



**May 15, 2012
Board Meeting**

G. Presentation

- **Strategic Planning Workshop Review
– Jim Brennan, Norbridge**

Item G

5/15/2012 2:00 PM

Tampa Port Authority Strategic Plan Workshop

Executive Summary



May 15, 2012

Contents



- **Introduction & Background**
- **Workshop Objectives & Agenda**
- **Major Themes and Discussion Points**

Contents

Introduction & Background

- Workshop Objectives & Agenda
- Major Themes and Discussion Points



The TPA conducted a Strategic Planning Workshop on April 19th



- The purpose of the workshop was to communicate and discuss the TPA's strategic direction and priorities with the workshop participants
- The invited participants represented a broad cross section of trade and transportation companies, port businesses, government & industry organizations
- The workshop began at 9:45 AM and concluded at 1:45 PM on Thursday, April 19th

The TPA has regularly updated its strategic direction and priorities since 2002



- The TPA completed a strategic plan in 2002
 - Strategic planning is a best business practice
- The TPA updated its 2002 strategic plan in 2007/2008 and the market and competitive components of that plan in 2010
 - The 2007/2008 encompassed a comprehensive update and the preparation of a supporting capital investment (master development) plan
 - The 2010 update focused on evolving structural changes in the global, U.S. and Florida markets resulting from the global recession
- The workshop provided the opportunity to communicate and discuss the TPA's strategic initiatives with the workshop participants



A broad spectrum of shippers and shipping companies, port businesses, and government agencies were invited to the workshop.



Cargo Shippers / Shipping Lines

- Amalie Oil
- Amerada Hess
- Andino Cements
- Cargill
- Carnival
- Cemex USA
- CF Industries
- Cox Lumber
- Electric Supply Co.
- Fillette Green
- Holland America
- Kinder Morgan
- Landstar/Carotam
- Marathon
- Martin Marietta
- Mosaic Feed Ingredients
- Murphy Oil
- Norwegian Cruise

- One Steel
- OSG Shipping
- Royal Caribbean
- Seabulk Towing
- Sunbelt Group
- Sysco Int'l Food
- Tampa Juice Service
- Titan America
- Trademark Metals Recycling
- TransMontaigne
- Tropical Shipping
- United Ocean Shipping
- Vigo Importing Co.
- Vulcan Construction Materials
- Yara NA
- Zim America

Port Business / Industry

- A.R. Savage
- Buckeye Terminals
- CSX
- Cushman and Wakefield
- Gulf Marine Repair
- International Ship Repair
- Marine Towing-Tampa
- J. Cortina Inc.
- Ports America
- Separation Tech.
- Tampa Bay Pilots
- Tampa Ship, LLC
- Tampa Tank
- Transflo
- Yacht Starship Dining

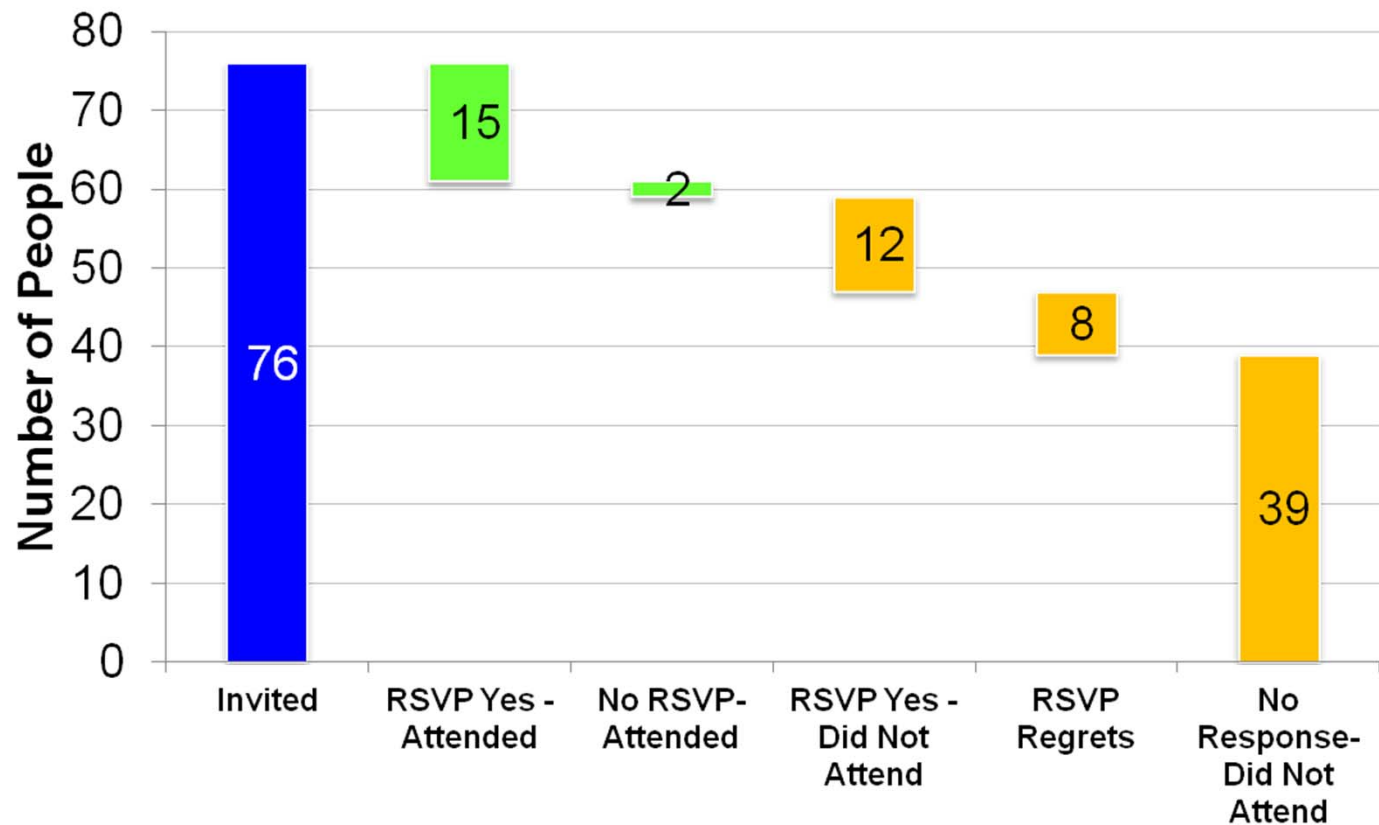
Government / Industry Org.

- API
- City of Tampa
- Enterprise Florida
- FDOT
- Greater Tampa Chamber of Comm.
- Hillsborough County Economic Dept.
- Hillsborough County-MPO
- ILA
- MEBA
- Propeller Club
- PTMIA
- Oil Spill Committee
- Tampa Bay and Co.
- Tampa Bay Harbor Safety Committee
- Tampa Bay Partner.
- TECO
- Tampa Hillsborough EDC.
- USACE-Jacksonville
- US Coast Guard

17 of the 76 companies invited participated in the workshop.



TPA Strategic Plan Workshop Invitations & Participants



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The TPA's Workshop objectives included communicating & discussing its strategic priorities



- ✓ **Strategic Plan:** mission, objectives & strategic priorities
- ✓ **TPA Strategic Initiatives:** as presented by the senior management team
- ✓ **Discussion:** with workshop participants

The workshop agenda encompassed an interactive discussion of TPA's priorities



Topic	Presenter	Title
Welcome & Introduction	Richard Wainio	Port Director & CEO
Meeting Agenda, Format & Guidelines	Jim Brennan, Facilitator	Norbridge, Inc.
TPA Strategic Plans	Charles Klug	Dep. Dir. Port Admin/Port Counsel
Preserving & Enhancing Vessel Access	John Thorington	Sr. Dir. Communications
Global Market Realities & Implications	Wade Elliott	Sr. Dir. Marketing
Real Estate: TPA's Core Market Asset	Jim Renner	Sr. Dir. Real Estate
Strategic Capital Investment Priorities	Ram Kancharla	Sr. Dir. Economic Dev. & Planning
Concluding Discussion	Jim Brennan, Facilitator	Norbridge, Inc.

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Major Themes and Discussion Points



Four major themes emerged from the workshop



- Future fleet developments and implications for vessel access
- Port of Tampa market realities
- Cargo growth challenges
- Potential market opportunities

Future fleet developments & implications for future vessel access



This discussion covered a diverse set of topics including:

- The potential future evolution of the Port of Tampa's cargo fleets, principally container, dry and liquid bulk
- The potential evolution of future cruise vessel airdrafts & the Port of Tampa's ability to accommodate the future fleet
- The status of the Cut A & B widening feasibility studies
- The US Army Corps of Engineers feasibility study planning process



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Port of Tampa market realities

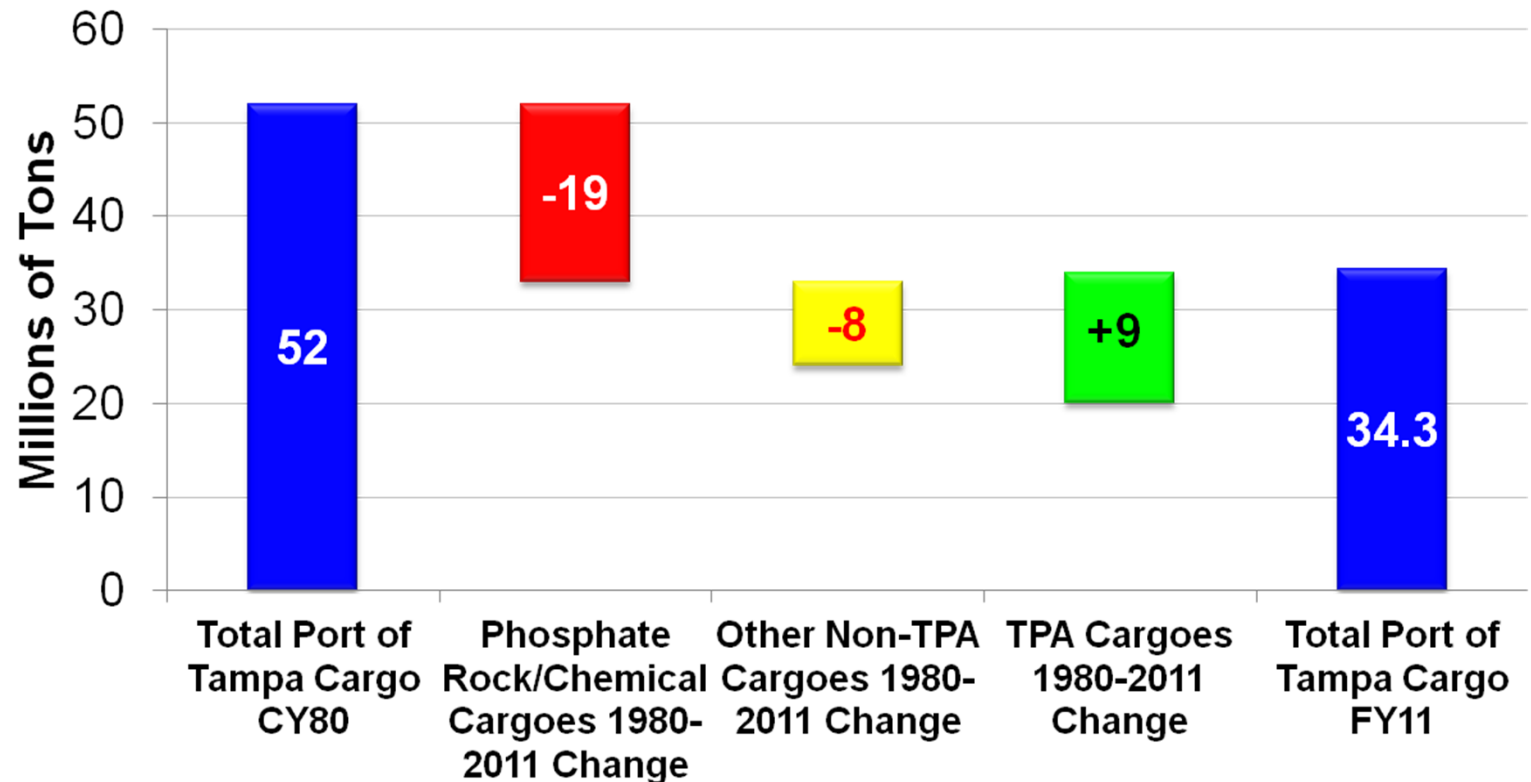


This discussion, which spanned more than an hour, focused on the structural challenges facing the Port of Tampa's cargo businesses

- The long-term decline in total tonnage is due to structural changes in the Florida phosphate rock mining industry, global fertilizer industry and TECO's conversion to natural gas from coal in conjunction with a partial shift of coal receipts from water to rail
- The Port's cargo business has been disproportionately affected by the Florida construction industry recession
 - Steel, wood products, cement and aggregates

TPA cargo diversification and growth have partially offset private sector cargo declines in phosphate, sulfur, anhydrous ammonia and coal.

**Port of Tampa Cargo Tonnage
CY1980 and FY2011**



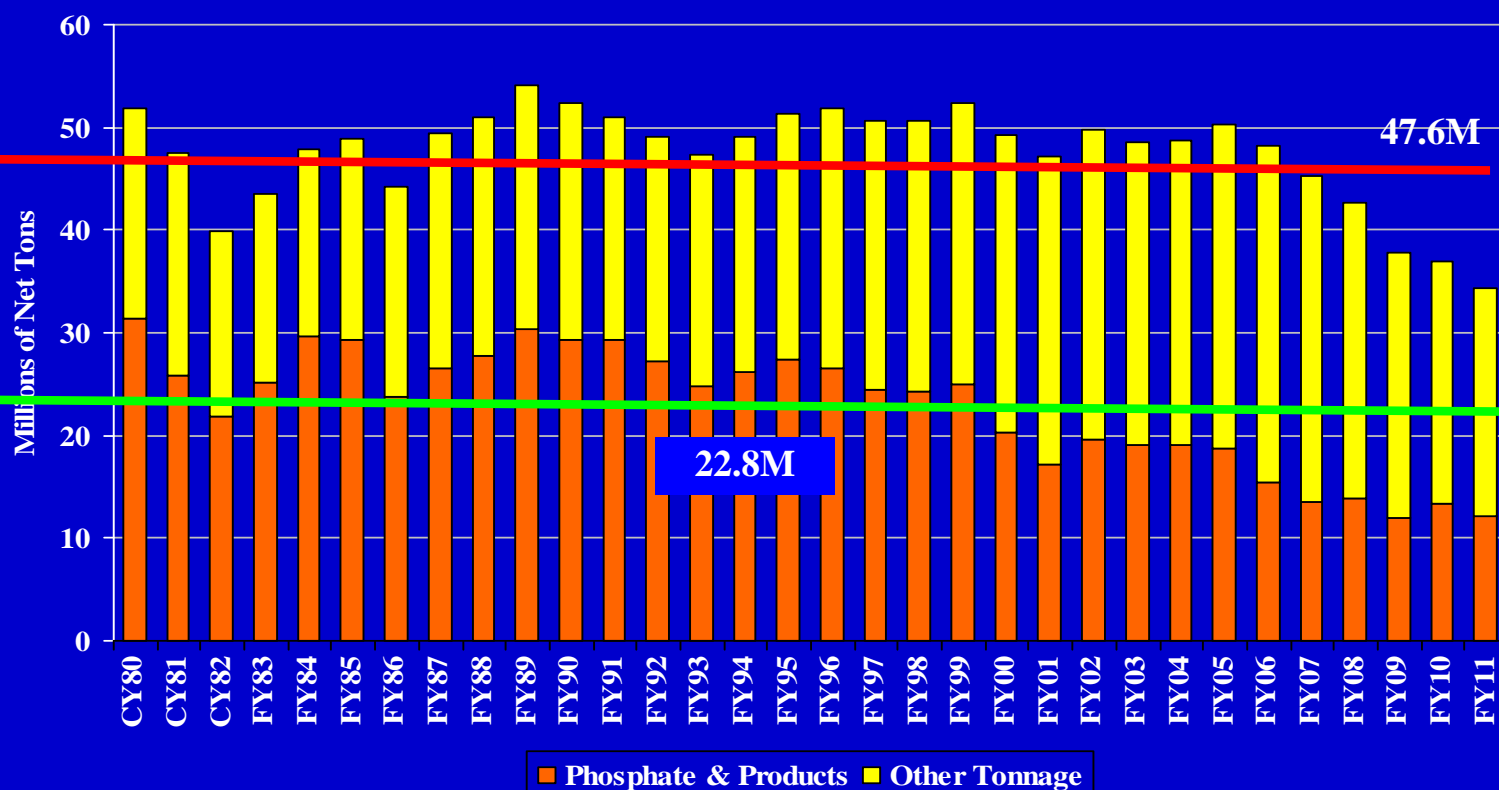
Port of Tampa market realities-continued



- The US and Florida economic recovery and cargo growth will be gradual
- Shippers select ports on the basis of service, facilities and costs
- Port costs in general and port authority-related costs in particular are a comparatively small portion of shippers' (importers and exporters) total logistics costs
- Attracting cargo is key: ships follow cargo

Declines in phosphate rock and related products, and coal have accounted for a majority of the Port of Tampa's cargo decline since CY80

Port of Tampa Phosphate & Products and All Other Cargoes



*Phosphate Products includes phosphate rock and chemical, ammonia, sulphur, phosphoric acid, sulphuric acid

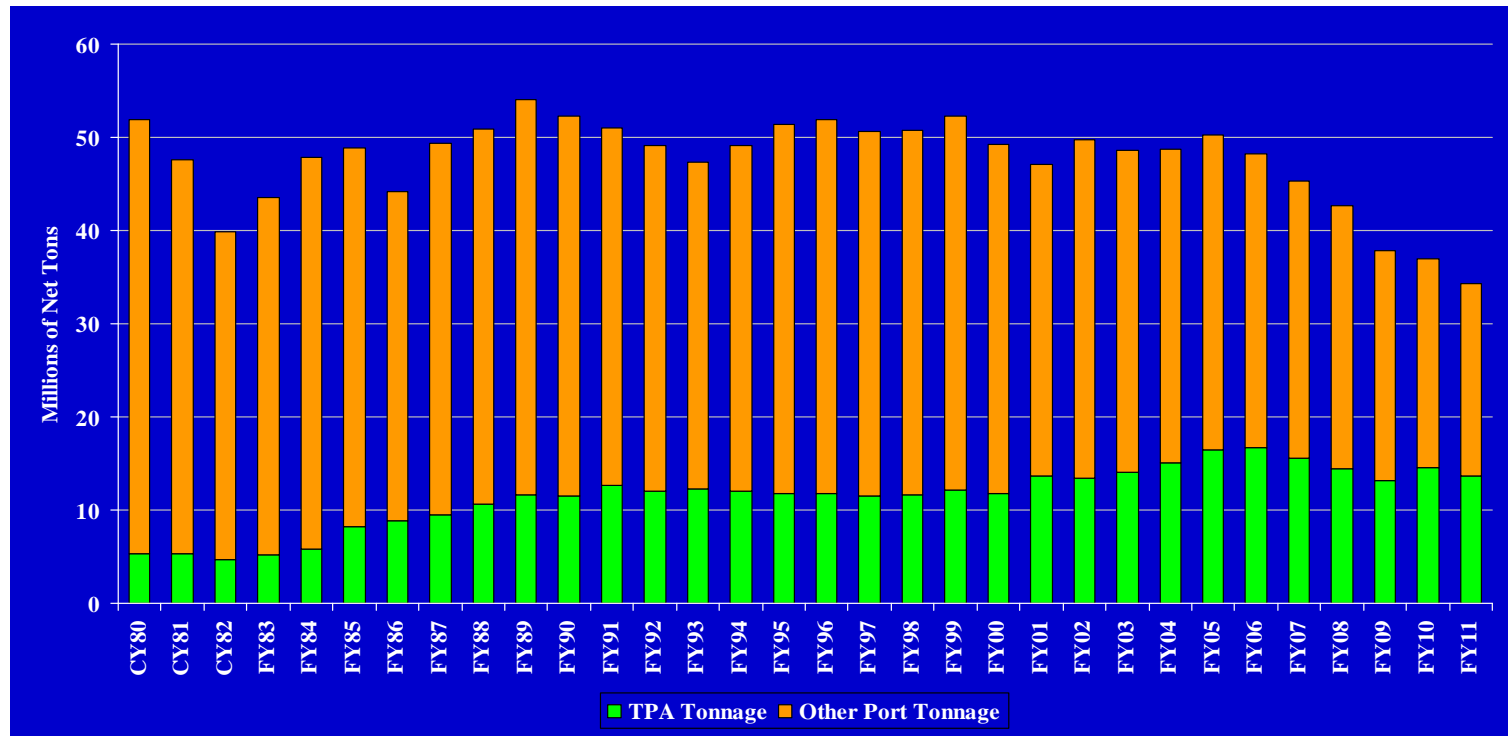
CAGR (CY80-FY11)

Phosphate and Prod.	-3.0%
Other Tonnage	0.2%



TPA's share of total Port cargo tonnage increased from 10 percent in 1980 to 40 percent in 2011 as a result of sustained growth

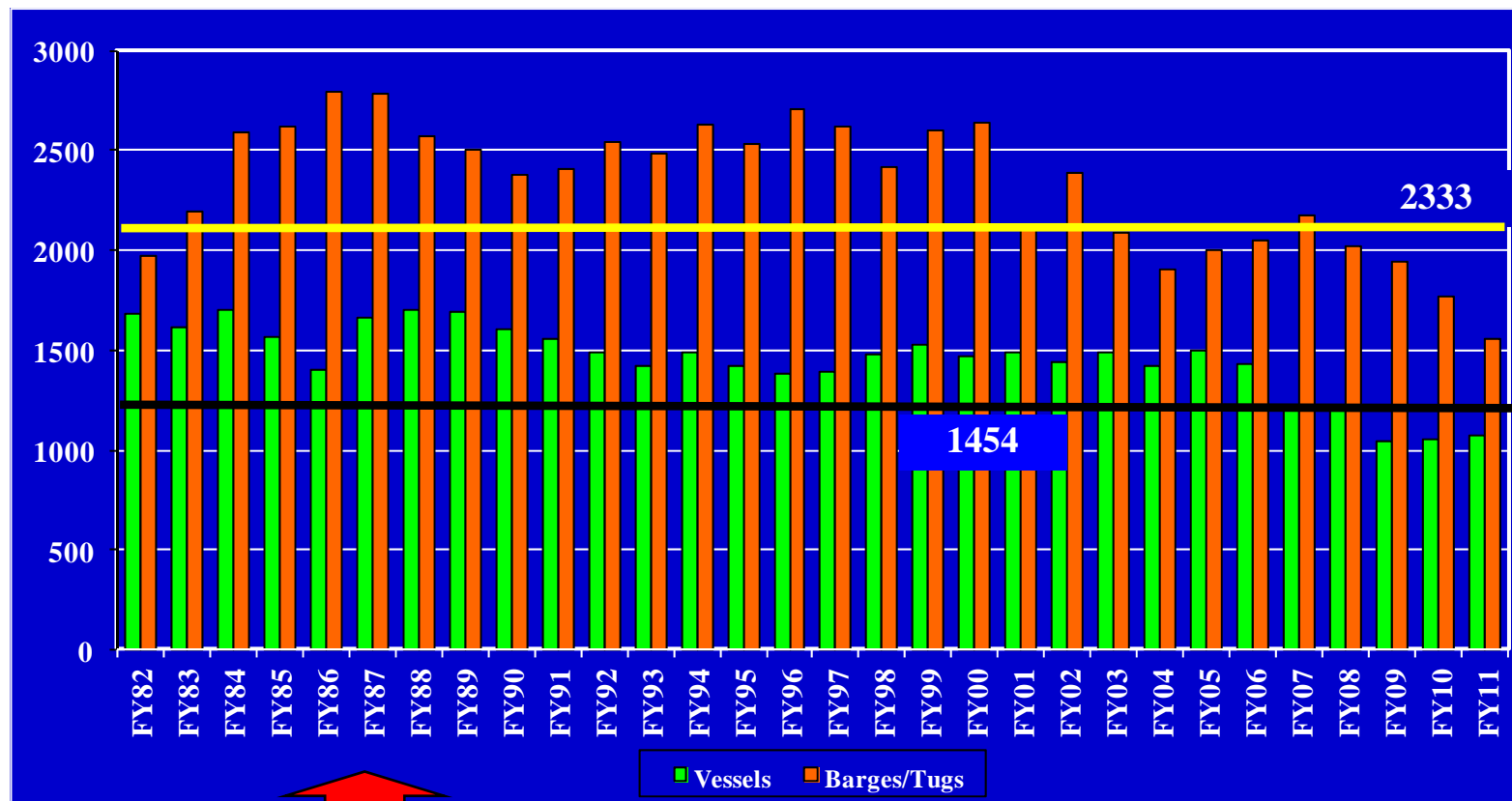
TPA & Non-TPA Total Cargo



CAGR (CY80-FY11)	
TPA Facilities	3.1%
Other Port Facilities	-2.6%

Significant, long-term declines in phosphate products and coal and increasing vessel sizes have driven the decline in the Port's cargo vessel calls

Port of Tampa Vessel, Tug & Barge Calls



Harbor Deepening

Excludes Cruise Ships



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Cargo growth challenges

This discussion focused on several of the challenges the TPA, shipping lines and the Port of Tampa port industry face in growing the Port's cargo businesses

- Container shipping
 - 4:1 import imbalance affects shipping line economics
 - Increasing the use of the Port by regional shippers
 - Significant competition from Florida and Georgia ports
- Breakbulk shipping
 - Containerization has significantly reduced breakbulk cargoes
 - Container lines are increasingly pursuing breakbulk refrigerated cargoes
 - RoRo & RoPax services to date have not developed yet remain potential opportunities





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Cargo growth challenges-continued



- Bulk shipping
 - The regional Florida market does not possess the diversity of mineral or agricultural resource bases to replace the export cargo volumes lost from the structural decline in the Florida phosphate rock mining industry and associated cargo volumes
 - Dry and liquid bulk import volumes moving via TPA facilities have offset to a degree the declines in private terminal cargo exports
- Cruise
 - Historically, the Tampa cruise market has supported the sustained development of the 2,000-2,500 passenger ship market segment
 - The rapid growth in very large cruise ships pose significant challenges for the Port: size of the regional drive-in market; Sunshine Bridge aircraft; size, diversity and port of call infrastructure in the international markets served via the Port of Tampa



Cargo growth challenges-continued



The TPA's marketing and sales strategies and initiatives were also discussed.

- TPA's marketing and sales strategies focus on both building the cargo base through attracting shippers and building the ocean carrier service base
 - Executive Shippers Council is an example of the shipper strategy
 - The Gulf Coast Advantage is an example of the carrier strategy
- TPA also works directly with the Tampa Port community to pursue cargo, industrial, manufacturing and passenger opportunities
 - Ports America on container initiatives
 - Collaborative on-terminal rail facility development with CSX to enhance cargo development
 - P3 terminal development projects with cargo owners
- Collaborative industry and manufacturing attraction initiatives with economic development and other government agencies

Potential Market Opportunities

The discussion of potential cargo growth opportunities occurred throughout the workshop and included a diverse set of topics

- Implications of Panama Canal expansion
- Potential for direct call vs. feeder services
- Latin American market opportunities
- Cuba's future market potential
- Future of RoRo and RoPax services
- Importance of sustaining and expanding Executive Shippers' Council support





Potential Market Opportunities-continued

- Identifying and attracting growth industries and economic development that generate cargo
- Potential benefits of expanding relationships with industry, manufacturing and economic development associations/agencies



Potential Market Opportunities-continued



- Pursuing market opportunities requires a dual approach
 - Shippers (importers/exporters) and third parties (logistics companies, forwarders, NVOs) to attract, retain and sustain the cargo base
 - Carriers to provide the service, i.e. geographic coverage and service frequency
- Increasing cargo throughput will likely occur through incremental attraction of individual shippers (importers, exporters) and ocean carriers

Tampa Port Authority Port Stakeholder Strategic Plan Workshop: *Executive Summary*



May 15, 2012