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## L.A. Port Goes Deep

By [Bruce Haring](#) | Los Angeles

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Jason Schirns, CIO, Hager Pacific Properties

SAN PEDRO, CA-The **Port of Los Angeles** has completed what some term its most important infrastructure project, a 10-year, \$370 million deepening of its main navigational channel and turning basins.

The deepening of the port's Main Channel, West Basin Channel and East Basin Channel, which increases the depth from 45 feet to 53 feet, will allow the Port to be one of the few that can accommodate so-called cargo "megaships," the bigger boats predicted to dominate world trade. Megaships can be a quarter-mile in length and contain over 13,000 containers.

The Port is in the midst of a five year, \$1.3 billion capital improvement program that also seeks to modernize and upgrade terminals, to increase rail capacity and improve roadways in and around the Port.

"The number of ships and the volume of goods they will bring, the number of jobs that will result, and the economic impact on the local area and throughout the nation are important numbers," said a statement from **Col.**

**Mark Toy**, commander of the **U.S. Army Corps of Engineers Los Angeles District**, which conducted the deepening project.

Los Angeles is one of several North American ports making a significant capital investment in order to prevent obsolescence. The **Panama Canal** is being deepened from 42 feet to 60 feet by the end of 2015, while a few U.S. ports, including New York City, Norfolk, and Baltimore, have already increased their depth to at least 50 feet.

**Jason Schirns**, chief investment officer for **Hager Pacific Properties**, tells GlobeSt.com that the Port of Los Angeles also faces legitimate competition closer to home from the **Port of Prince Rupert** in British Columbia and the **Port of Lazaro Cardenas** in Mexico.

"The Port of Prince Rupert is 60 feet deep and claims to be the fastest way to deliver goods from Asian manufacturing centers to consuming markets in the U.S. Midwest," Schirns says. "Prince Rupert officials claim that goods arriving there can reach Chicago three days faster than if they were routed through Los Angeles. The Mexican Port of Lazaro Cardenas is also making a major investment by building a second container terminal that will almost double its cargo volume (TEU) capacity of 6.5 million by 2020. The Port of Los Angeles had over 8 million TEUs in 2012, Schirns notes.

Shipping companies have already started changing their shipping patterns in order to become more efficient by moving away from smaller ports and focusing on fewer, larger ports that can accommodate modern vessels, Schirns added.

**Heger Industrial's president and CEO Robert Thornburgh** echoed that analysis, saying the deepening is the answer to the expansion of the Panama Canal, set for 2015.

"West coast ports will continue their unyielding approach to become more efficient in order to protect their cargo base," Thornburgh tells GlobeSt.com. "It is widely felt that these types of projects will help protect jobs and have a long reaching, positive impact on our economy. "

[As previously reported in GlobeSt.com](#), the port has also been improving access roads.

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Bruce Haring is a business journalist whose work has appeared in USA Today, the Associated Press, Rolling Stone, Entertainment Weekly and many other online and print publications. He is the author of five books, including the award-winning "Off The Charts," and is the founder of the New York and San Francisco book festivals.