

PORT OF PORT TOWNSEND STRATEGIC PLAN: 2010-2015

*Working Together to Build Sustainable Economic Development,
Community Partnerships and Environmental Stewardship in Jefferson County*



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FOREWORD

Throughout Jefferson County, the Port of Port Townsend owns, operates and maintains approximately 550 acres of property supporting a diverse range of uses - from marinas, boat and shipyards, commercial uplands, parklands, shoreline public access areas and an international airport.

We exist to serve our community - that is, Jefferson County as a whole. The Port is a publicly owned and operated special district authorized by state law to plan, construct, operate, and maintain physical improvements. The Port's facilities and activities provide a substantial base of economic activity and employment within the City of Port Townsend and Jefferson County. We estimate that over 400 people work at our Boat Haven property alone.

At the Port, we are striving to improve our customer service, our organization, and our day-to-day operations to provide better service to our citizens and visitors. This Strategic Plan, created with input from key stakeholders, Port employees, and community members, will serve as an overarching guide for future actions of the Port. When adopted, it will provide a roadmap for the organization that will help to direct our priorities and decision-making so we can achieve our long-term vision for the future.

The Strategic Plan outlines the Port's values, vision, mission, goals, objectives and implementation actions. The implementation actions are listed as immediate, 2 to 5 years, longer-term, and may be revised on an annual basis. For over one year, representatives of 12 stakeholder groups, with three citizen representatives, met monthly as the Citizens Advisory Committee (CAC) and worked with the Port Planning Team to develop this Strategic Plan. We are thankful for their hard work, dedication and commitment to assure that the Port is striving to better serve our community.

We are grateful to the Port Commission for its sponsorship of the planning process, and to the management team and staff for their ongoing drive and contributions. We are especially pleased that some members of the CAC have agreed to serve upon a permanent advisory committee that will act as a sounding board for the Port. The permanent advisory committee will annually review the Strategic Plan to assess the current environment and to address new opportunities and challenges on the horizon.

As always, we invite your input regarding our operations in general, and this Strategic Plan. Please feel free to contact either of us at the Port (360.385.0656) if you have any questions, comments or concerns.

John Collins, President
Port Commission

Larry Crockett
Executive Director

I. STRATEGIC PLANNING PROCESS

What is the Port's Role?

Under RCW Title 53, port districts play several key roles:

- Developing and maintaining infrastructure that fosters economic development;
- Providing transportation facilities that support commerce and communities; and
- Stewarding public lands and providing shoreline recreational access to residents and visitors.

The Port of Port Townsend takes its mission seriously - and is dedicated to providing accessible facilities that support sustainable growth in Jefferson County - not merely growth for the sake of growth. Through building and operating marinas, an airport, industrial sites and boat launches, the Port is able to facilitate sustainable trade, tourism and recreation in the community. The Port seeks to balance the economic, environmental and social consequences of its operations and activities in a manner that contributes to the wellbeing of the community for generations to come.

Three Port Commissioners are responsible for establishing the policy direction of the Port and overseeing capital projects and operations. Although nominated by one of three districts within Jefferson County, each commissioner is elected by a countywide vote to a four-year term and represents the county as a whole.

The sections that follow provide an overview of the process that led to the development of this Strategic Plan. Additional information regarding the creation of this Strategic Plan can be found on the Port's website at http://www.portofpt.com/strat_plan.htm.

Why Develop a Strategic Plan?

The Port Commissioners initiated this effort because they wanted to develop a clear vision and a set of objectives to guide Port activities in a manner responsive to community needs. The Commissioners were also concerned with the competing demands on its scarce resources, a weakening national economy, and the lack of general understanding by the public regarding the role of the Port.

The Strategic Plan process was intended to help facilitate community discussions about the Port's mission and vision for the next 5 to 10 years. The Plan is intended to provide a blueprint for the Port to address important policy issues and capital improvements needed to implement the community's vision for its future. What kind of port should the Port of Port Townsend be? How is the Port of Port Townsend different from other ports found throughout the Puget Sound region? What is the Port's role in the larger community? What is our shared community vision for economic development? These are the kinds of questions the Port wanted to discuss with the broad community the Port serves.



Who Created the Strategic Plan?

2008 PORT COMMISSION RETREAT

In April of 2008, the Port Commission began a planning process that involved the commissioners, Port management staff as well as the entire community to help identify trends, issues and challenges facing the Port of Port Townsend today and in the immediate future.

In a special two-day workshop the Port Commissioners and management staff identified the following six issues that could affect the effectiveness and operations of the Port in the near future.

- Financial constraints;
- Lack of agreed upon County-wide Economic Development Strategy;
- New environmental compliance standards;
- Limited supply of land available for development/restrictive zoning and land use regulations;
- Poor public relations/communication issues; and
- Maintenance of aging infrastructure.

The Commission decided to seek public involvement to listen to key stakeholder groups as well as the larger community in order to help identify the important issues the Port may need to address in the coming years. The public involvement process had two purposes: 1) to help citizens better understand the Port's role in the economic development activities of the county; and 2) to hear what citizens thought the priorities of the Port should be.

STAKEHOLDER GROUP MEETINGS

The Port initially identified eight major stakeholder groups that are either directly or indirectly dependent upon Port operations and facilities, or play an essential role in the economic health of the community:

- Local Governments;
- Non-Profit Organizations;
- Airport Users;
- Port Employees;
- Moorage Tenants;
- Recreational Users & Environmental Groups;
- Marine Trades; and
- Port-Related Businesses, Downtown Businesses & Local Chambers of Commerce.

Before requesting participation from these groups, the Commission determined that a “Community Kick-Off Meeting” should be conducted to explain the purpose and context for the planning effort to key stakeholder groups and interested citizens. The meeting was held on the evening of May 21, 2008 at the Port Townsend Yacht Club, with over 70 representatives of stakeholder groups and citizens attending, as well as Port Commissioners and management staff. Those in attendance at this kick-off meeting were provided with a list of eleven (11) written “stakeholder” questions to complete in advance of the individual stakeholder group sessions scheduled a couple of weeks later - with the option to either provide written comments or oral input during the stakeholder meetings.

In June of 2008, the Port Planning Team held four additional individual stakeholder meetings with fifteen (15) groups to seek their input on what the key themes the Port should address during the strategic planning process. A number of important issues and recurrent themes of comment emerged from the multiple stakeholder group sessions. The following five key themes would serve as the foundation to guide the work of the next phase of the planning effort:

- Fix Aging Infrastructure First;
- Fair & Transparent Budgetary Practices & Facilities Management;
- More Pro-Active Environmental Stewardship;
- Pursue Sustainable Economic Development Opportunities; and
- Improve & Maintain Communications, Public Relations & Customer Service.

COMMUNITY ADVISORY COMMITTEE (CAC) PROCESS

The Port Planning Team identified representatives from twelve (12) key stakeholder groups who participated in the process described above and invited them to serve on a Community Advisory Committee (CAC). In addition, the Planning Team identified three citizens at-large to serve as representatives of the three commissioner districts and to reflect a balance of stakeholder perspectives across Jefferson County as a whole. The CAC’s charge was to review, discuss, and make recommendations on developing the strategic goals, objectives and action steps that would make up the core of the Strategic Plan document. In addition, at its first meeting, the CAC recommended that new mission, core values and vision statements be developed to guide their work.

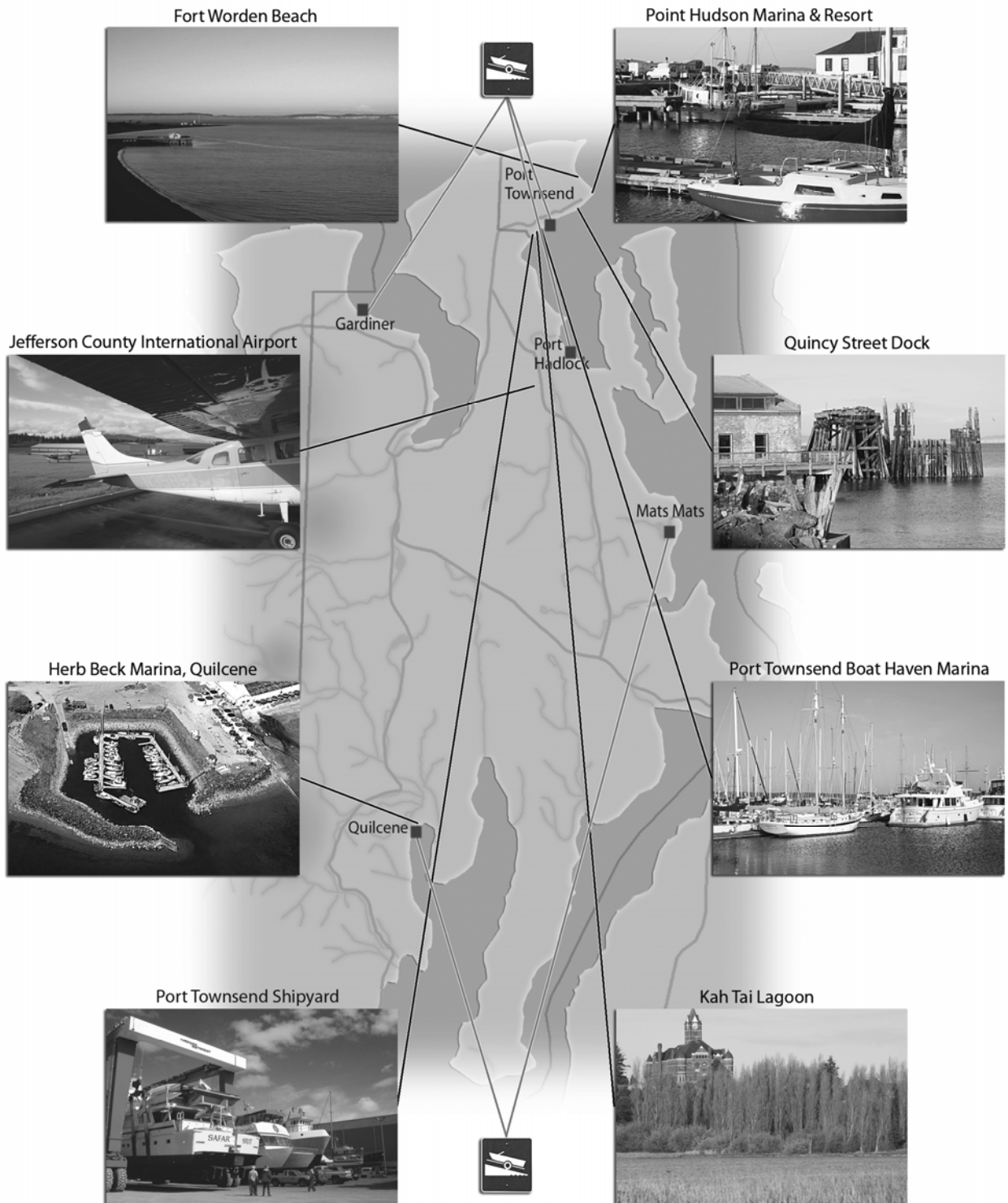
The CAC met for the first time in September 2008 to review and approve its charter and work plan. The CAC met nine times between September and June 2009 to discuss and outline the framework for the Strategic Plan. The foundation of the Strategic Plan is built on the key themes identified above as well as the core values, mission and vision that guided the CAC’s planning process.

How Will the Strategic Plan Be Used?

This document outlines the Port’s values, vision, mission and strategic goals, objectives and action items. The Strategic Plan will be reviewed annually by a Port Commission appointed advisory committee to assess the current environment, address new opportunities and challenges on the horizon, and to influence the annual budget process. Capital project

priorities will be developed through the Port's annual budget process. Progress towards achieving these strategic directions will be monitored and measured by the key indicators identified in the Plan.

Map of Port Facilities & Properties



II. PORT BUSINESS & ACTIVITIES

Port Townsend Boat Haven Marina

This full-service marina provides permanent and transient moorage year-round. It is home to 475 commercial and recreational vessels and each year provides more than 6,000 overnight guest moorage accommodations for visiting vessels. Boat Haven amenities include a fuel dock, pump-out station, showers and a laundry. A net float for fisherman, a seafood loading dock and a crane support the fishing fleet in the commercial basin. The U.S. Coast Guard Cutter Osprey is stationed here. The Port's first developed property, Boat Haven is a 19-acre rectangle protected by a riprap breakwater. The first pile was driven in 1931 and the floating moorage has been expanded several times to produce the present facility. Replacing the A/B Dock system with its 175 slips is a top capital priority for 2010-11.



Port Townsend Ship Yard

Featuring a heavy boat haul-out facility, the Port Townsend Yard has a regional reputation for quality and economy and is a destination of choice for vessel maintenance, refits and new construction of all types. It provides access to more than 100 marine trades businesses in the Port Townsend area. The Port operates three travel lifts; the largest one can lift vessels up to 150 feet long and weighing up to 330 tons. The Yard's 17-acre dry-land storage area can hold up to 200 vessels "on the hard," and owners are allowed to work on their own boats (something many work-yards prohibit). Constructed in 1997, the Shipyard portion of the Yard provides a variety of spaces and buildings for the marine trades. It supports over 450 people working in approximately 100 marine trades businesses, comprising the third-largest employment sector in Jefferson County. The security of long-term leases has encouraged many marine boat-building and repair businesses to construct specialized facilities for their operations. Other Yard tenants include marine supply and equipment retailers, several eateries, and the County's hazardous waste collection facility.

Point Hudson Marina & RV Park

In addition to the Port's administration office, Point Hudson is home to the Wooden Boat Foundation & Northwest Maritime Center and the annual Wooden Boat Festival. Built out in the early 1930s as a federal quarantine station but instead used as a Coast Guard station, the property was deeded to the Port in 1956. The 4-acre marina has 44 slips and 700 feet of linear docks dedicated to transient guest moorage. The 24 upland acres owned by the Port house a recreational RV park with 48 spots as well as several marine trades businesses - including a sail loft, rigging loft, canvas loft and boat shop all in the historic Armory Building. The marina's dock system was completely replaced in 2007.

Jefferson County International Airport (JCIA)

The county's only general aviation airport is located four miles southwest of Port Townsend, between State Routes 19 and 20. It was developed as an auxiliary military training field prior to World War II, and was transferred first to Jefferson County and then to the Port in 1959. The Port has more than doubled the initial landholding to 316 acres and in 1990 constructed a single 3,000-foot east-west paved runway. Airport tenants offer a wide range of aviation support services, including passenger, cargo and scenic flights; aircraft rentals; flight instruction; aviation fuel; airframe and power plant maintenance and repair; and a restaurant. The Airport is both home to and a popular destination for recreational pilots and is an international airport of entry, used frequently by Canadian pilots. More than 100 aircraft are presently based at the JCIA. Private developers began construction last year on 65 new airplane hangars; 25 have been completed and are now for sale. A significant new addition at the Airport is the nonprofit Port Townsend Aero Museum, which opened last year and is dedicated to historic aviation in the Pacific Northwest.

Herb Beck Marina, Quilcene

At the south end of Linger Longer Road on the west shore of Quilcene Bay, the Port owns about 50 acres of waterfront and uplands. The major tenant is Coast Seafoods, which operates a large shellfish hatchery and processing facility. A mix of transient, permanent and commercial moorage is provided at Herb Beck Marina (formerly Quilcene Boat Haven; renamed in 2005 to honor the long-serving former Port Commissioner, a Quilcene resident). The marina's small manmade harbor has floating docks to accommodate about 50 boats, plus a boat launch ramp and fuel and water service. In 2008 the Port rebuilt 80 feet of docks that were damaged in a storm and replaced the site's failing septic system with one with extra capacity for future industry and possible expanded RV use. Parking and a public restroom are provided next to the only warm-water swimming beach in the county.

Boat Launch Ramps

The Port owns and operates three boat launch ramps outside of its Quilcene and Port Townsend marinas. They are located at Gardiner on the western shore of Discovery Bay, at the southern end of Mats Mats Bay (a small embayment north of Port Ludlow), and at Port Hadlock on Port Townsend Bay. The Gardiner ramp provides access to an extensive salmon sport fishing area in Discovery Bay. The launch facilities at Mats Mats include a 150-foot loading float and a paved parking lot for about seven vehicles and trailers. The Port Hadlock ramp is adjacent to the Northwest School of Wooden Boatbuilding's Heritage Campus and the launch facilities include a timber pier and two loading floats.

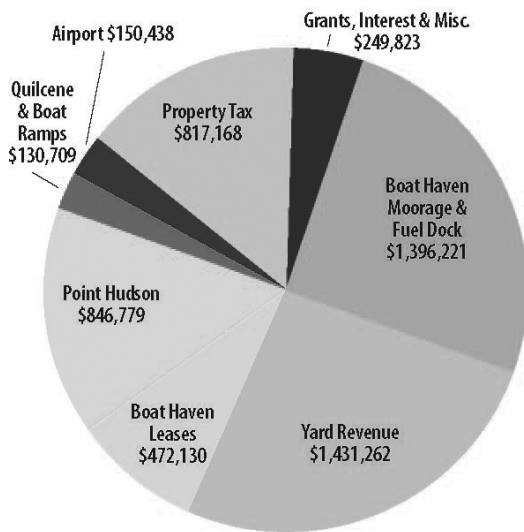
Kah Tai Lagoon

Kah Tai Lagoon is located directly north of Boat Haven Marina. In the 1960s and '70s, the Port acquired 21 acres of undeveloped land along the lagoon's southern boundary (north of Sims Way) that was filled with dredged material when the marina was developed. Today, Kah Tai Lagoon functions as a passive recreation park and open space. The Port-owned portion of the lagoon property (which includes a restroom and parking area) is leased to the City of Port Townsend through 2012. The nonprofit group Make Waves has initiated a discussion about building an aquatic center on Port-owned land near the Haines Place Park and Ride.

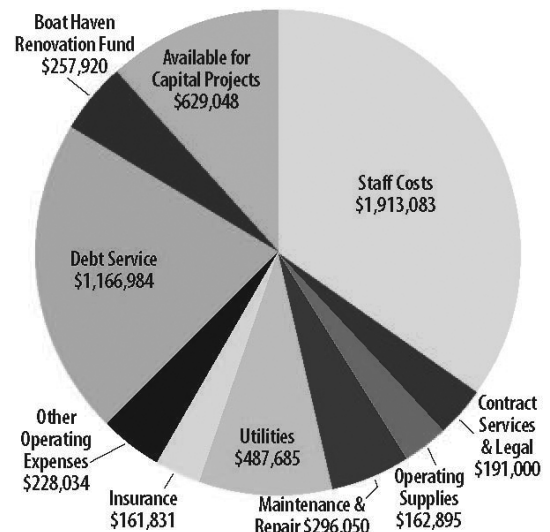
III. FINANCIAL OVERVIEW

With 27 employees and revenues of \$ 6.2 million in fiscal year 2008, the Port oversees the activities that take place on its properties. The Port is authorized by its enabling legislation to levy property taxes within Jefferson County, at a rate of 2%. These taxes, plus revenues from the Port's income-generating areas have generally been sufficient to support Port operations, service bond indebtedness and to fund capital improvements. Revenue is received in the form of rent from tenants and fees from users of the three marinas, airport and other real estate assets.

2008 Actuals

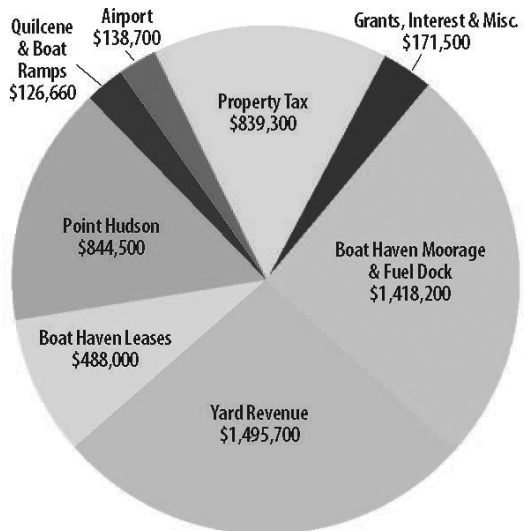


SOURCES OF FUNDS

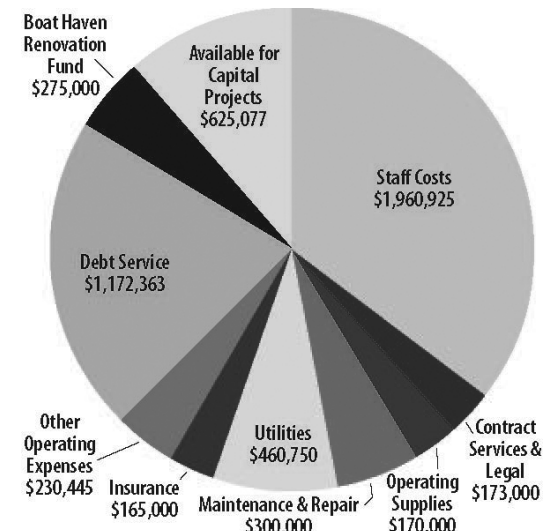


USES OF FUNDS

2009 Budgeted

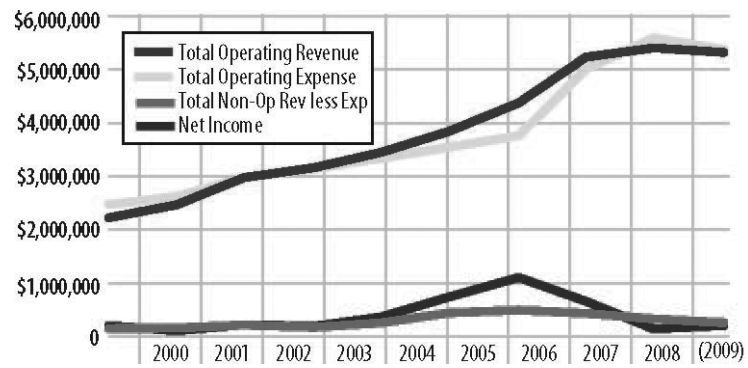


SOURCES OF FUNDS



USES OF FUNDS

Summary of Revenue, Expense & income, 2000-2009 (budgeted)



IV. CORE PURPOSE, MISSION, VALUES & VISION STATEMENT

Our Purpose:

To promote a vibrant and healthy Jefferson County community.

Our Mission:

The Mission of the Port of Port Townsend is to serve the citizens of Jefferson County by responsibly maintaining and developing property and facilities to promote sustainable economic growth, to provide community access to Port facilities and services, and to protect and maintain our community resources and maritime heritage.



Our Values:

COMMUNITY ACCESS

We, the Port of Port Townsend, exist to serve our community. We are committed to providing open and accessible port facilities for both residents and visitors alike.

SUSTAINABLE ECONOMIC DEVELOPMENT

We take our mission of providing economic growth seriously. We are committed to promoting sustainable growth based on a “triple bottom line” approach that factors economic, environmental and social consequences into our decision-making, and which enhances the long term well being of the community.

COMMUNITY PARTNERSHIPS

We are committed to playing a leadership role in promoting community partnerships for sustainable economic growth. We believe by creating strong partnerships with other governments, stakeholder groups and businesses we can provide more efficient and effective services to the people we serve.

RESPONSIVENESS TO COMMUNITY NEEDS

We listen to our citizens and customers and are responsive and creative in meeting their needs. We believe that being receptive and prompt in responding to public input and new opportunities demonstrates that we care, and that we intend to work together to make a difference.

FISCAL ACCOUNTABILITY

We challenge ourselves to find new and better ways of being fiscally responsible. We are committed to a budgeting process that is solid and transparent, where operational budgets are

balanced and financing of capital infrastructure is examined from both short and long-term perspectives.

COMMUNITY STEWARDSHIP

We recognize that we are caretakers of very special public properties. We are dedicated to safeguarding our historic character, community assets, and environmental resources for current and future generations.

Our Vision for the Future:

Jefferson County remains a magnificent place to live, work and play. It's a community that has long been shaped by its connection to the waters of Puget Sound and Hood Canal. The Port of Port Townsend has maintained these connections and has successfully promoted sustainable economic development and the use of Port properties and facilities in a manner that respects our natural and cultural heritage, and the needs and desires of our community.

Over the years, businesses, customers, and community nonprofit organizations have joined forces with the Port to create an impressive array of public and private facilities on Port lands. These Port facilities provide year-round recreational and educational activities at three public marinas and an airport, protect and promote public access to the shoreline, and maintain our natural environment. Working together, the Port has helped make Jefferson County a place where boaters, pilots, and businesses not only wish to locate . . . but also a place where visitors come to experience an authentic working waterfront, enjoy a good meal, and experience the natural and built amenities Port facilities have to offer.

The Port and local governments successfully partner with business and industry to support and enhance the County's diverse economic base. The fruit of the Port's efforts can be seen in the two marinas that continue to anchor Port Townsend's historic downtown core, a new nucleus of "green" industries located adjacent to the Jefferson County International Airport, and expanded visitor-serving and natural resource based businesses in south Jefferson County. In all, the Port has succeeded in helping to create a balanced and prosperous local economy, and a healthy social environment.

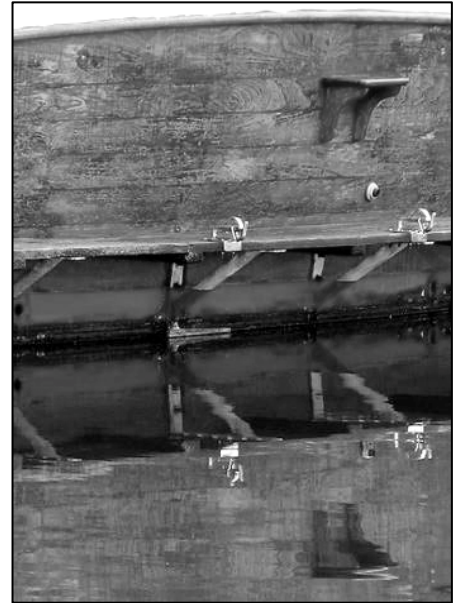
The Port has listened and been responsive to the community's desire to maintain affordable and accessible Port facilities for both residents and visitors. Marine trades are strongly supported by the public as a vital sector of the local economy. The Port has collaborated effectively with nonprofit organizations to offer a wide range of educational opportunities that take full advantage of our community resources and maritime heritage - ranging from specialized vocational training programs to personal-enrichment activities available to people of all ages. Importantly, the Port has enjoyed great success in marketing the special character and outstanding reputation of Port Townsend's historic seaport - and has secured and expanded its position as a regional capitol of contemporary and traditional maritime culture.

The Port of Port Townsend has become a national leader in environmental stewardship, successfully building partnerships with private business, public agencies, and nonprofit groups to apply a "triple bottom line" approach in all its activities - where economic, environmental and social consequences are factored into decision-making. By honoring these principles of sustainability, the Port has been able to make possible economic development that is supported by a wide cross-section of Jefferson County residents.

V. PORT WIDE ISSUES

The critical step in the planning process was for the CAC, with assistance from the Port Planning Team to undertake a “strengths, weaknesses, opportunities and threats” (SWOT) analysis. Each member of the CAC, as well as Port management staff prepared individual SWOT assessments from their stakeholder or staff position.

The objective was to identify Port wide issues and not simply issues associated with one Port facility or property (e.g., Kah Tai property or the Boat Haven marina). This analysis included independent research from the consultant team that was intended to focus on the changes in both the external environment (City, County, Puget Sound region, national) as well as internal changes to the Port organization and services provide by the Port. There were many factors that were discussed at two CAC meetings that were seen as influencing the future of the Port community and organization. External forces, like acts of nature, changes in demographics, technological advances, globalization of the economy, just to name a few, were seen as largely outside of the Port’s control. Yet how the Port chooses to respond to them, as a community and as a public agency, will be important to improving the satisfaction of Port tenants and users of Port facilities, and maintaining the support of the general public.



The following SWOT matrix was compiled by the CAC based on the information and data from the individual stakeholders and studies and reports that were reviewed by consultant team. A more detailed narrative version of the CAC’s SWOT responses can be found in Appendix “A.” The Strategic Directions contained in the next chapter are intended to address the key challenges, opportunities and weaknesses facing the Port.

SUMMARY SWOT MATRIX

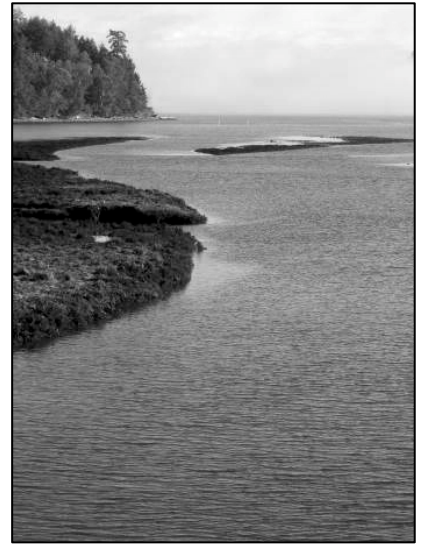
<p style="text-align: center;">PORT of PT STRENGTHS:</p> <ul style="list-style-type: none"> • Boat Haven Facility • Traditional Maritime Culture • Attractive & Unique Location • Local Climate • Port Townsend/Jefferson County Community • Shared values, talented people, partnership tradition • Political Support from City & County • Public Ownership of Key Waterfront Areas • Economic Diversity (many small/medium sized businesses) • Financial Solvency • Strong Staff 	<p style="text-align: center;">PORT of PT WEAKNESSES:</p> <ul style="list-style-type: none"> • Shortage of Port Land & Necessary Infrastructure • Contentious Port/Community Political Culture • Inadequate Policy & Planning Framework • Port Organization & Operational/Internal Culture • Local Economic Conditions • Changing Workforce Demographics • Mixed Perception of Local Marine Trades • Loss of Port of Entry Status • Limited Vocational Training Opportunities • Unrealized Tourism Potential in South County • Increasing Hurdles for Small Boat Owners • Inadequate Public Outreach Efforts
<p style="text-align: center;">OPPORTUNITIES for the PORT of PT:</p> <ul style="list-style-type: none"> • Community Collaboration/Consensus Building • Coordinated Economic Development Leadership • Partnerships w/Local Govt., Non-Profits & Businesses • Changing Zoning Designations/More Efficiently Using Land • Improved Marketing/Branding • Improved Communications & Information Technology • Improved Vocational Training/Educational Opportunities • Expanded South County Involvement 	<p style="text-align: center;">THREATS to the PORT of PT:</p> <ul style="list-style-type: none"> • Shortage of Port Land & Necessary Infrastructure • Inadequate Planning/Management • Increasingly Weak Economy • Changing Regulatory Environment • Competition from Other Ports • Contracting/Departing Fishing Industry • Limited Future Financial Capability & Options for New Initiatives

VI. STRATEGIC DIRECTIONS

Introduction & Legislative Intent

This section of the Strategic Plan outlines seven “strategic directions” and associated objectives to guide the Port in carrying out its mission. Each strategic direction is integral to the success of the overall strategy, and is furthered by specific objectives to be achieved by the Port. The strategic directions are not listed in order of priority, and focusing on any single provision in isolation could create conflicts with the others. For this reason, it is important that the Port carefully balance and pursue all seven concurrently.

To more effectively and equitably advance these strategic directions and objectives, the Port will be guided by the Core Purpose, Mission, Values & Vision of this Plan.



Strategic Directions, Context & Objectives

COMMUNITY ACCESS

Strategic Direction #1: *To ensure that Port facilities, services and the shoreline environment are accessible to the community and visitors alike.*

Context: The Port of Port Townsend exists to serve the Jefferson County community and its visitors. We recognize our responsibility to provide Port facilities that are physically accessible and affordable to the community.

Objective 1.1: Provide a range of services at Port facilities and properties that are accessible to the community as a whole.

Objective 1.2: Maintain and expand opportunities for recreational boat owners and pedestrian shoreline access.

- Maintain existing and seek to expand boat ramp access points for recreational boaters.
- Work with private and public entities to encourage maintenance, repair, and environmentally sensitive retrofitting of existing boat ramps.
- Seek to provide access points with equipment and nearby storage for small trailer-able boats, kayaks and rowing shells that cannot be ramp launched.
- Investigate, together with the NWMC, the feasibility, cost, revenue stream, environmental and safety benefits of installing transient mooring buoys as an alternative to anchoring in areas near Port Townsend’s waterfront.
- Maintain and expand trails and pedestrian points of access to shoreline areas.
- Maintain moorage fees at rates that seek to sustain the community’s boating culture.

- To the extent consistent with maintaining public safety and limiting Port liability, maintain an open boat yard at the Boat Haven and open marinas at both the Boat Haven and Point Hudson. If access control becomes necessary, restrict access incrementally in relationship to risk.

SUSTAINABLE ECONOMIC DEVELOPMENT

Strategic Direction #2: *To promote, develop and manage the Port's properties and facilities to stimulate countywide economic vitality.*

Context: The Port of Port Townsend is the only local government entity within Jefferson County whose primary purpose under state law is economic development. A number of Port facilities also provide a vital transportation mission that supports economic activity and commerce. The Port is dedicated to supporting sustainable growth in the community - not merely growth for the sake of growth. To accomplish this, the Port will balance the economic, environmental and social consequences of its decision-making in a manner that contributes to the well being of our community for generations to come.

Objective 2.1: Promote sustainable economic development opportunities that create family wage jobs.

- Collaborate with Jefferson County in the designation of the Tri-Area UGA:
 - Provide technical assistance (as appropriate);
 - Advocate that adequate acreage be zoned for industrial use; and
 - Encourage Jefferson County to provide the urban water and wastewater service necessary to adequately serve industrial land.
- Work with private and public interest groups on workforce housing issues to retain and expand family-wage jobs.
- Prepare and maintain updated promotional brochures for Port properties and facilities highlighting business opportunities consistent with community needs.
- Increase market opportunities through collaboration with maritime non-profits, Port tenants, and businesses.
- Target economic development opportunities that support the retention and growth of interconnected businesses, suppliers and associated trades (i.e., marine trades; manufacturing; non-retail service sectors). Seek to develop businesses that support the creation of family wage jobs for current county residents.
- Promote general aviation-related and air freight businesses at the Jefferson County International Airport (JCIA).

Objective 2.2: Collaborate with stakeholder groups to provide an integrated, countywide approach to economic development.

- Coordinate the Port's visitor service strategy with the marketing efforts of the City and County Lodging Tax Advisory Committee (LTAC) programs.

- Collaborate with maritime non-profits, yacht clubs and downtown Port Townsend businesses to attract boating regattas and maritime educational activities on Port properties.
- Work with Jefferson County’s economic development organizations to retain and expand existing, and attract new, private sector businesses at Port properties, Jefferson County and the North Olympic Region.
- Convene an annual economic development summit for elected officials, private sector businesses, public agencies, and other groups interested in assessing and recommending solutions to economic development challenges facing the community.

Objective 2.3: Serve both residents and visitors by providing accessible Port properties, recreational opportunities, and by protecting historic and community resources.

- Aggressively pursue the development of new and expanded infrastructure and public services at Port properties.
- As appropriate, evaluate the potential for acquiring and managing public lands being transferred or sold by government entities.
- Seek public and private funding to rehabilitate historic buildings at Point Hudson.

Objective 2.4: Ensure that all new development of Port properties is compatible with existing uses, well planned, fiscally prudent, and consistent with City and County Comprehensive Plans.

- Actively participate in the periodic updates of the land use plans of Jefferson County and the City of Port Townsend. Advocate the inclusion of policies and implementation steps that support sustainable economic development.

Objective 2.5: Employ a “triple bottom line” approach that factors the economic, environmental and social consequences of in Port decision-making.

INFRASTRUCTURE MAINTENANCE & DEVELOPMENT

Strategic Direction #3: *To develop and maintain sound, safe and self-supporting infrastructure at all Port properties.*

Context: The Port of Port Townsend owns, manages, and maintains a variety of infrastructure throughout east Jefferson County, including marinas, an airport and associated buildings and properties. Port properties are home to a diversity of private businesses and recreational opportunities, from larger water dependent businesses (e.g., ship repair) to small sole proprietors. Providing adequate land and infrastructure to support Port tenants and visitors is vital to the long-term success of the Port. The Port seeks to manage its properties utilizing a “cost center” approach in order that each facility be as self-supporting as possible, recognizing that the objective of all Port operations is to serve as a catalyst for sustainable economic growth that serves the entire east Jefferson County community.

Objective 3.1: Maintenance of infrastructure is a top Port budgetary priority.

Objective 3.2: Identify public funding opportunities for specific high priority infrastructure maintenance projects.

- Lobby to secure funding for public infrastructure projects at Port facilities.
- Work to ensure that the community and local government decision-makers broadly support funding requests.

Objective 3.3: Pursue opportunities for new development and redevelopment of Port properties.

PUBLIC INVOLVEMENT & RESPONSIVENESS TO COMMUNITY NEEDS

Strategic Direction #4: *To sustain a high level of community involvement, that informs Port decision-making and builds public support.*

Context: The Port exists to serve the Jefferson County community and its visitors. To more effectively serve, we are dedicated to actively listen to our citizens and customers. Providing ample opportunities for the community to be involved in Port decision-making helps both to inform our decisions as well as the public. Supporting on-going opportunities for public involvement also helps us to be more creative and responsive to community needs, while demonstrating the depth of our commitment to community service.

Objective 4.1: Appoint an advisory committee as a broadly representative standing advisory body to provide input and assistance to Port management staff and the Port Commission in implementing this Strategic Plan.

- Adopt a resolution establishing an advisory committee, defining membership composition and terms, and duties and responsibilities, which should include the following:
 - Annually reviewing the progress made in implementing this Strategic Plan and making recommendations concerning potential Plan amendments; and
 - Serving as a sounding board on an ad hoc basis to review and provide input concerning potential new Port initiatives and business ventures not anticipated in this Plan.
- Upon formation, immediately task the advisory committee to collaborate with Port staff to develop a “Decision Support Matrix” (DSM) to help inform and guide Port Commission and management staff decision-making. Staff and the advisory committee should consider the guidance provided in Appendix “B” to this Plan, and ensure that the DSM addresses the following:
 - Clear thresholds to identify which types of major projects and decisions require assessment;
 - Direct, indirect and intangible economic costs and benefits of decisions;
 - Environmental consequences of decisions;
 - Community-wide social impacts, costs and benefits of decisions; and

- Consequences of new Port investments on existing customers.

Objective 4.2: Create and sustain positive relationships with stakeholders and the wider Jefferson County community.

- Conduct an annual stakeholder meeting to identify key concerns prior to the initiation of the budget process.
- Continue to conduct quarterly meetings involving community leaders from both the public and private sectors.
- Continue to conduct periodic bus/walking tours of Port properties and provide countywide briefings to educate and inform community members and elected officials about the economic, social and environmental benefits of Port properties and operations.

Objective 4.3: Maintain public outreach and education of the Port's mission and activities through a variety of media.

- Continue to inform and include key stakeholders in Port planning and development activities.
- As appropriate, establish advisory committees for specific Port projects.
- Continue publication of the Port's Quarterly Newsletter and Annual Community Report (i.e., for customers/tenants & community).

Strategic Direction #5: *To improve service to Port tenants, customers and the public.*

Context: Quality customer and public service is central to the Port's mission and vision. We are dedicated to being good listeners, and to providing prompt, responsive, and reliable service. Ensuring that our staff is adequately trained to always be helpful, courteous and knowledgeable is critically important in fulfilling this strategic direction.

Objective 5.1: Identify and implement methods to improve customer service.

- Conduct periodic customer satisfaction surveys (e.g., moorage tenants, RV users, pilots, leaseholders, etc.).
- Maintain a log of customer complaints and Port staff responses.
- Ensure that all communications received by the Port are acknowledged or responded to in a prompt and courteous manner.
- Port management staff should continue to visit Port properties on an impromptu basis to meet with tenants and business owners to better understand their issues and concerns.
- Port management staff should continue to maintain an "open door" policy to members of the public.

Objective 5.2: Encourage an internal Port culture of learning and growth.

- Continue to provide training opportunities in customer and community relations to Port staff.

FISCAL COMPREHENSIBILITY, TRANSPARENCY & ACCOUNTABILITY

Strategic Direction #6: *To strengthen the Port's financial performance and provide user-friendly financial and budgetary information to the public.*

Context: The Port challenges itself to find new and better ways of being fiscally responsible that are transparent and wholly consistent with state law and state auditor recommendations. We are dedicated to developing user-friendly informational materials to enable citizens to better understand and participate in Port budgetary decision-making. We are also committed to ensuring that our operational budgets are balanced and that capital infrastructure financing is examined from both short and long-term perspectives.

Objective 6.1: Maintain a financially solvent Port.

Objective 6.2: Maintain a financial plan that balances funds for capital maintenance, operations, and replacement of existing capital facilities with new capital projects, and which provides for prudent levels of financial reserves.

- Develop and adopt Financial Guidelines that clearly identify the accounts to be maintained within the Port's budget, the minimum funding level for each, the procedures for adding or eliminating accounts, as well as the process for changing minimum funding levels.
- Distinguish between new capital projects, capital replacement projects, capital maintenance projects and operations in the annual budgetary information prepared for each Port facility.
- Establish the necessary reserve funds to meet financial contingencies and maintain the financial solvency of the Port of Port Townsend.
- In addition to the reserve fund(s) already maintained by the Port, consider establishing the following reserve accounts:
 - *New Capital Projects Account* - to provide for installation, development and/or purchase of major equipment (e.g., travel lifts), facilities and infrastructure (e.g., docks and marinas) necessary for new or expanded operations; and
 - *Capital Replacement Account* - to provide for major repairs to, and replacement of, existing capital infrastructure owned by the Port (e.g., replacement of existing docks, major renovations to existing structures (e.g., the Port Administration building).
- Ensure that all rents, leases, rates and fees are fair and reasonable, factoring local social and economic conditions, cost, and market demand.
- Conduct periodic surveys to inform Port rent, lease, and moorage rates, as well as user fees.

- In establishing rent and lease rates and user fees for 501(3)(c) non-profit organizations, consider the demonstrated public benefit provided by the organization, and the degree to which those public benefits further the mission of the Port of Port Townsend.
- Develop and implement a system of user charges that fairly distributes the burden of capital projects, capital replacement projects, and operations and maintenance costs between direct users and indirect beneficiaries of the system.

Objective 6.3: Develop new ways to present budgetary information in “layman’s” terms to facilitate an open budgeting process understandable to the general public.

- Prepare a “Citizens’ Guide” to the Port’s annual budget, that explains key terms and concepts.
- Prepare individual Port facility financial information sheets that clearly describe in budget narratives the revenues and expenses for each facility in laymen’s terms, as well as sources and uses of funds.

Objective 6.4: Diversify the Port’s revenue base in a manner consistent with the “triple bottom line” approach to decision-making.

- Assess options to lease out certain Port operations.
- Seek to identify, acquire and rezone/develop appropriate lands for light industrial use within the Port District.

COMMUNITY STEWARDSHIP

Strategic Direction #7: *To become a recognized leader in environmental stewardship and the protection of community assets.*

Context: The Port is attentive in its role as the caretakers of a number of unique public properties. We seek to protect our community’s shorelines, improve stormwater management techniques, and safeguard Jefferson County’s maritime culture. We are dedicated to protecting the historic character of our properties and their important ecological features for current and future generations.

Objective 7.1: Continue to preserve and enhance important environmental resources on Port properties.

Objective 7.2: Provide innovative and proactive management and control programs to address specific environmental issues.

Objective 7.3: Build partnerships with non-profit organizations, schools and other governmental agencies to offer education and training in environmental stewardship and best management practices.

- Partner with non-profits and educational institutions to seek funding to expand marine trades training opportunities, particularly those associated with environmental best management practices (BMPs) and innovative technologies.

- Collaborate with the Jefferson County Marine Resources Committee (MRC) and other non-profits to educate boaters on wash-down techniques to avoid cross-contamination of water bodies by invasive species (e.g., “tunicates”).
- Support non-profit educational initiatives to enhance marine trades and expand on-the-water maritime experience programs, particularly introductory and youth-oriented programs.
- Work with Jefferson County and the City of Port Townsend to apply green building standards and obtain certification for new structures on Port properties (e.g., “LEED” Leadership in Energy and Environmental Design or other similar or equivalent certification).
- Champion the environmental stewardship efforts of local businesses, non-profits and the Jefferson County Marine Resources Committee (e.g., local businesses certified through the “EnviroStars Program” for reducing, recycling, and properly managing hazardous waste).
- Collaborate with ongoing efforts to maintain Port Townsend interpretive signs and marker buoys that foster boater education.

Objective 7.4: Pursue options for the long-term reasonable use and habitat preservation of the Port’s Kah Tai properties.

Appendix “A”

Summary of Strengths, Weaknesses, Opportunities & Threats Identified by the CAC (Autumn 2008)

The current **STRENGTHS** of the Port of Port Townsend include the following:

- Boat Haven Facility:
 - Supports a blue-collar maritime tradition
 - Is a working boat yard
 - Is a publicly accessible boat yard, where owners are able to work on own vessels, adding to the vitality of the facility and community
 - Travel lifts facilitate maritime industry
- Traditional Maritime Culture:
 - Port Townsend has retained its character as a working waterfront town
 - Community supports a diverse and experienced marines trades workforce
 - Local marine trades craftsmen enjoy a reputation for excellence
 - Maritime educational nonprofit organizations support traditional maritime culture
 - Local maritime industry holds an historic niche/brand, providing a secure market share (i.e., traditional maritime trades, like sail making and wooden boat building)
 - Wooden Boat Festival helps to maintain/strengthen traditional maritime culture
- Attractive & Unique Location:
 - Port properties lie at the “heart” of the community and significantly define its character as a working waterfront town
 - Boat Haven and Point Hudson properties anchor Port Townsend’s waterfront and tie it together with the historic Downtown
 - Port facilities are well located—for both boaters and marine trades—proximity of the boat yard to the marina is advantageous
 - Position on north Puget Sound is excellent for recreational boating, and recreational and commercial fishing
- Local Climate:
 - Mild weather and comparatively low rainfall facilitate on the water recreation
 - Benign weather facilitates nearly year-round work in the Boat Yard
- Port Townsend/Jefferson County Community:
 - Values environmental stewardship

- Possesses a diversity of highly educated, intelligent and talented people
- Has a tradition of forging successful partnerships with non-profit groups and private businesses
- Political Support from City & County:
 - Coupled with the Port's statutory authority - support provides a solid basis for promoting sustainable economic development
- Public Ownership of Key Waterfront Areas
- Economic Diversity:
 - Some are large, but most businesses are small and medium sized
- Port is Financially Solvent
- Strong Port Staff

The current WEAKNESSES of the Port of Port Townsend include the following:

- Shortage of Available Land & Infrastructure:
 - Lack of basic infrastructure (e.g., water/wastewater) - existing infrastructure is aging and in need of repair
 - Constrained footprint of facilities - areas for upland expansion are very limited
 - Boat Haven Marina too small to meet long term growth needs - both for moorage and yard space
 - Limited land and moorage capacity defines Port's market and creates intense competition among stakeholder groups (Port tasked with being all things to all people)
- Contentious Port & Community Political Culture:
 - Highly politicized culture as it relates to land use/infrastructure issues
 - Difficulty in achieving stakeholder and community consensus
 - Competing perspectives of County and City
 - Port mistrusted by some communities/stakeholder groups
 - Resources underused due to inadequate Port/County/City coordination
 - Lack of interest in, or understanding of, Port's authority, role and activities
 - Disconnect between public expectations versus available revenues
 - Competition between stakeholder groups for attention and scarce resources (e.g., transient versus local "blue collar" tenants, airport users versus moorage tenants)
 - Port Perceived as "Facility Managers" Not Economic Development Leaders

- Inadequate Policy & Planning Framework:
 - Lack of clear Port policy regarding what types of economic development should be supported (i.e., not all development that comes along is desired by the community or a good community fit)
 - Absence of longer term capital plan
 - Lack of planning results in a focus on maintaining/augmenting existing sources of revenue rather than facilitating the creation of new ventures
- Problems with Port Organizational/Operational/Internal Culture:
 - Internal organizational structure/chain of command insufficiently defined
 - Port management staff influence on decision-making
 - Insufficient customer orientation - tenants treated as “have nots”, staff at times unresponsive
 - Lack of track record of effective community involvement and communication - Port operations not clearly understood
 - Port perceived by some stakeholder groups as operating like a top down military bureaucracy - “exploiting” its position as landowner in the landlord/tenant relationship (e.g., cost shifting, raising moorage rates to cover debts unrelated to marina)
 - Focus on accommodating larger yachts encourages the perception that the Port is elitist
 - Port focuses on its own bottom line, rather than “triple bottom line” (i.e., economic, environmental, social)
 - Lack of women in Port organization
- Local Economic Conditions:
 - Weak National, State and local economy threatens Port operations (i.e., Boat Yard suffering, as are local visitor-oriented businesses)
 - Local marine trades are narrowly focused/limited - business needed from out of the immediate area
 - Lack of affordable housing coupled with limited industry support for school age families results in a shrinking labor force and a more pronounced - jobs/housing imbalance
 - Seasonality of local trades/businesses, especially marine-related (e.g., tourist shoulder seasons)
 - Distance from population centers places strains on local enterprise (i.e., visitation dependent upon fuel prices)

- Workforce Demographics:
 - Highly skilled marine trades workforce is aging, with prospects for a successor generation dim
 - Critical workforce skills in jeopardy due to lack of available training (e.g., welding)
 - Graying population means a highly educated populace on fixed incomes along with a shrinking labor force that limits local industry
- Mixed Perception of the Quality of Local Marine Trades
- Loss of Port of Entry Status:
 - Diminishes visitation by Canadians
 - Decreases visits by tall ships
- Education:
 - Opportunities for vocational training related to critical local trades are inadequate
- Unrealized Tourism Potential in South County
- Increasing Difficulties for Small Boat Owners:
 - Diminishing points of access to marine waters (e.g., fewer boat ramps)
 - WDFW management policies (i.e., fish closures) increase competition for use of available facilities
 - Rebuild of A/B dock likely to result in fewer slips under 25 feet

The current OPPORTUNITIES presented to the Port of Port Townsend include the following:

- Community Collaboration/Consensus Building:
 - Opportunity for citizens, stakeholders, City and County governments and the Port to cooperate more effectively to achieve clearly identified community goals
 - Occasion for the Port to take the lead in providing more fair and equitable service to its customers and community (e.g., to implement a “cost center” management perspective, rather than “cost shifting”)
 - Opportunity to promote volunteerism in pursuing community/Port objectives
- Economic Development Leadership:
 - Port can work with the community to better define its role and mission in promoting targeted and sustainable economic development
 - Port can leverage its statutory authority to more effectively influence the local economy through targeted projects
 - Port can take a leading role in promoting the “new” economy - promoting green jobs and the use of new energy sources and emerging technologies

- Port can serve as an economic catalyst by providing locations for business startups and spearheading local economic development initiatives
- Partnerships with Local Governments, Non-Profits & Businesses:
 - Large opportunity to more effectively define and coordinate the efforts of the Port, City, County and local non-profits (e.g., the NWMC) to avoid overlapping and duplicative economic development efforts
 - Opportunity to forge grant money partnerships with local non-profits to fund projects (e.g., NWMC/City streetscape improvements)
 - Port can help the City implement the goals of the Comprehensive Plan and Shoreline Master Program
- Changing Land Uses & Designations:
 - Opportunity to explore the expansion of land use and zoning designations supporting light manufacturing (e.g., at the Jefferson County International Airport)
 - Opportunity to more efficiently allocate land leases in the upland areas of the Boat Haven
- Improved Marketing/Branding:
 - Prospect exists for Port Townsend/Jefferson County to serve as a worldwide model as a sustainable maritime community
 - Opportunity for Port to take a larger role in marketing the Port and solidifying the niche/brand of the community
 - Continued/expanded support of the Wooden Boat Festival
 - Opportunity to market “Mid-Channel Bank” as the best King Salmon fishing location on Puget Sound - creating a magnet for recreational fishermen
- Changes in Communications Network & Information Technology:
 - Expanded broadband fiber network will change wireless communications and provide new economic development opportunities
- Education/Vocational Training:
 - Opportunity to support greater marine trades-related vocational education (e.g., composite materials, welding)
 - Vocational training can help to provide viable career paths for local youth, thereby mitigating the trend towards a retirement residential community
- Expanded South County Involvement:
 - Provide more support to Coast Oyster
 - Explore opportunities for partnering with Black Point Development Corporation to expand south Jefferson County visitation

The current THREATS confronting the Port of Port Townsend include the following:

- Increasingly politicized and polarized community threatens efforts to achieve a community consensus regarding economic development
- Land Use/Infrastructure:
 - Without expanded zoning for light manufacturing uses, future prospects for local economic growth are threatened
 - Aging/failing, inadequately maintained infrastructure endangers continuation of existing operations
 - Cost of repairing/replacing failing infrastructure limits the ability to pursue new initiatives
 - Cost of replacing failing infrastructure at odds with maintaining low moorage rates
- Inadequate Planning/Management:
 - Lack of clear policies and objectives causes confusion as to mission and role
 - Lack of policy priorities results in missed economic development opportunities and dissipation of scarce organizational resources (both human and financial)
 - Inadequate management misuses meager financial resources
 - Cost shifting from the Boat Haven Marina to other Port facilities, coupled with rising moorage rates to fund infrastructure repairs, threatens existence of small wooden boat culture
- Increasingly Weak Economy:
 - Rising costs of materials, housing, insurance, etc. undermine the ability of local businesses to effectively compete
 - Shrinking national economy especially threatens marine trades that depend upon recreational/pleasure boating
 - Fuel costs threaten recreational boating and tourist visitation
- Changes in the Regulatory Environment:
 - Changes in Federal/State requirements are difficult to anticipate and continue to increase the cost of Port operations
- Competition from Other Ports:
 - More organized/focused and better managed Ports
 - More advantageously located Ports (i.e., closer to Puget Sound population centers)
 - Transportation links to and from the North Quimper Peninsula create supply difficulties for some industrial uses that other Ports do not face

- Fishing Industry Shifting Away from Puget Sound:
 - As this occurs, the business niche for providing haul-out and repair services to this industry will also shift
- Limited Future Financial Capability & Options for New Initiatives:
 - Past decisions significantly limit the Port's present options for new initiatives
 - In turn, this threatens to further degrade the Port's community perception and capabilities

Appendix “B”

Triple Bottom Line (TBL) Decision-Making & the “Decision Support Matrix” (DSM)

Background

Triple Bottom Line is a process of decision-making that contributes to sustainability by considering social, environmental, and economic factors equally. TBL is a key initiative within the Port’s Strategic Plan, and is intended to help inform and guide Port decision-making regarding major projects. Under Objective 4.1, the Community Advisory Committee (CAC) is charged with working with Port management staff to develop a “Decision Support Matrix” (DSM) to help inform Port decision-making. This appendix describes the rationale for TBL, and highlights factors for the CAC to consider in developing the DSM.

Rationale for TBL

Acting as an information gathering mechanism and guide for sustainable business practices, TBL is a means to help put into action the strategic directions and supporting objectives of the Strategic Plan. The TBL framework will be used to inform Port decisions and help establish priorities as it works to improve the quality of life for Jefferson County residents.

TBL at its narrowest is a framework for identifying and reporting the anticipated consequences of significant Port decisions (e.g., major capital investments) on local economic, social and environmental arenas. In effect, TBL is a planning and reporting mechanism, and decision-making framework used to foster sustainable outcomes.

The TBL approach can help to:

- Align the Port’s vision and values with its actions;
- Improve Port governance;
- Improve stakeholder relations and dialogue;
- Facilitate monitoring, measuring and management of the risks and opportunities associated with significant decisions;
- Foster innovation and leadership;
- Systematize and institutionalize best practices; and
- Improve internal communications.

The TBL Decision-Support Matrix (DSM)

The Port intends to develop a Decision-Support Matrix (DSM) as a decision-support tool and practical manifestation of the TBL concept. The DSM should establish clear thresholds to identify which major Port operational and capital decisions should be subject to the evaluation criteria and process. It should also help to make transparent the implications of decisions and enable the Port Commission to plan effectively and identify whether a proposed action is consistent with the Strategic Plan. Staff will use the DSM to evaluate proposals going before the Port Commission (e.g., proposals to undertake major capital projects, like a Boat Haven Marina expansion) and both staff and Commission will use it to integrate TBL into Port

planning. The DSM will be a critical foundation stone, helping to build a structure that ensures the principles of TBL take root in Port processes. In developing the DSM, the CAC should contemplate incorporating and developing the following:

- Clear thresholds which determine which types of major projects and decisions require assessment;
- A DSM/TBL checklist, which assists staff in preparing a DSM consistency evaluation for the Port Commission; and
- Explanatory notes, which might assist Port staff in interpreting the DSM and checklist (e.g., definitions and cross-references that relate specific Strategic Directions and Objectives with DSM criteria).