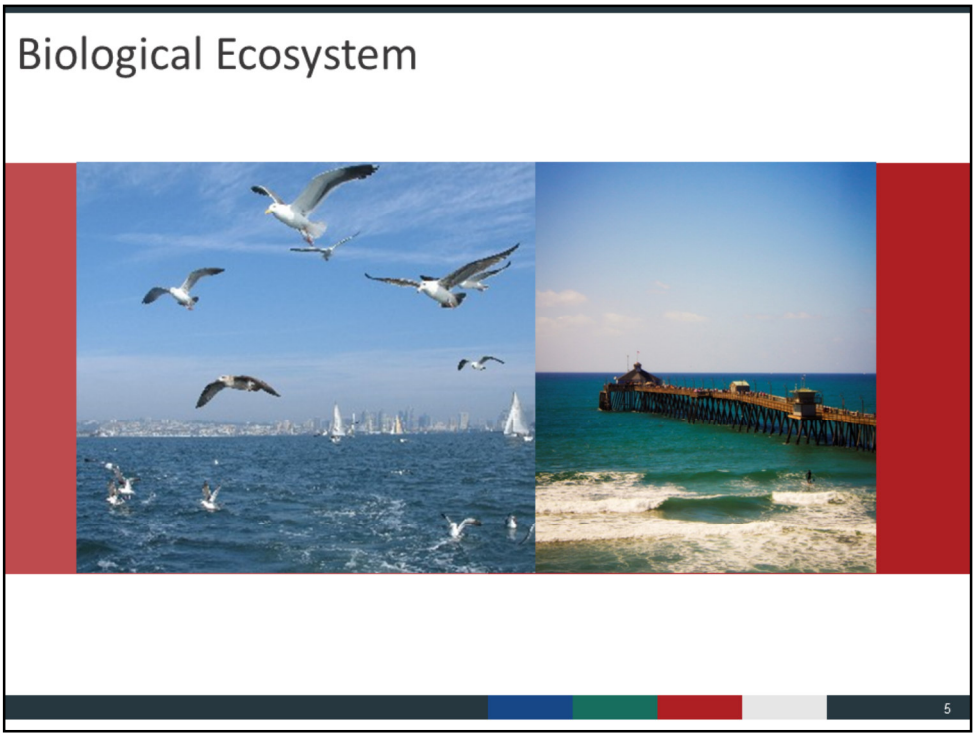


I visualize our Working Waterfront challenge as operating within ecosystems. I don't just mean fish and birds. An ecosystem is a community of living things together with the nonliving things in their environment.

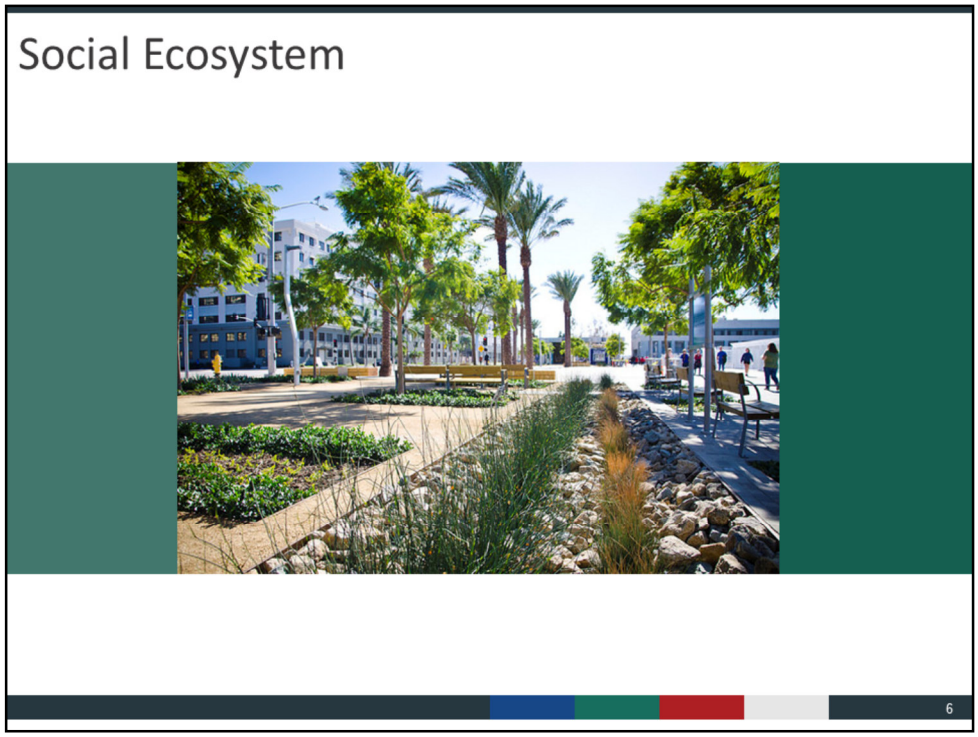


Our working waterfront interacts with three ecosystems:

- Industrial
- Biological
- Social



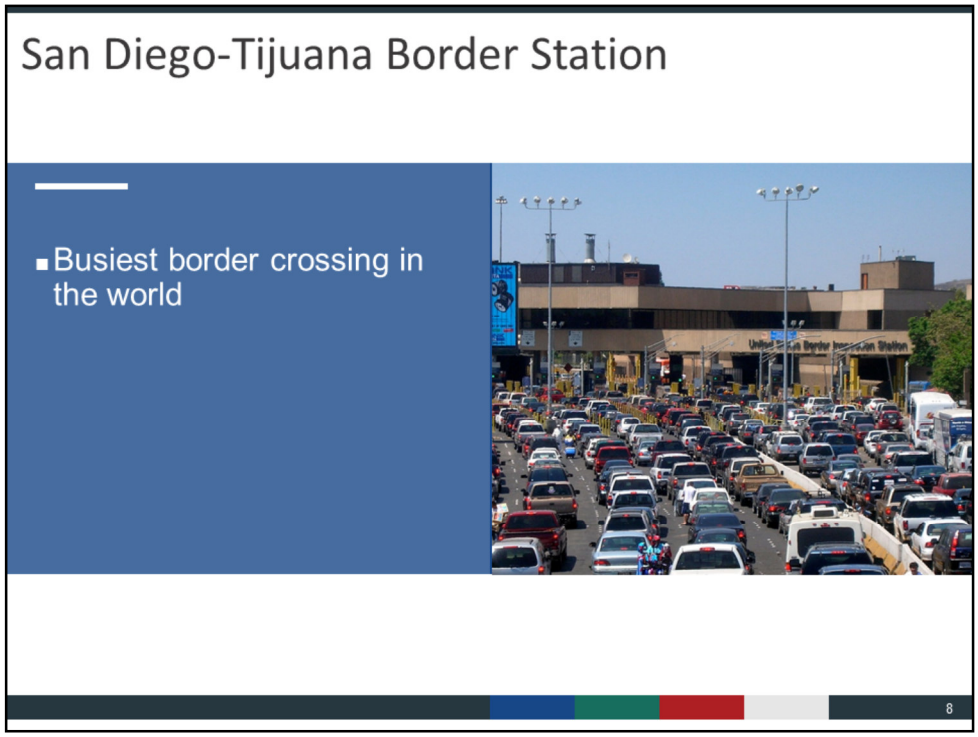
A biologic system that sustains marine, terrestrial, and avian species, and a healthful body of water for human enjoyment.



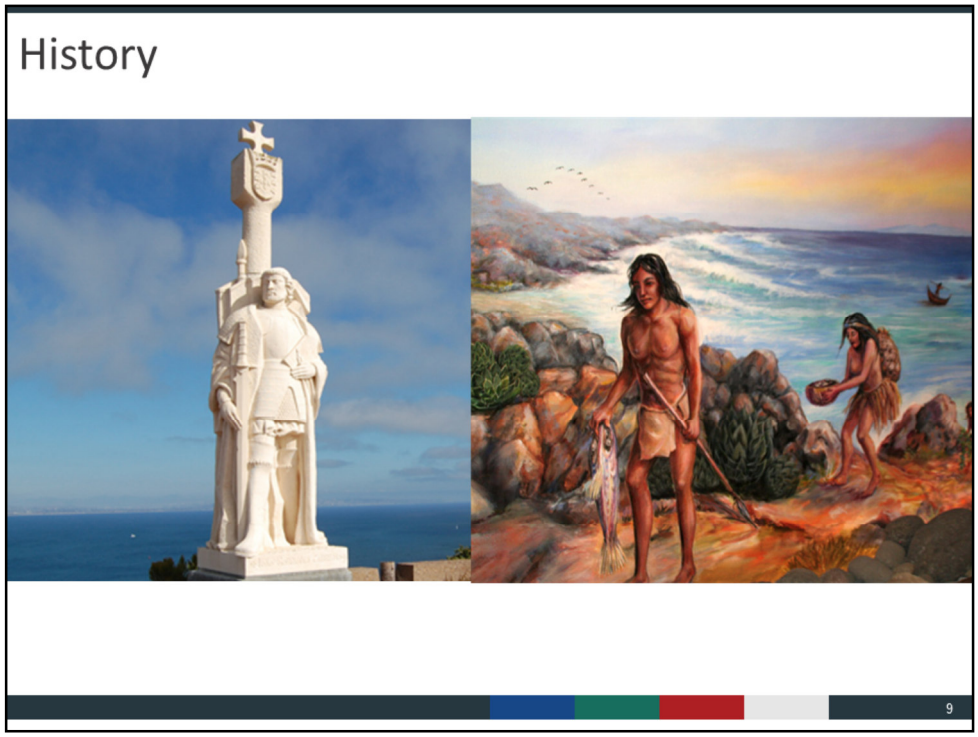
A social system that thrives on our property for enjoyment by the surrounding communities and visitors.

An industrial system – to provide important jobs, and efficiently move cargo to and from our docks.

Our task is enabling these interdependent but sometimes conflicting systems to coexist and strive for harmony among them.

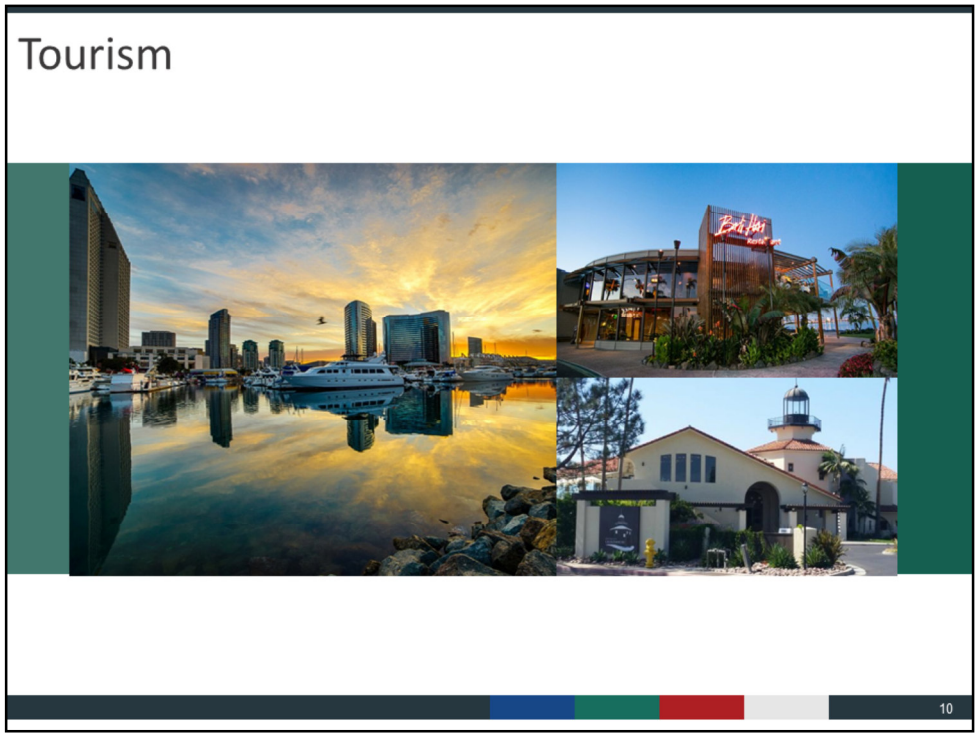


The Port of San Diego lies just north of Tijuana, Mexico. 300,000 people pass through the San Diego-Tijuana border station daily -- the busiest border crossing in the world.



Our Port is the region's central historic and geographic feature. Juan Rodriguez Cabrillo sailed into our bay in 1542, exploring for King Philip I of Spain.

He met native people whose ancestors had arrived 20,000 years earlier, found them friendly and our weather pleasant, and people have been coming to visit the Port of San Diego ever since.

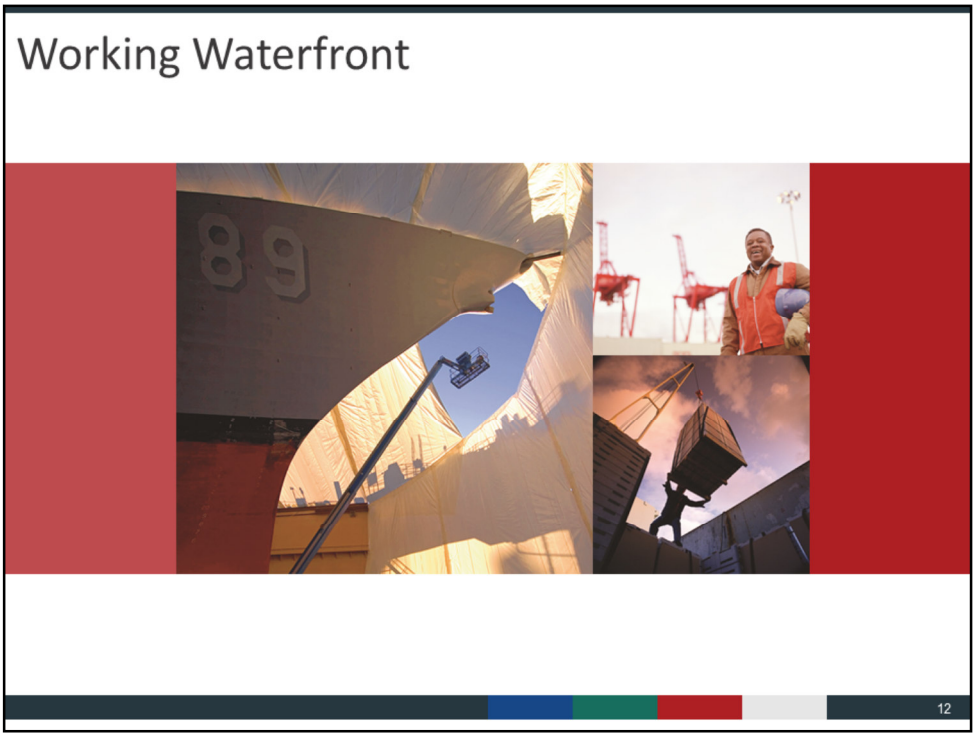


Port tourism now creates 3.6 billion dollars in annual economic activity through 18 hotels, and 73 restaurants.

Our Port also harbors 6,000 recreational vessels, one of the world's largest sport fishing fleets, and long-range commercial fishing boats.

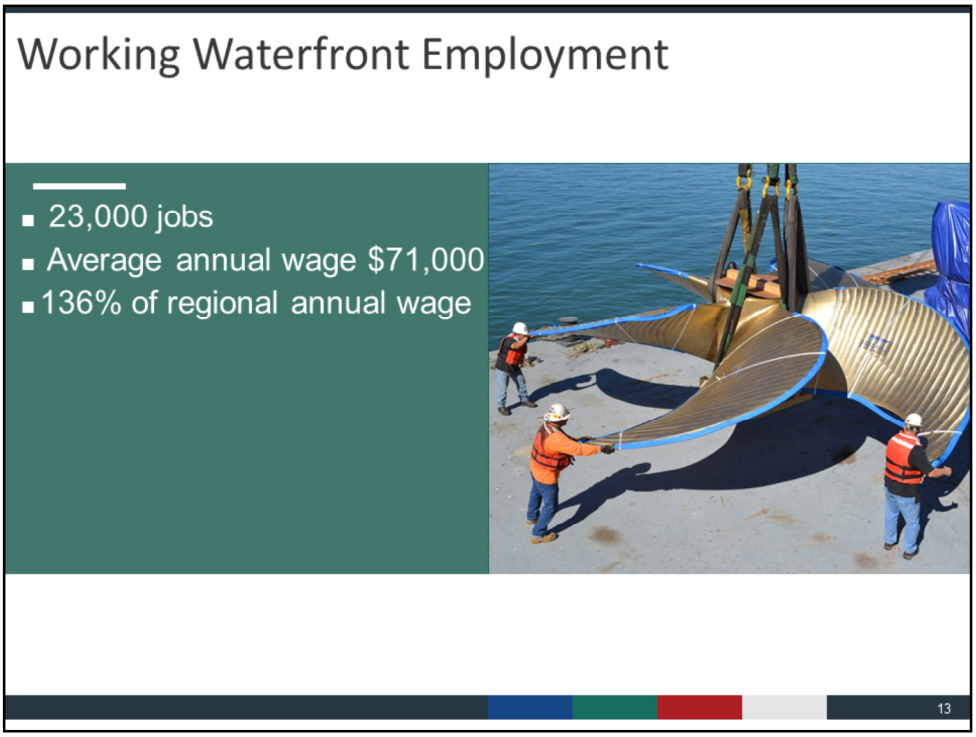
Cumulatively, private employment on Port lands makes us the second largest employer in our 3.2 million-person region.

We are designated as a Federal Strategic Port because San Diego is our Navy's largest homeport and San Diego is home to the largest concentration of military personnel in the world.



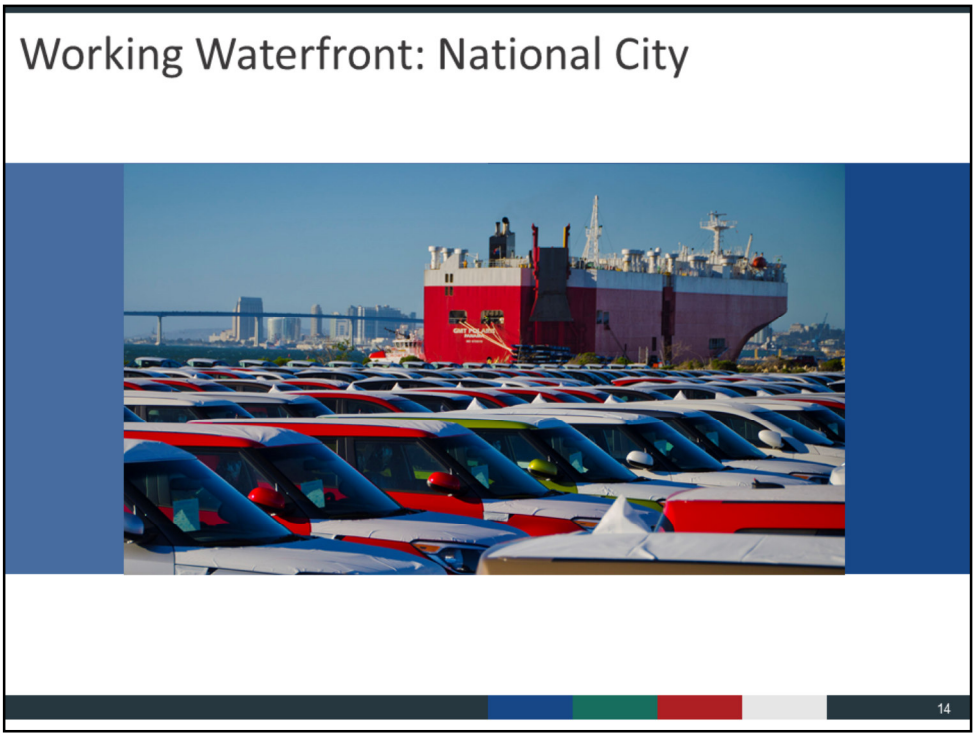
Amidst all these commercial and military operations, our industrial Working Waterfront is a four billion dollar per year economic powerhouse: home to major shipbuilding and repair, a leading port of entry for automobiles, fresh fruit, and a variety of bulk and project cargo.

While our Board of Port Commissioners governs 2,400 hectares of non-military tidal land and water, this presentation deals specifically with our Port's working waterfront on just 358 hectares: private shipbuilding and repair facilities that serve the military and commercial customers; boatyards and recreational vessel services; two maritime cargo terminals, and two cruise ship terminals.

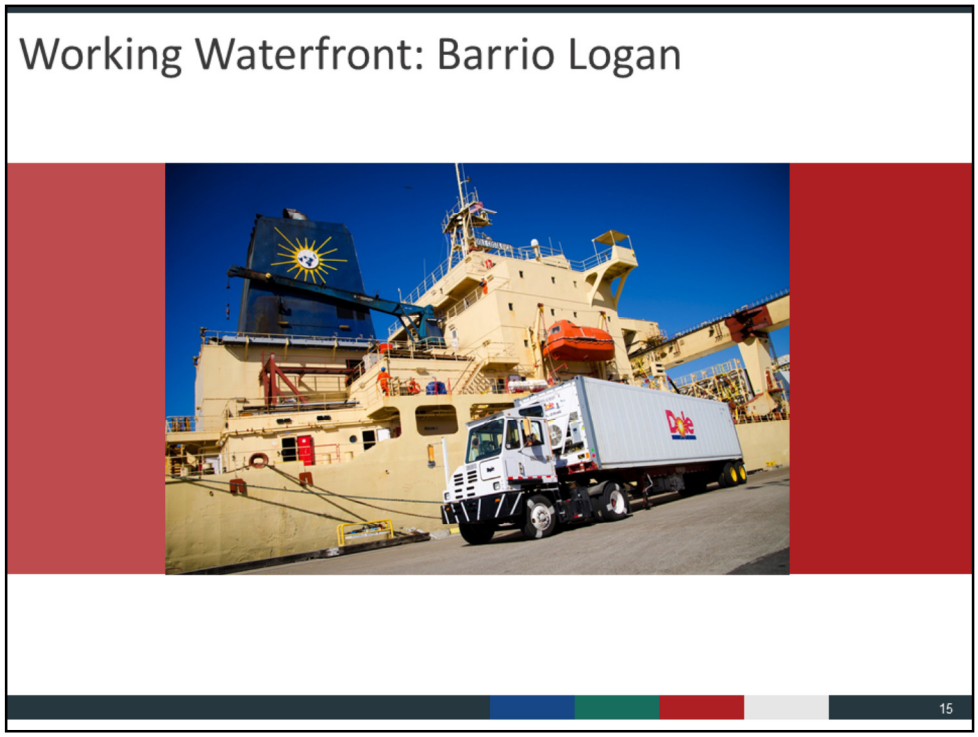


Together, 23,000 jobs depend on these operations. The average annual wage for waterfront workers is $71,000 – 36 percent above the regional average wage.

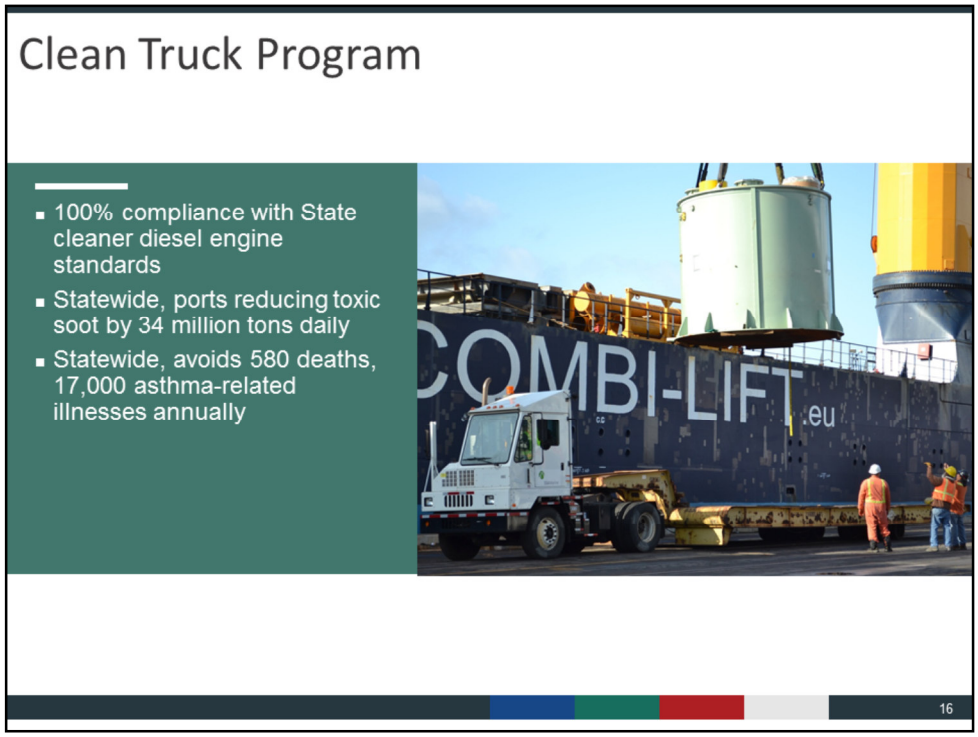
These high wage jobs are significant beyond the boundaries of our Port. Although San Diego has highly paid academic, research, and technology sectors, our economy is weighed down by too many low paying jobs. Low wages depress disposable income that would further stimulate the economy and generate more regional prosperity.



Most of our Working Waterfront is at two areas a few miles apart: the National City Marine Terminal that we use primarily for roll-on roll-off automotive processing…

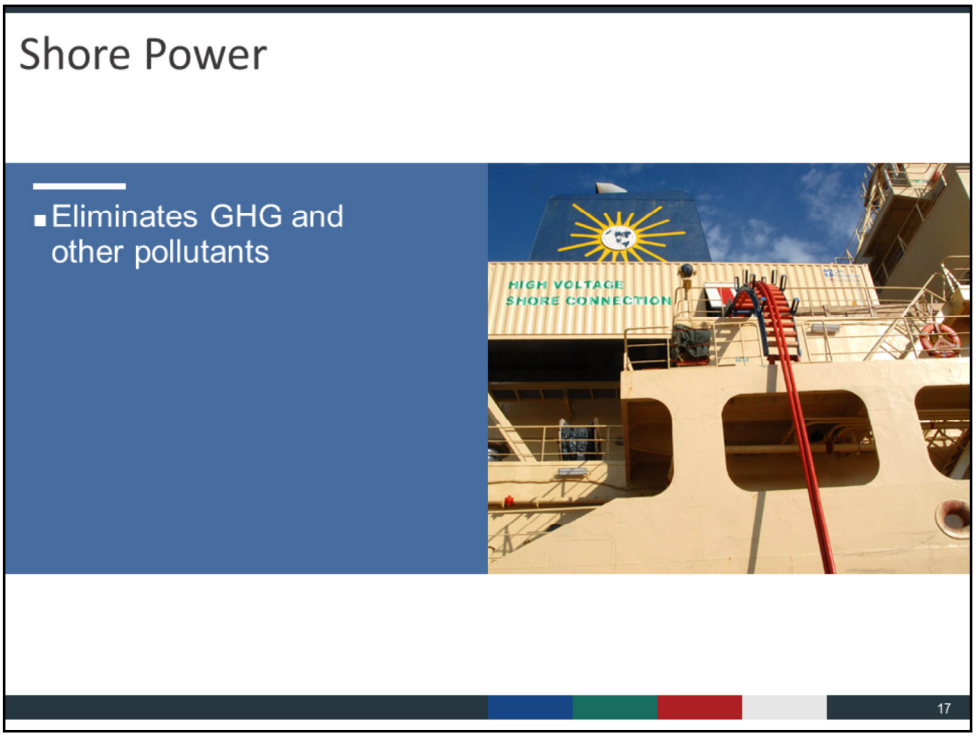


… and Barrio Logan -- home to our Tenth Avenue Marine Terminal. Tenth Avenue handles refrigerated containers, on-dock cold storage, and break-bulk cargoes. Adjacent to the Tenth Avenue Terminal is our major industrial area that I will detail later.

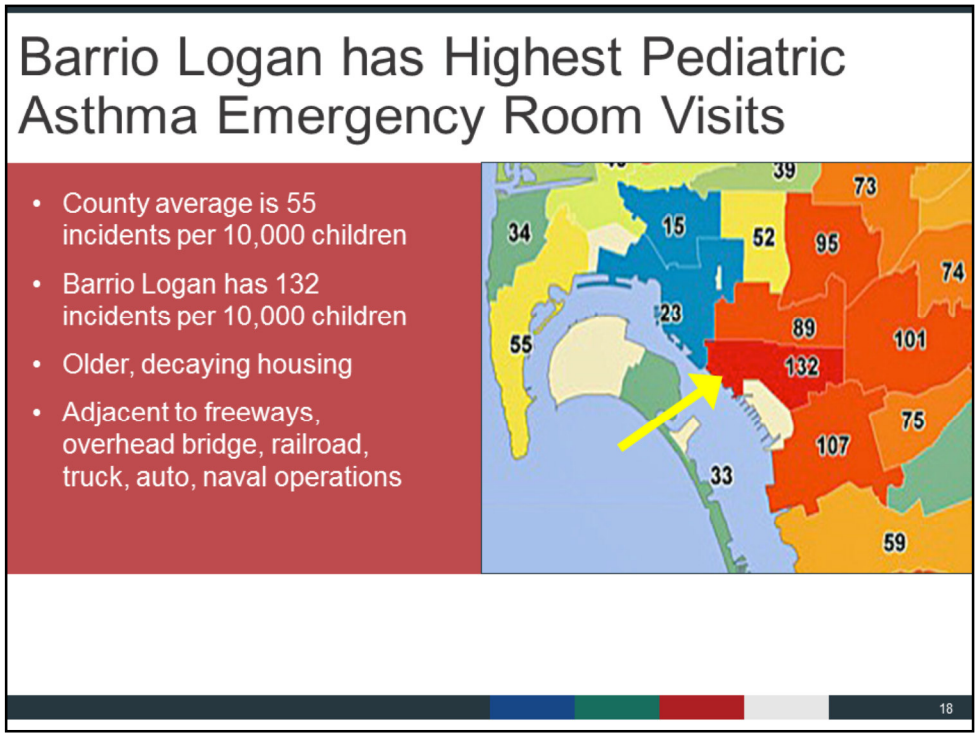


Being sensitive both to Greenhouse Gas emissions and the health of neighboring communities, our marine terminals have achieved 100% compliance with clean diesel-truck rules and anti-idling rules while trucks are loading and unloading.

At our break bulk terminal we have installed an electric shore power hookup, and we're working on a second unit now.

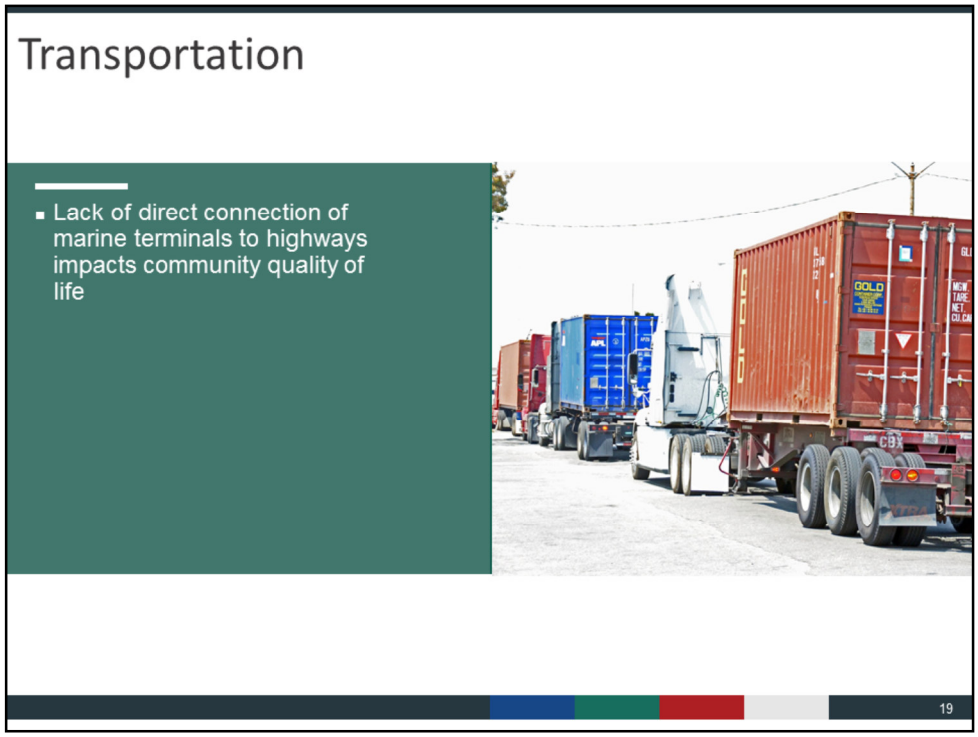


Like the shore power at our cruise terminals, this enables ships to hook up to electricity and turn off their diesel engines while at our docks.



We are especially sensitive to air pollution. Respiratory ailments in nearby neighborhoods are widespread -- the highest concentration of asthma emergencies in the region.

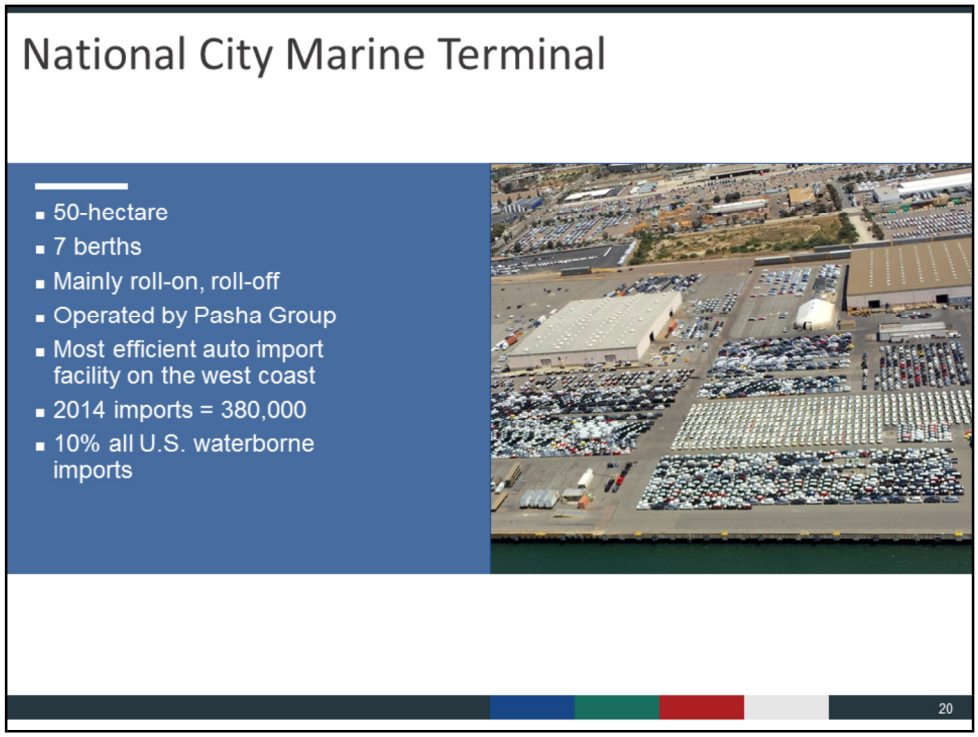
These neighborhoods have older housing and other community factors that may contribute to illness. And regardless of our operations, these neighborhoods are adjacent to major freeways with large volumes of interstate and international truck, train, and auto traffic, and naval operations.



Although located close to major highways, both of our maritime terminals lack direct flyway contact to these highways, so increased truck activity at our terminals means more traffic on local streets, albeit for short distances.

So any significant business growth – unless directly mitigated – could result in regulatory, legislative, or community interference.

Each of our maritime terminals has terrific strengths, but each faces significant challenges, as well.

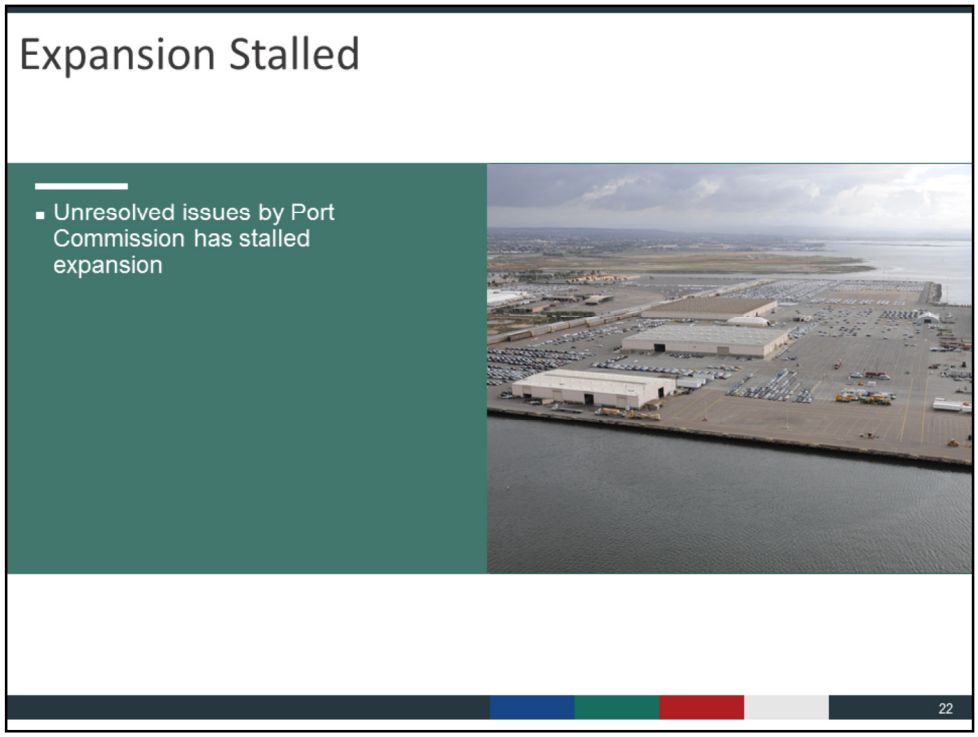


The National City Marine Terminal, a 50-hectare, seven-berth, roll-on-roll-off facility operated by Pasha Group is considered the most efficient auto import operation on the west coast.

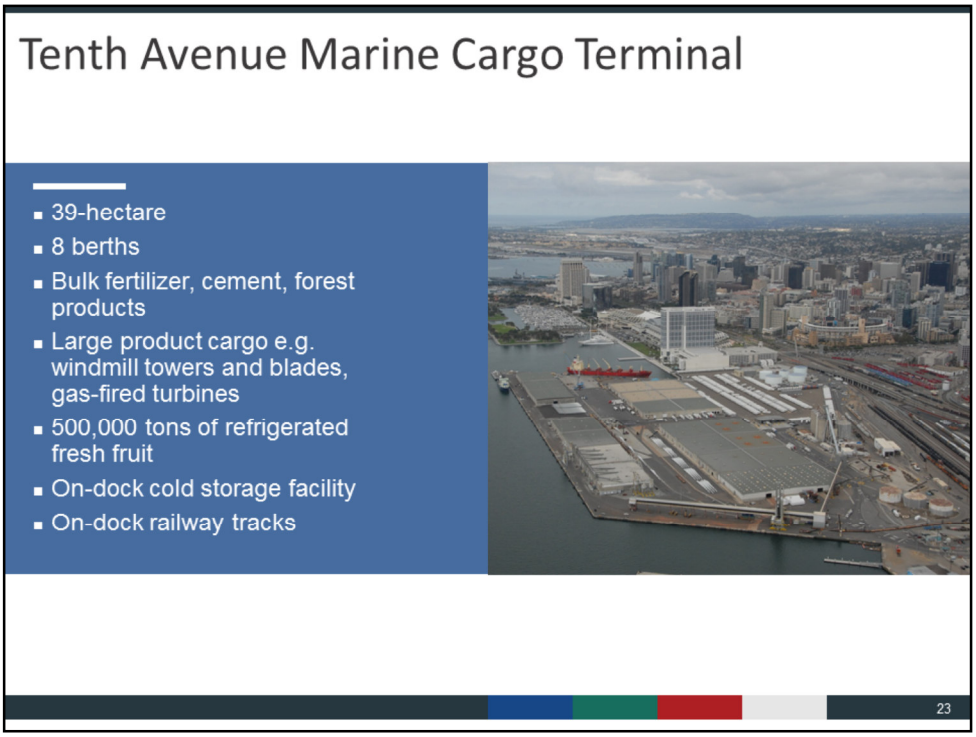
Pasha processed 380,000 vehicles during the past year – about 10 percent of U.S. waterborne imports. Roughly half of these autos exit by on-dock rail and half by trucks.

We can increase throughput by perhaps 50,000 to 100,000 more autos per year solely from organic growth and Pasha's continuing gain of market share.

Meanwhile, the first U.S. auto imports from Indian and Chinese manufacturers are likely to arrive in the next few years once they comply with U.S. safety standards. We are geographically perfect both for Chinese and Indian manufacturers.

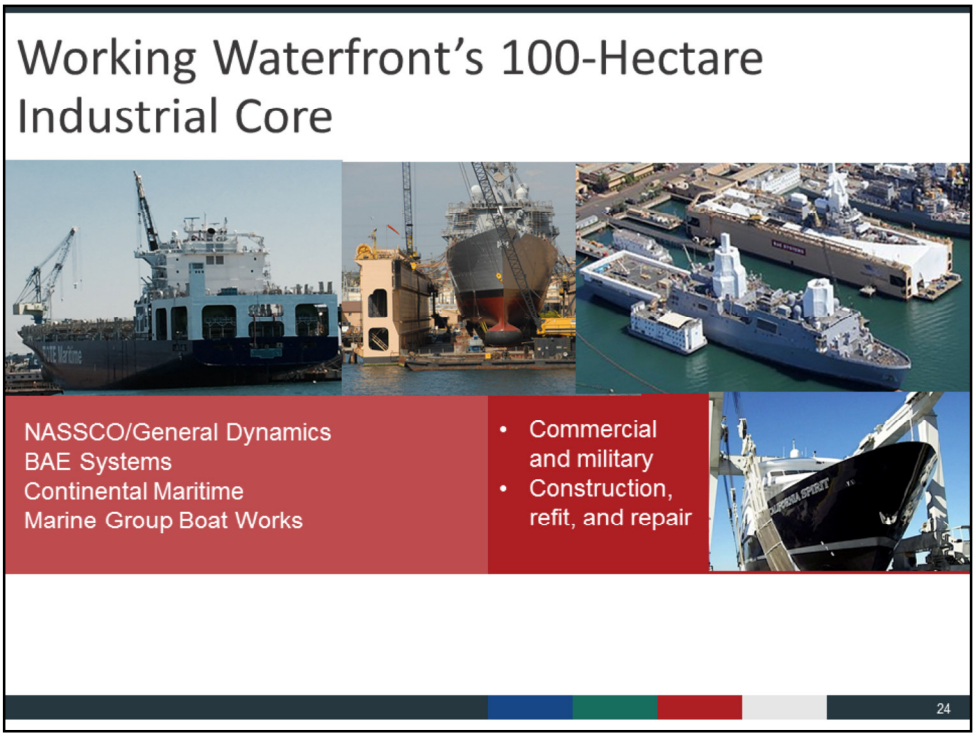


But there is a big "if" to enable this growth: IF all National City terminal land is rendered productive. And maximizing maritime operations at the National City terminal today stands unresolved by our Port Commission.

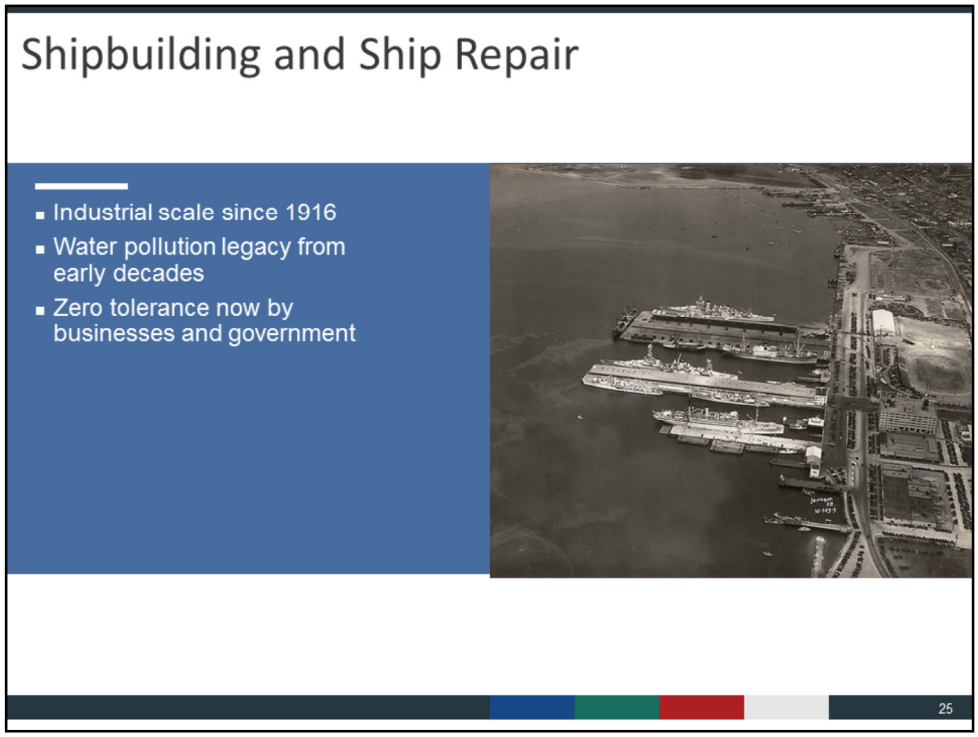


Our Tenth Avenue Marine Terminal is a 39-hectare eight-berth cargo terminal handling refrigerated commodities, fertilizer, cement, break-bulk, and forest products.

While we handle a lot of large project cargo such as windmill towers and blades and large gas-fired turbines, we also unload 500,000 tons of refrigerated fresh fruit annually, supported by our on-dock cold storage facility and railway tracks.



- Our shipbuilding and ship repair footprint is confined to an area of approximately 100 hectares next to our Tenth Avenue Marine Terminal. This area is the core of our heavy industry, including NASSCO/General Dynamics -- BAE Systems that repairs and refits Navy ships, cruise ships, tankers, and barges -- Continental Maritime, the premier ship repair and modernization facility on the West Coast -- and nearby, Marine Group Boat Works' boat and super-yacht refit and repair facility.

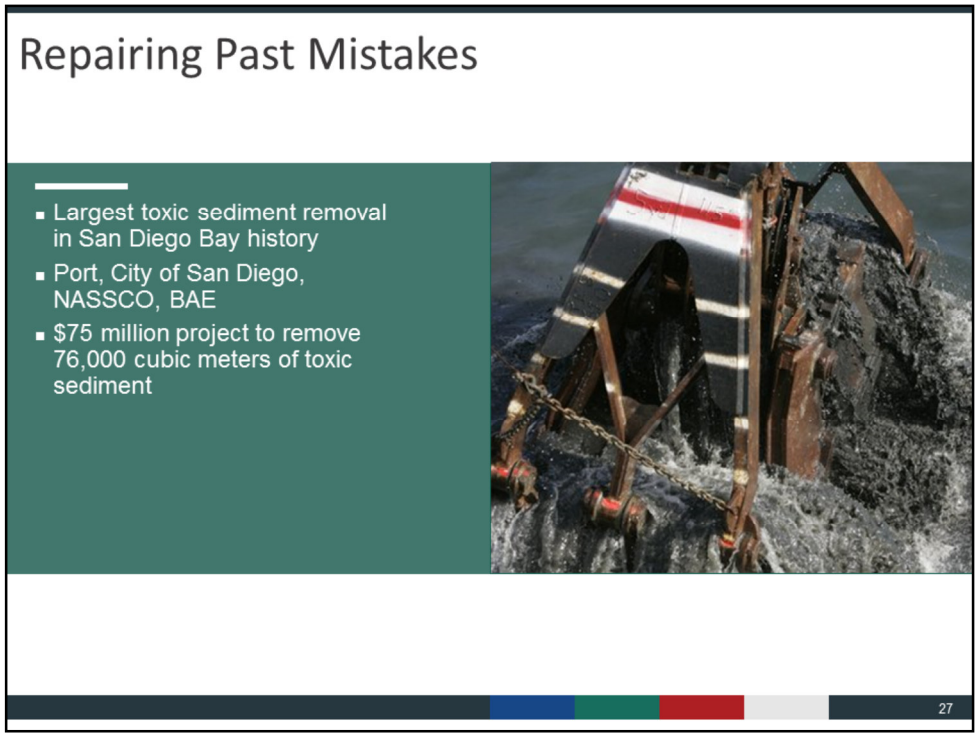


Shipbuilding has been a major function in San Diego Bay for a century. It is no surprise that industrial pollution was common in earlier eras.

While water pollution no longer tolerated either by Waterfront businesses or by government agencies, impacts from the past cannot be ignored.

The Port of San Diego takes seriously its obligation to restore, protect, and preserve air and water quality while supporting a productive working waterfront.

In some cases this means repairing damage from the past. And today it certainly means protecting the water going forward and continually reducing our carbon footprint.



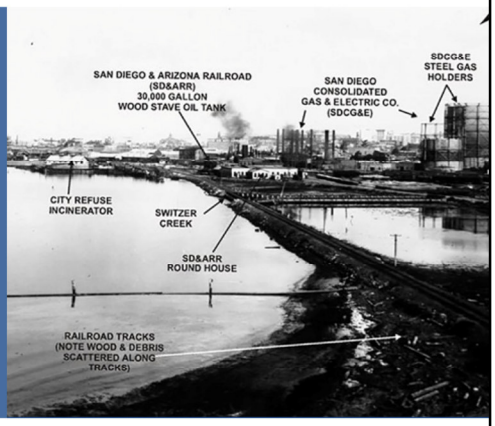
Right now the Port, the City of San Diego, NASSCO, BAE, and other partners are undertaking the largest toxic sediment removal in the history of San Diego Bay.

This $75 million project is removing 76,000 cubic meters of toxic sediment that threatens the bay's food chain.

This cooperation is vital to a thriving Working Waterfront. If industry and local government fail to ensure both neighborhood livability and industry viability, both the community and our regional economy will suffer from land conversion to lesser value uses.

Case History: Campbell Shipyards

- Next to the Tenth Avenue Marine Terminal
- Operated from 1926 until financial failure in 1999



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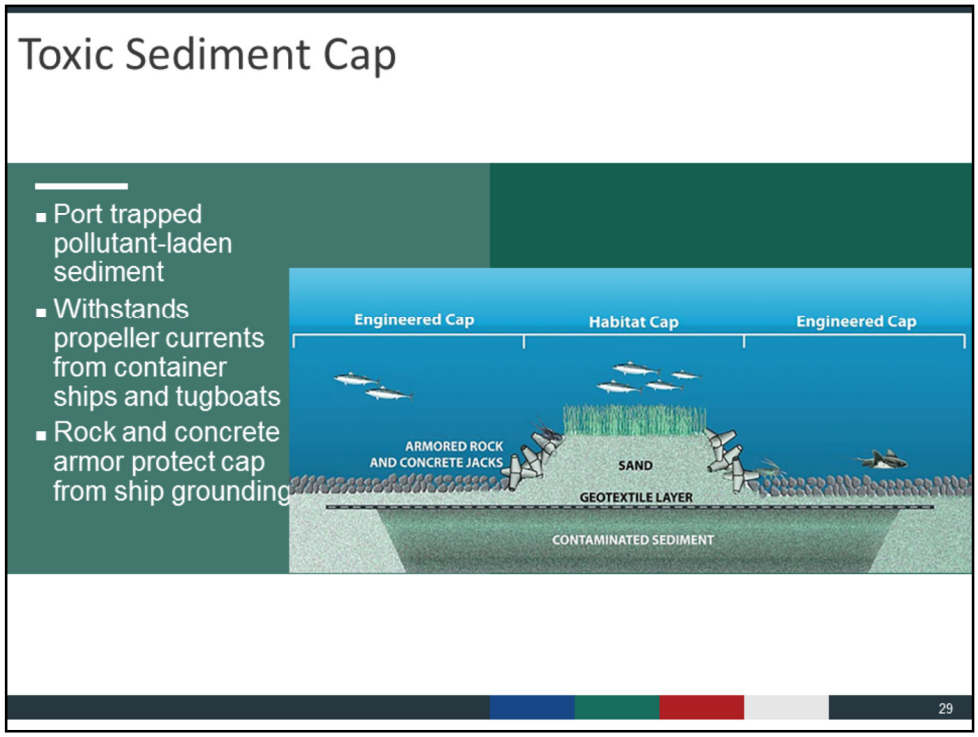
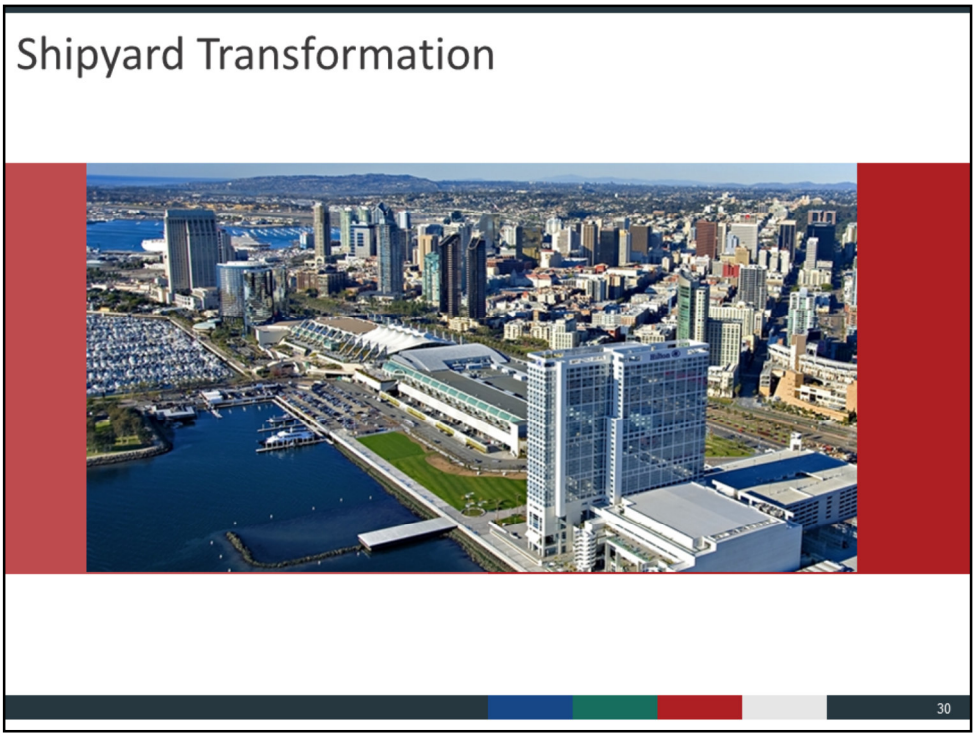
A case in point: The Campbell Shipyards operated next to the Tenth Avenue Marine Terminal from 1926 until it failed in 1999.



Upon its demise, our Port cleaned up the toxic site, and trapped pollutant-laden sediment with a unique toxic sediment cap. It is designed to withstand propeller currents from container ships and tugboats from the neighboring Marine Terminal. It is also protected with rock and concrete armor in case a ship runs aground.

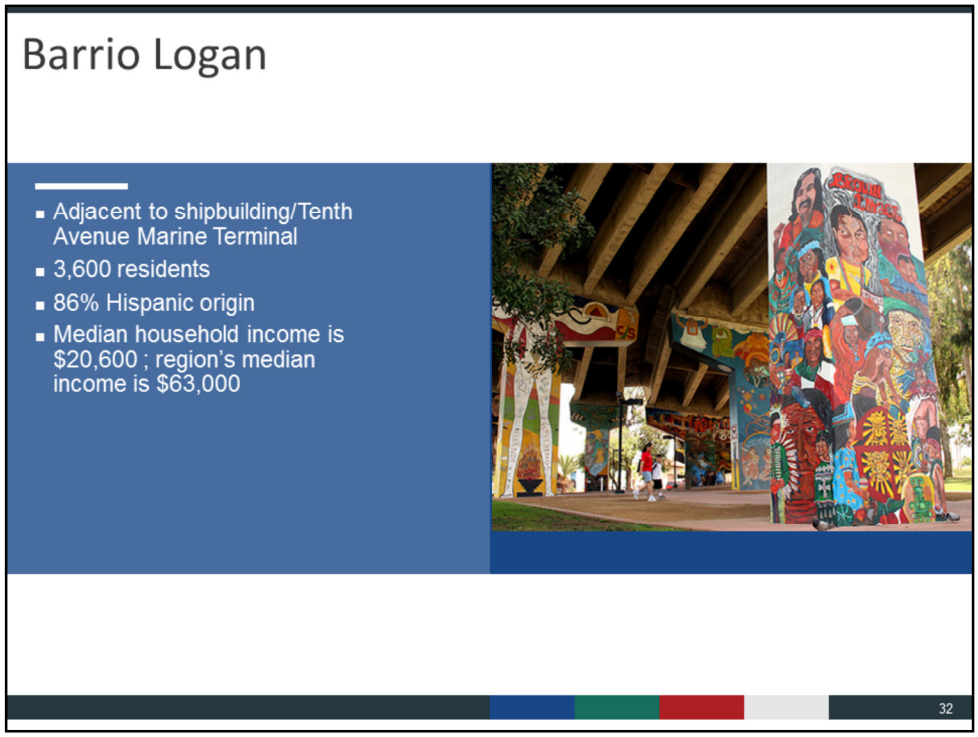


Today the former Shipyard is home to the Port's San Diego Convention Center and the 1,200-room San Diego Bayside Hilton Hotel, the most energy-efficient property in the Hilton family, and a major contributor to Port revenue.

So we took the sour lemons and created sweet lemonade. In this case, the best was made from a bad situation.

But at full scale, trading heavy industry for tourism is a losing strategy for our community.

The fact is that the economic benefits tourism jobs is less than high wage working waterfront jobs that might be lost.



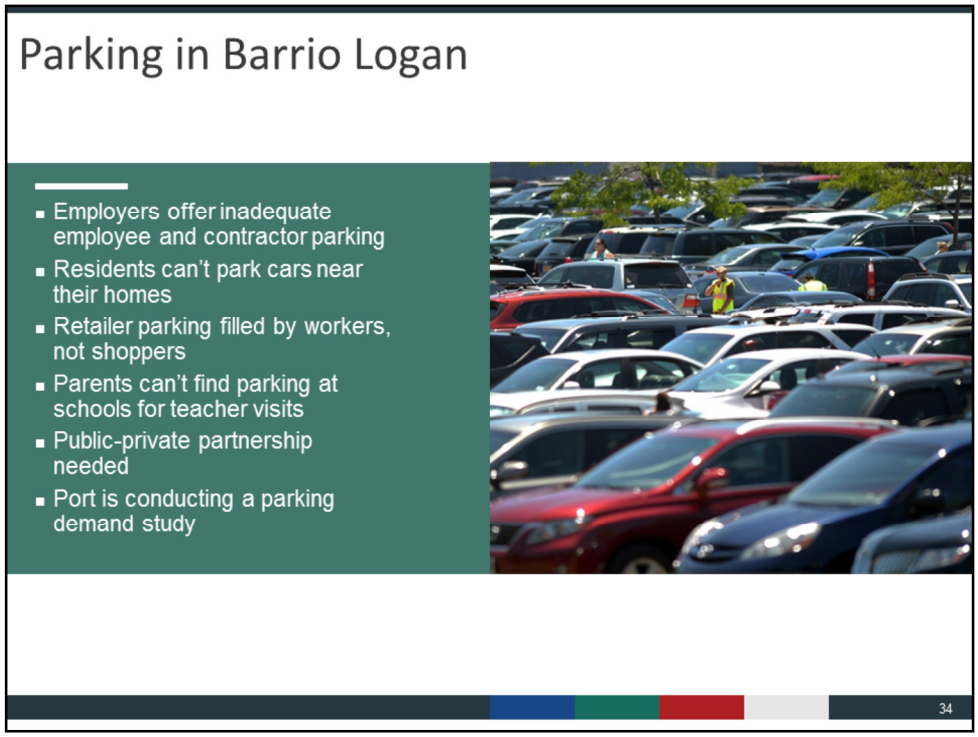
Adjacent to the shipbuilding and Tenth Avenue Marine Terminal area lies the San Diego neighborhood known as Barrio Logan.

86 percent of its 3,600 residents are of Hispanic origin, and the median household income is $20,600 per year compared to the region's $63,000 median income.

In Barrio Logan, living near the working waterfront is a mixed blessing. The nearby high-wage jobs in shipbuilding and on our docks offer a very good standard of living. They enable social mobility through job training and a pathway to a better life. Many small businesses thrive being near this employment hub.

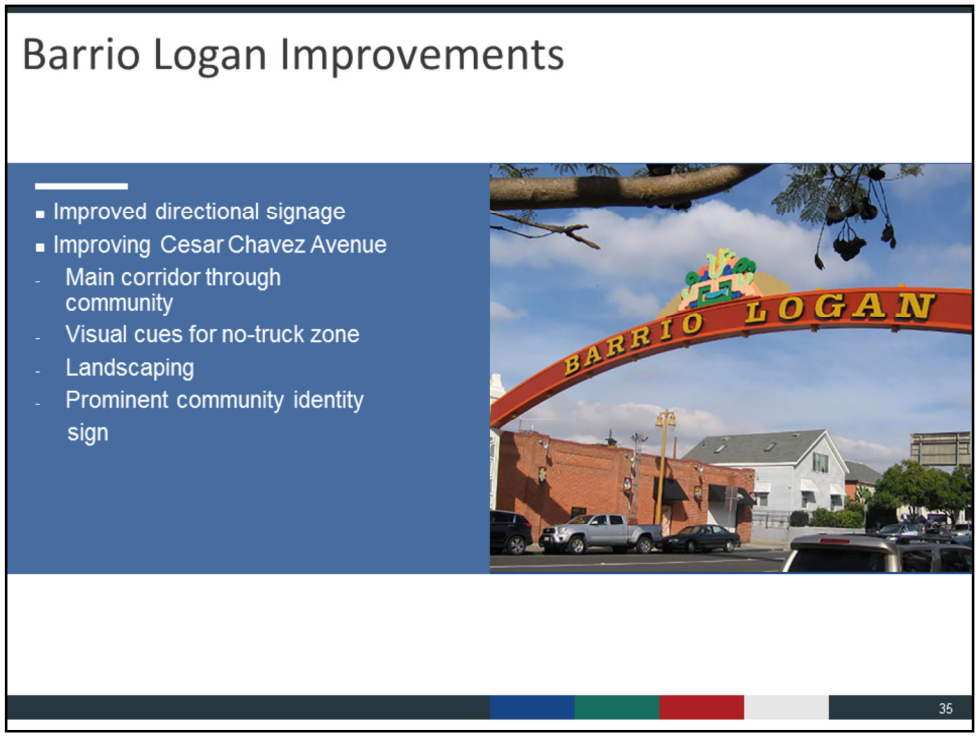
However, no major Working Waterfront employer provides adequate parking for their employees and contractors.

So, residents find it difficult to park cars near their homes, retailer parking spaces are filled by the autos of workers rather than shoppers, and parents visiting school to meet with a teacher can't find parking.



However, no major Working Waterfront employer provides adequate parking for their employees and contractors. So, residents find it difficult to park cars near their homes, retailer parking spaces are filled by the autos of workers rather than shoppers, and parents visiting school to meet with a teacher can't find parking.

The parking situation cries out for a public-private partnership between industry, the City, and the Port. We are now conducting a parking demand study. When the results are in, I hope that a solution will be quickly agreed upon and fully funded.

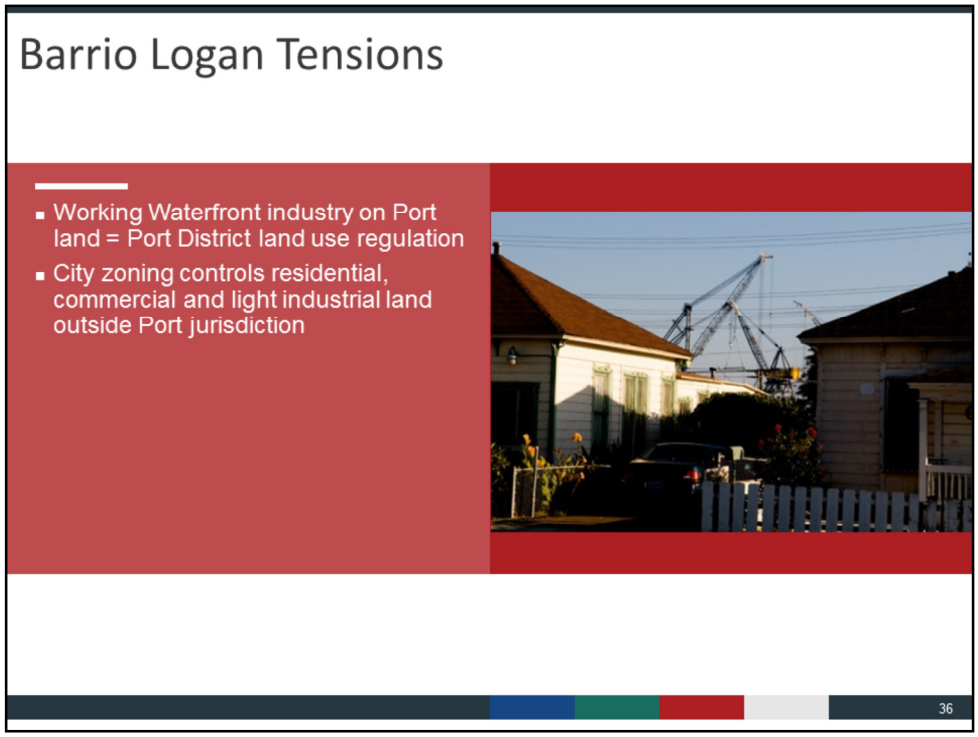


The Port of San Diego has helped improve the Barrio Logan neighborhood and we enjoy great credibility among community leaders.

Unfortunately, we have found no way to fund an overhead flyway so trucks can bypass the community, connecting the waterfront directly to the highway system. So our strategy is to adopt other, immediately affordable tactics, routing trucks away from Barrio Logan's homes, schools, and local shopping.

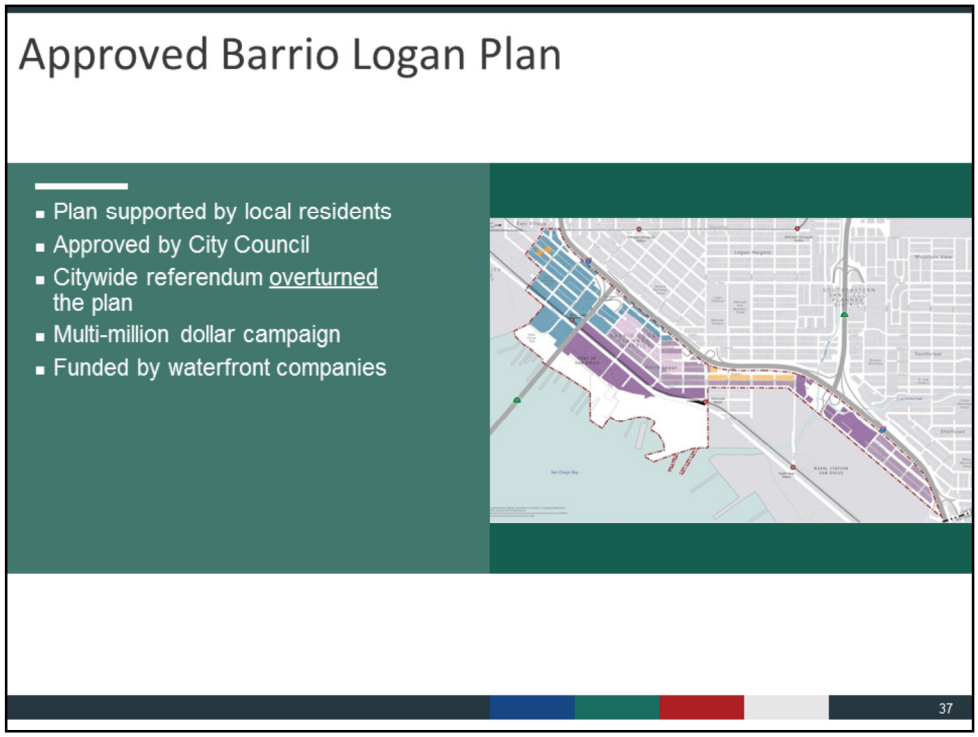
We've improved directional signage and widened a major road turning radius to make it easier for long loads such as windmill blades to easily reach nearby freeway onramps.

On César Chávez Avenue – the main corridor leading directly from the working waterfront through the community core -- we created landscaping and a prominent community identity sign -- unmistakable visual cues that this is a no-truck zone.



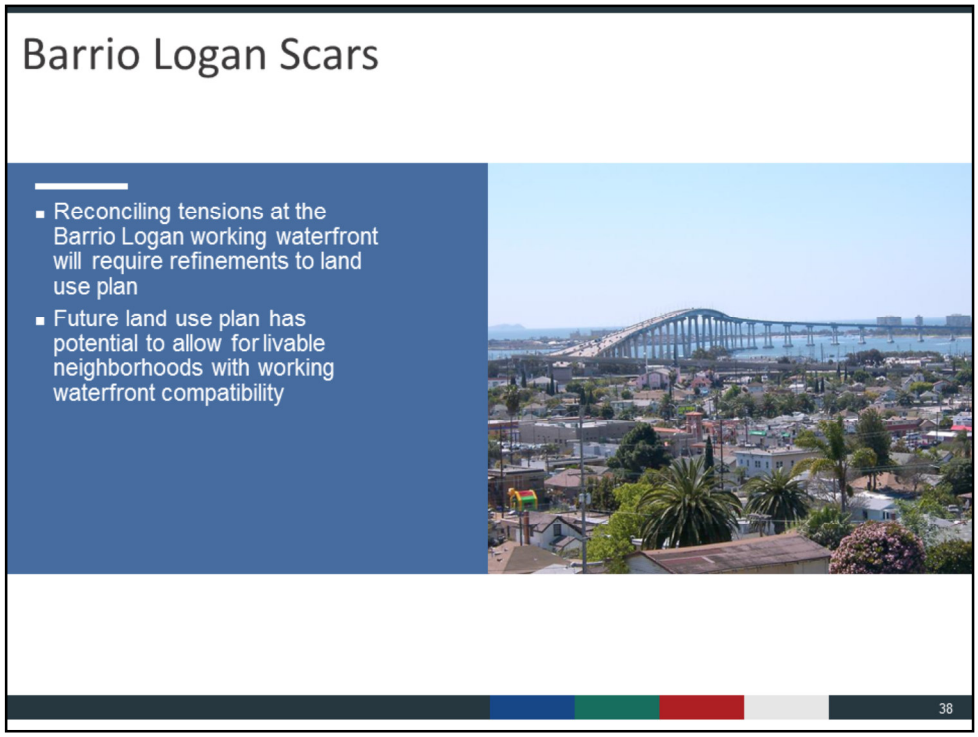
But tensions are high between industry on Port land and residents on City land just beyond our jurisdiction.

Our Port District regulates uses on the Barrio Logan Working Waterfront; but city zoning controls all of the residential, commercial, and light industrial land just outside our jurisdiction.



A new community plan was developed by the city's planning commission to define an area to serve as a transitional buffer between residential neighborhoods inland and heavy industry on our Port tideland.

The plan was supported by local residents and approved by a majority vote of the City Council. However, a multi-million dollar campaign funded by waterfront companies overturned the plan last year in a citywide referendum.



The referendum has left deep scars both in the community and among Barrio Logan sympathizers in the region.

So, today, welding shops are permitted adjacent to homes. Machine shops and supply facilities are near the public school.

Jurisdictional boundaries aside, we cannot ignore our moral responsibility to our inland neighbors to help resolve issues stemming from Working Waterfront industry.

When a new land use plan emerges, one hopes that this time the City will adopt a plan for livable neighborhoods compatible with our working waterfront.

The Port of San Diego enjoys a successful industrial ecosystem that creates good jobs and industry and is environmentally responsible, though arguably unresponsive to the needs of its neighbors.

Our biologic ecosystem is good and getting better by the day thanks to our stewardship and the cooperation of industry.

But our social system is challenged, both at a policy level at our Port Commission where we are divided on the future of our auto import business, and in friction between industry and residents in an adjacent community. Based on our Port's history of resiliency in the face of economic and biologic challenges, I am confident we will soon resolve the few issues that divide us.

To the leadership of AIVP, thank you for this chance to share San Diego's experience with our global colleagues and for the chance to learn from them, as well.

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Unified Port of San Diego