

Board of Commissioners

Frank Spence – Chairman
Dirk Rohne – Vice Chairman
Robert Stevens - Secretary
James Campbell – Treasurer
William Hunsinger – Assistant Secretary

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Workshop Session

April 3, 2018 @ 4:00 PM
10 Pier 1, Suite 209, Astoria

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting by calling the Port of Astoria at (503) 741-3300.

1. CALL TO ORDER
2. ROLL CALL
3. PLEDGE OF ALLEGIANCE
4. CHANGES/ADDITIONS TO THE AGENDA
5. ACTION ITEMS:
 - a. Appointment of Budget Committee Members
6. STRATEGIC PLANNING SESSION
7. UPCOMING MEETING DATES:
 - a. Regular Session – April 17, 2018 at 4:00 PM
8. ADJOURN

DRAFT

Strategic Business Plan

Port of Astoria

2018—2028

Draft-5



Table of Contents

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I. Port History and Mission

A. History

The Port of Astoria was established in 1910 as a governmental Special District organized under ORS 777, operating as a competitive business enterprise as well as a public service agency. An elected Board of Commissioners sets policy for management by the Executive Director.

The Port is located in Clatsop County in the extreme northwest corner of Oregon, where the Columbia River meets the Pacific Ocean. Approximately 90 miles from Portland, highway access is via Oregon Highways 26 and 30 and across the Astoria-Megler Bridge via Washington Highways 101 and 8. The Astoria Branch of the Portland & Western track currently no longer runs to Astoria.

The Port of Astoria manages a combination of marine, marina, industrial, and aviation facilities. These facilities are primarily located in the City of Astoria (Port waterfront properties and infrastructure) and the City of Warrenton (airport and industrial properties).

The Port offers services to commercial and recreational boaters at its two marinas and boatyard, to commercial and cargo vessels, fish processing, cruise ships, and research vessels, and operates the Astoria/Warrenton Regional Airport. The Port has industrial and commercial leasing opportunities on its properties at the Airport, Skipanon Peninsula, and waterfront locations.

B. Mission Statement

The Port of Astoria seeks to generate economic growth and prosperity in a safe and environmentally responsible manner for its citizens through creation of family wage jobs and prudent management of its assets.

C. Strategic Vision

The Port of Astoria Commission's long-term vision is to be a significant contributor to the community's and state's economic development and a catalyst for job and business creation. The Port addresses this vision by:

- ✚ Maintaining and improving its existing infrastructure to better support existing business lines and tenants.
- ✚ Supporting new businesses through maintaining deep-draft terminal capabilities, leveraging assets to support commercial fishing and tourism, and marketing a variety of industrial properties.
- ✚ Evaluating the financial sustainability and economic resiliency of marine facilities for inclusion in the Port's industrial properties portfolio.
- ✚ Providing a flexible yet disciplined framework for evaluating and responding to new and emerging markets or business opportunities.

D. Port Goals/Strategic Objectives

The Port of Astoria's two primary goals promote economic development within the Port District. These goals are:

- ✦ Creation of needed new family-wage jobs as well as additional employment opportunities within Clatsop County.
- ✦ Maximization of the use and income from its existing resources and facilities to support job and economic development opportunities.

The Port's strategic objectives specific to each of its properties include:

- ✦ Deep Draft Piers: Maintaining and enhancing the deep-draft terminals' ability to support cargo shipping, topside repair, commercial berthing, boat repair, and fish processing.
- ✦ Marinas: Providing high-quality facilities and amenities to best support and grow Astoria and support Clatsop County's fishing industry, recreational boaters, and tourism.
- ✦ Port of Astoria Regional Airport: Improving the airport as a regional transportation asset, supporting USCG Group Astoria, and marketing industrial properties.
- ✦ Skipanon Peninsula: Reserving the 200-acre parcel, which includes significant wetlands, for potential new business opportunities or to provide mitigation for other off-site Port development.
- ✦ South County: Working with Clatsop Economic Development Resources (CEDR) and other economic development partners, continue to coordinate and find opportunities to support South County economic development.

E. Plan Organization

The Strategic Investment Plan outlines the Port's strategic vision in its primary locations:

- ✦ Piers, marinas, and upland properties on the Astoria waterfront
- ✦ Waterfront, piers, upland properties, and structures
- ✦ Port of Astoria Regional Airport
- ✦ Skipanon Peninsula

The plan describes the general priorities and opportunities associated with each operational area and the type of investment strategy or planning action anticipated on the sites over a three- to five-year horizon. This Strategic Business Plan replaces the Port's current strategic plan dated May 2010.

When implemented, this will provide the Port with a coordinated investment strategy that:

- ✦ Addresses critical core infrastructure maintenance needs.
- ✦ Supports existing tenants and lines of business.
- ✦ Provides a framework for evaluating investments that promotes additional employment opportunities within Clatsop County.

- ✦ Builds on and protects the Port's most productive revenue sources.
- ✦ Gives the Port the flexibility and financial strength to respond to and expand on future business opportunities.

F. Planning Process

Over the past year, the Port Commission and staff embarked in the following activities to develop this new Strategic Business Plan:

- ✦ Review of existing Port and cities of Astoria and Warrenton planning documents.
- ✦ Public work sessions with the Port Commission
- ✦ Port presentations to the NW Oregon Regional Solutions Team, Columbia-Pacific EDD, NW Oregon Area Commission on Transportation, Clatsop Economic Development Resources (CEDR), cities of Astoria, Seaside and Warrenton, Astoria/Warrenton and Seaside Chambers of Commerce, North Coast Regional Business Plan Committee, CREST Council of Governments, and Regional City/County Managers Team
- ✦ Analysis of Port revenues and financial control measures
- ✦ Individual meetings with Port staff to collect data and review the process
- ✦ On-site review of all Port facilities

As the new Strategic Plan continues to evolve, additional outreach activities will include:

- ✦ Ongoing work sessions with the Port Commission
- ✦ Discussions with the Columbia River Steamship Operators, Pacific NW Waterways Association, River Pilots, Merchants Exchange, Business Oregon Business Development Officer.
- ✦ Public Open House (Date TBD)

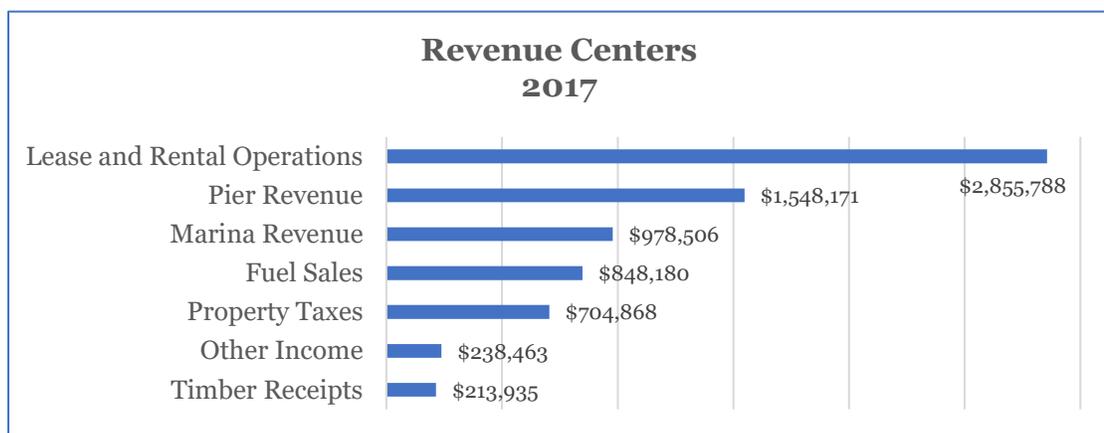
II. Port Overview

A. Port Description

- 1. Operations, Facilities and Property.** The Port of Astoria owns and operates the following facilities:

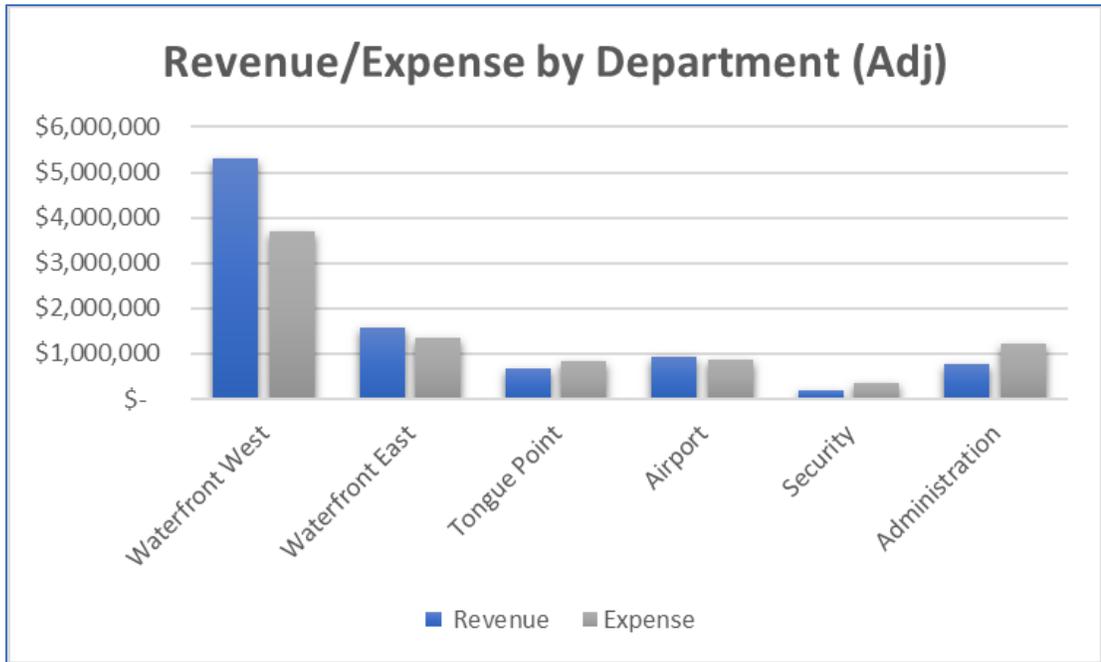
- ✚ **Astoria Central Waterfront.** Port-owned in-water facilities at Astoria’s central waterfront include the West Mooring Basin Marina (330 slips), the East Mooring Basin (82 slips), and upland properties—Riverwalk Inn, Chinook Building, Bornstein Seafoods site, Pier 2 Marine Terminal Building, and Port Security and Gateway buildings. Central waterfront and boatyard tenants include Bergerson Construction, Englund Marine & Industrial Supply Company, Astoria Forest Products and Riverland Development.
- ✚ **Central Waterfront Piers and Docks.** The Port owns 7,250 linear feet of dock face on three piers: Pier 1 is the Port’s primary deep-draft cargo and utility pier; Pier 2 is used for general-use berthing, a fishing fleet support facility, and seafood processing; and, Pier 3 is the Port’s Marine Service Center, boatyard, and log sort yard.
- ✚ **Port of Astoria Regional Airport.** The airport is FAA-classified as Non-Primary Regional General Aviation, with Class E non-towered, controlled airspace. The planning standards for the airport are for aircraft with approach speeds of 91–121 knots, and wingspans of 79’ or less. The Airport serves Clatsop County, Oregon and the southern half of Pacific County Washington. Major tenants include: LEKTRO, a manufacturer of aircraft ground support equipment; Columbia River Bar Pilots; LifeFlight; and United Parcel Service. There are also 40 T Hangar tenants. Adjacent to the airport is a 45-acre industrial park, housing Recology, Precision Heating and Indoor Air Quality and Overbay Houseworks.
- ✚ **Skipanon Peninsula.** The peninsula has more than 200 acres of undeveloped property. This property contains significant amounts of dredge/fill material plus significant wetlands. Potential for business development is limited due to diking and wetlands issues. However, the land may have potential to provide mitigation for other off-site Port development.

- 2. Revenue Centers.** The Port derives its \$7.4 million (non-grant) operational revenue primarily from 6 revenue centers:



* Note: Lease and Rental Operations includes Tongue Point, which sold in December 2017.

Overall, the Port’s revenue to expense ratio has been trending positive over the last two years, although broken down by department, the administrative functions generally operate at a deficit.



The Port sets aside approximately 21% of its revenue for capital improvements (\$1.8 million in 2017). Current estimate of needed capital improvements is \$66 million.

- 3. **Non-Revenue Activities.** What activities or facilities does the Port operate or own don’t generate income and/or require ongoing subsidies? Do any of those facilities or amenities contribute to revenues generated from other Port activities or facilities?

B. Port Resources

- 1. **Operational.** What revenue does the Port derive from operations, both before and after depreciation is accounted for?
- 2. **Non-Operational.** What tax or other ongoing non-operational revenues (timber receipts, Marine Board maintenance grants, FAA funds, etc) does the Port receive? Are Port properties included in an Urban Renewal District generating monies for specific Port projects?

In 2017, the Port received nearly \$4 million in grant funding for repaving of the Airport runway and taxiways, or 35% of its total annual revenue. The City of Astoria’s Astor-West Urban Renewal District boundaries include Port waterfront boundaries. Funding from the District can assist with the construction of public facilities, improvement of transportation and utility facilities in the renewal area, rehabilitation of older and historic structures, and creation public amenities. Property at the Airport is within Clatsop County’s Enterprise Zone, which provides tax exemption for capital improvements.

3. **Outside Sources.** What is the annual average of grant dollars the Port has received during the past 5 years and what have they been used for?

C. Port Principles, Policies and Procedures

1. **Business and Management Principles.** The Port of Astoria operates under the following guiding principles when implementing its Strategic Business Plan:
 - ✦ Projects must fit the Port’s Mission and Goals
 - ✦ Projects must be financially feasible and meet minimum Return of Investment (ROI) as established by the Port’s Financial policies—excluding emergencies and environmental protection
 - ✦ The Port must operate under sufficient resources—both budgetary and staffing
 - ✦ Projects must be sustainable through planned maintenance budgeting and revenue management
 - ✦ Projects must be community supported
 - ✦ The Port may acquire new land for future development purposes and/or mitigation if advantageous to the Port
 - ✦ Projects that protect the Port’s revenue sources (infrastructure repairs/improvements) or create new sources of revenues take priority—except for projects that address safety, security and/or environmental issues
2. **Operating Procedures.** What is the management structure and what is the division of authority between management and the Port Commission? How do all policies and procedures support the Port Mission Statement?

In the last two years, the Port’s personnel policies have been updated to current legal requirements, new financial policies and controls are in place, and attorney-facilitated updated organizational Bylaws have been adopted.

3. **Governances.** The Port maintains a written set of “Board Ground Rules.” The rules (Resolution 2008-5) were adopted by unanimous Commission vote on May 27, 2008. The rules provide guidance for commissioners on community responsibility, communication between commissioners and staff, general commissioner responsibilities, and the purpose and “appropriate” need for executive/closed sessions. The Board Ground Rules also outline the need for all commissioners to follow the rules and consequences for not doing so.

Although the Board Ground Rules spell out various commissioner responsibilities, they do not contain a clearly defined process for enforcement.
4. **Commission.** The Port of Astoria Commission consists of five commissioners. The current Commission includes two commissioners with lengthy Port Commission experience and three newly elected commissioners. The commissioners have diverse business backgrounds, including fishing, longshore activities, municipal government, agriculture, other? .
5. **Staff/Professional Development.** Over the last two years, the Port has moved toward a business model of having in-house professional staff capacity in-lieu of contracting for most legal and accounting services. This added capacity gives the Port more resources for the financial analyses which are being required of all new and expanded business and investment activity.

The Port continues to encourage ongoing education and training for employees to enhance job performance and assist in potential career advancement within the Port.

Most notably, the Port utilizes the opportunities offered by the Special District Association of Oregon (SDAO) for employee training necessary and beneficial to the delivery of services and performance of duties.

Employees may request compensation for the costs of college-level, technical, or other academic coursework, seminars, and conferences relevant to their current or future roles in the organization. Such requests must be made in writing to the department head and forwarded with a recommendation to the Executive Director for approval prior to the employee's enrollment or participation. Reimbursement for college-level coursework are made if the employee receives a passing grade. All training activities involving a cost to the Port must be approved in advance, in writing.

All employees are required to participate in any training sessions mandated by the various training and safety programs adopted by the Port. In addition, the Port may from time to time require additional training sessions to ensure that each employee's job knowledge and proficiency are maintained at the highest possible level.

Attendance at these training sessions is mandatory, and failure to attend, without prior authorization from the Executive Director, results in the loss of one vacation day for each day of training so missed.

D. Financial and Market Conditions

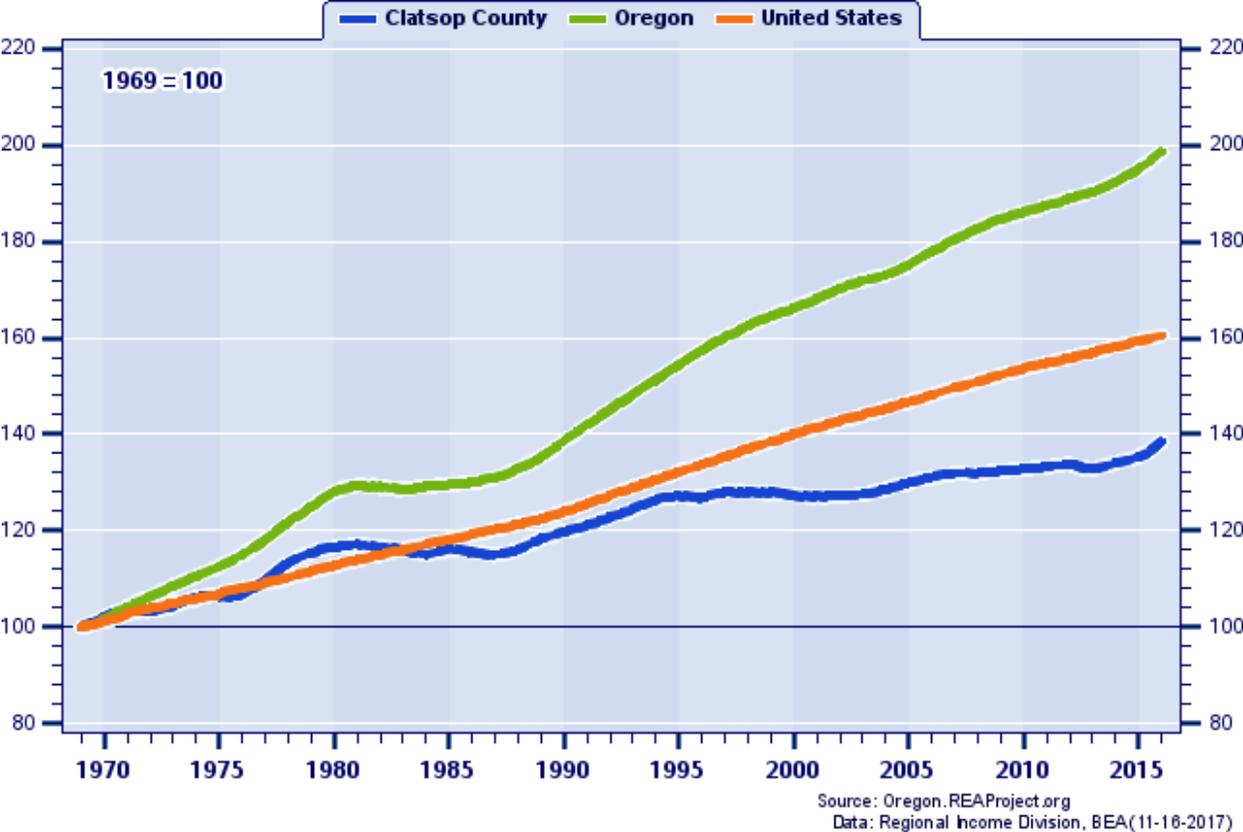
- 1. Competition.** What are the Port's and community's competitors (Other ports, other facilities, other communities or regions)? Do Port activities and facilities compete with private operations in the region?
- 2. Existing Markets.** What existing markets are served by the Port and community's facilities?
- 3. Port Resources and Financial Condition.** What are the Port's resources (operational surpluses, staff capacity) and assets (industrial land, buildings, other facilities) and what is the trend in the Port's financial condition and capacity?
- 4. Summary.** The Port of Astoria is a diversified operation, with assets that are critical to the economy of Clatsop County. Included in these assets are:
 - ✚ Boat marinas that support the strong local fishing industry,
 - ✚ Industrial space where new businesses can locate and existing businesses can grow,
 - ✚ An airport that supports general aviation, LifeFlight and the Coast Guard,
 - ✚ Piers that host cargo and cruise ships, research vessels, and other maritime traffic, and
 - ✚ Highly-visible lodging property in a growing tourism area.

III. Defining the Opportunity

The Port of Astoria district boundaries cover most of the populated areas of Clatsop County, Oregon. Clatsop County is located in the northwest corner of Oregon, bordered on the west by the Pacific Ocean and on the north by the Columbia River. The county occupies an area of 873 square miles. Clatsop County’s 2016 estimated population of 37,660 ranks 19th in Oregon.

A. District Demographic Profile

1. Age. Since 1969, the population of Clatsop County has grown more slowly than the national average, and well behind that of Oregon’s population growth rate. Clatsop County’s overall population growth was 38.4% from 1969-2016 trailed, Oregon’s nearly doubled at 98.5%, while the United States’ increase was 60.5%.

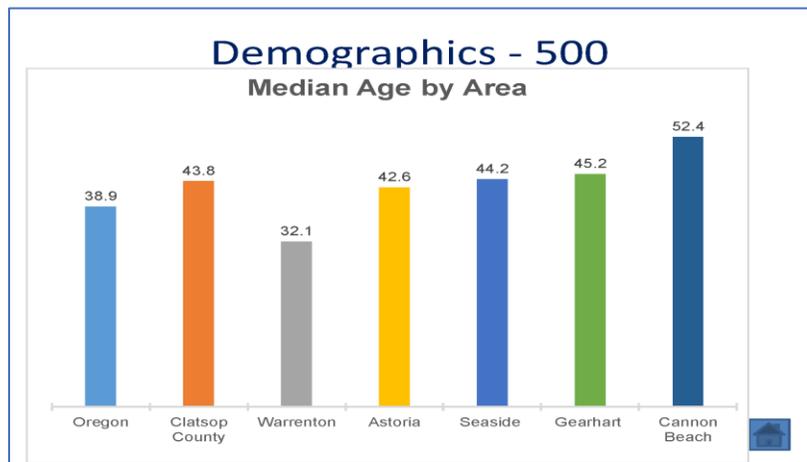


This is significant because attracting and retaining people to live, work, raise a family, and retire underlies the economic vitality of any region. Population growth is both a cause—and a consequence—of economic growth. Patterns of population growth and change reflect a region’s ability to attract and retain people both as producers and consumers in their economy.

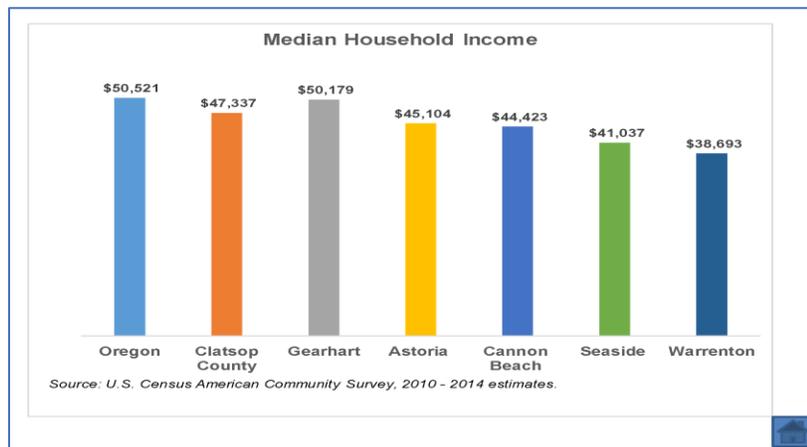
According to the State Office of Economic Analysis, population growth is not expected to accelerate over the next decade. Projections for the 2020 population indicate a slowing of population growth.

The fastest age demographic growth has been in the 65 years and older age group, demonstrating the area’s appeal as a place to retire. Since 2000, the number of residents 24 and younger has declined. Median age of the population is important because it is an indicator of the economic resiliency of Clatsop County. The County’s Worker Dependency Ratio tracks the ratio of potential workers to non-working residents. By 2040, it is projected that there will only be approximately 1.2 workers for every non-working resident in NW Oregon. This ratio ranges from 1.1 workers per non-worker in Clatsop and Tillamook counties to 1.3 workers per non-worker in western Washington County.

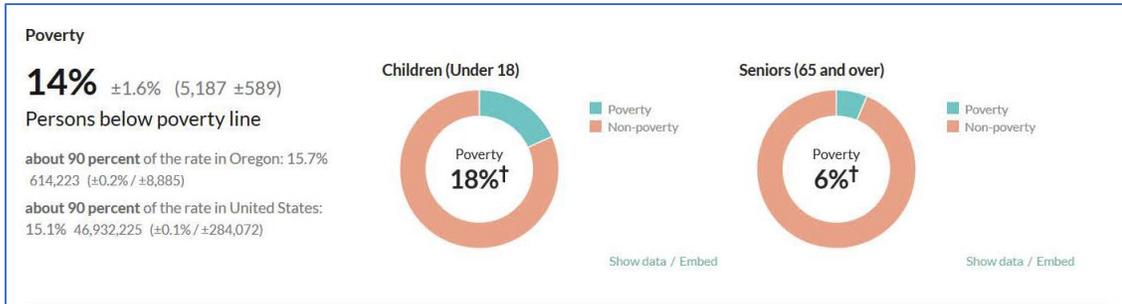
However comparatively, Clatsop County has more working age adults than many rural counties, and close to average numbers of youth and seniors. Clatsop County ranked 10th out of Oregon’s 36 counties for having the highest share of adults ages 18 through 64. Clatsop County also has a natural increase (more births than deaths) in its population of about 0.5 percent per year, unlike most rural counties in Oregon, which have more deaths than births.



- 2. **Income.** Clatsop County’s Median Annual Income at \$47,337, is about 80% of the median statewide of \$50,521. As the region’s economy experiences growth in service industries, the resident income has fallen significantly below that of both the state and the nation, despite general growth in the economy.



3. **Poverty.** Data from the US Census 2016 American Community Survey 5-year estimates indicates Clatsop County’s poverty rate is less than both Oregon’s and the US rates. Three percent of the County’s population is homeless.



4. **Housing.** Housing in Clatsop County is less affordable than the rest of the State. This is a function of the lack of high-paying jobs in the county combined with the amount of high-value beach community property.



This is a priority issue for the County (and the State.) Lack of affordable housing for the County’s workforce is limiting business expansion and recruitment. The table below compares the housing supply to the County’s Median Family Income (MFI) of \$58,825.

Shortage of Affordable Units, 2010-2014

Renter Affordability	< 30% MFI	< 50% MFI	< 80% MFI
Renter Households	985	2,170	3,570
Affordable Units	740	1,475	4,970
Surplus / (Deficit)	(245)	(695)	1,400
Affordable & Available*	240	850	3,385
Surplus / (Deficit)	(745)	(1,320)	(185)

**Number of affordable units either vacant or occupied by person(s) in income group.*

Owner Affordability	... for MFI	.. for 80% MFI	.. for 50% MFI
Max Affordable Value	\$229,751	\$183,801	\$114,875
% of Stock Affordable	43.6%	28.3%	12.4%

5. **Schools.** Clatsop County has five public school districts with a total of 5,020 students. Clatsop Community College offers a comprehensive curriculum. The College’s Community Education Division works with area employers, business, government and industry to develop customized employee training. Curriculum includes standard academics, as well as professional-technical programs for nursing, marine technology, criminal justice, integrated technology, accounting, business

management, emergency medical and fire services, and others. A wide range of general interest courses and special programs are offered as well.

Tongue Point Job Corps Center is operated by the Management & Training Corporation (MTC). This is a co-educational job-training program for people ages 16 to 24, from low-income backgrounds.

Approximately 500 students are enrolled in training programs for business, word processing, and data entry, or in the MTC's full-time college program.

- 6. Mobility.** Over a fifth (21.1%) of Clatsop County's population have moved since the previous year. This is higher than both the State (18.1%) and national (14.8%) national averages. The vast majority (79%) move within the county. However, given the slow growth rate of the resident population, the 20% in-migration is important for economic growth. (US Census, 2016 American Family Survey estimates)
- 7. Work Travel.** Mean travel time to work is 18.8 minutes, with most workers driving alone. A majority of Clatsop County workers have jobs within the county. The county's economy is largely clustered in its northwest corner, where Astoria, Warrenton, Seaside, and Gearhart are located. Astoria was the most popular destination for work for Clatsop County residents followed by Seaside. A fair number also commuted out of the county to metro areas in the Willamette Valley. Although the county is connected to the State of Washington by the Astoria-Megler Bridge, there isn't a large out-commute for work.. Nor do many county residents commute south to Tillamook County for work; only 2 percent did so in 2014. Roughly 43 percent of Clatsop County's working residents have their primary worksite out of the county, mostly in metro areas. This could indicate workforce need for more local jobs.

B. District Economic Profile

Clatsop County’s economy relies on government-related activity, service/healthcare businesses, retail sales, forestry, forest products processing, fishing and seafood processing, and tourism. However, the region’s economy is transitioning from being natural resource-based. While these industries still maintain an important presence in the County, other industry growth is outpacing the County’s traditional sectors.

Employment by Industry Sector (2015)

Jobs by Industry	# of Jobs 2015	% Change Since 2009	2015 Average Wage
Education, Healthcare	3,429	13.6%	\$46,487
Leisure, Hospitality	2,705	-12.6%	\$21,028
Retail Trade **	2,422	-10.2%	\$30,180
Manufacturing	1,466	-0.5%	\$56,261
Professional, Scientific	1,159	-17.5%	\$30,540
Construction	1,139	-17.6%	\$39,042
Finance	974	15.7%	\$36,649
Public Administration	968	40.5%	\$20,353
Other Services	654	7.7%	\$51,163
Natural Resources	648	-23.5%	\$44,013
Transportation**	625	-14.1%	\$30,180
Wholesale Trade **	388	44.2%	\$30,180
Information	266	-9.2%	\$39,170
Total	16,843	-2.9%	

**Combined average wage per Bureau of Labor Statistics

Fastest Growing Industry Sectors (2015)

Jobs by Industry	# of Jobs 2015	% Change Since 2009	2015 Average Wage
Wholesale Trade **	388	44.2%	\$30,180
Public Administration	968	40.5%	\$20,353
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Highest Average Wage (2015)

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Public Administration	968	40.5%	\$20,353
Total	16,843	-2.9%	

**Combined average wage per Bureau of Labor Statistics

Unemployment

Clatsop County’s unemployment has dropped from a high of nearly 12% in January 2010 to 4% in September 2017.



C. Trends for Regional Key Industries

Which industries are growing, which are mature (flat) and which are in decline?

D. Industry Trends for State and Nation

Which industries are growing, which are mature (flat) and which are in decline?

E. Analysis

How does the district's income, poverty and educational levels compare to the state and the nation? How are the demographics of the district changing? What's happening with the region's workforce and what are the job trends for the region? What's happening with the region's key industries (manufacturing, tourism, natural resources, services, etc.) - which are growing, which are declining – and how does that contrast with state and national trends?

IV. Policy Context

A. Threshold Statement

The Port's Strategic Business Plan has been prepared utilizing Port resources, and is based on template provided by Business Oregon's Port Division. The Port is committed to following its governances and this Plan. The Port of Astoria updates its five-year capital plan and goals and objectives annually as part of the annual budgeting process. Sitting Commissioners have undergone board training and have agreed on procedures for handling conflict-of-interest issues and have agreed to follow best practices and fiduciary responsibility as defined above. Flexibility has been provided in the plan to allow for unanticipated business opportunities that contribute to the Port's economic development or revenue enhancement goals.

B. ORS 777

Under ORS 777, the Port of Astoria has expansive authority to regulate all aspects of maritime commerce at the mouth of the Columbia River. The Port of Astoria's mission is to generate economic growth and prosperity in a safe and environmentally responsible manner. If the Port determines that particular safety and environmental concerns are not being addressed in the Astoria harbor, the Port could adopt regulations and a funding mechanism to address those needs. The appropriate next steps are (1) to evaluate the scope of unmet safety and environmental needs, (2) to examine the cost of the Port providing the equipment and personnel to address these needs and (3) if the Port determines regulation is necessary, to develop an appropriate package of regulations and the associated tariff of charges.

Chapter 777 also provides expansive powers to Oregon port districts by providing broad venues within which ports may acquire, own and operate facilities that accomplish their purposes. The Port's long-term vision is to be a significant contributor to the community's and state's economic development and a catalyst for job and business

creation. The Port implements ORS 777 by:

- ✦ Maintaining and improving its existing infrastructure to better support existing business lines and tenants.
- ✦ Supporting new businesses through maintaining deep-draft terminal capabilities, leveraging assets to support commercial fishing and tourism, and marketing a variety of industrial properties.
- ✦ Evaluating the financial sustainability and economic resiliency of marine facilities for inclusion in the Port’s industrial properties portfolio.
- ✦ Providing a flexible yet disciplined framework for evaluating and responding to new and emerging markets or business opportunities.

C. ORS 198

Oregon Revised Statute 198 is the State’s organizing statute for Special Districts. All of Oregon’s ports are defined as “Special Districts” and have administrative regulations regarding district formation, modification and dissolution, and the adoption of ordinances and regulations.

The Port’s policies and procedures, updated in 2017, incorporate the administrative regulations of ORS 198 into the standard practices, operations and decision-making processes of both the Port Commission and Port staff.

D. Environmental Issues

Describe the Port’s environmental values, practices and policies, and what the Port’s role is in addressing local and regional environmental issues.

E. Statewide Planning Goal 9—Economic Development

How the Port has and is addressing Goal 9 (ownership of industrial or commercial lands or buildings; pursuing opportunities to purchase and develop industrial land and commercial lands). What are available properties that would enhance the Port’s ability to meet its economic development and revenue goals? Does the Port have adequate resources to do so?

F. Statewide Planning Goal 12—Transportation

What has the Port done and is doing to address Goal 12. What transportation facilities (marinas, docks, airports, etc) does the Port own or operate? Are the Port’s transportation projects and needs included in local and regional Transportation Plans?

G. Statewide Planning Goal 17—Water Dependent Use

What is the applicability of Goal 17 to Port waterfront lands? Does property need to be preserved for maritime cargo activity or other marine-related activities? Is there waterfront property that could or should be redeveloped to increase economic activity, support local services and provide increased revenues for the Port?

H. Statewide Port Strategic Plan Recommendations

This plan supports the recommendations of the Oregon Statewide Port Strategic Plan for:

- ✚ Investing to grow existing businesses
- ✚ Developing plans and infrastructure to "tap into emerging markets"
- ✚ Consistency with the goals and objectives of the statewide template for Port Strategic Business Plans

This plan is structured to link investments with their ability to meet the requirements of the following:

- ✚ Business Oregon Marine Navigation Improvement Fund
- ✚ Business Oregon Port Planning and Marketing Fund
- ✚ Business Oregon Port Revolving Fund
- ✚ Connect Oregon

What is the Oregon Statewide Strategic Port Plan Recommending?
Strategic Plan = Business Plan

Oregon's Statewide Port Strategic Plan will be a business plan between the state of Oregon and each of Oregon's Ports. It will:

- Better organize the institutional relationship between each port and the state.
- Create a state port investment fund with components based on port size and market differences, which will fund the state's highest port priorities based on need, job creation, ability to advance Oregon's key industries, and financial ability to operate and maintain the investment.
- Establish a port-oriented training program for port commissioners and managers.
- Create a Marine Transportation mode program through ODOT and the Oregon Public Ports Association, and
- Organize a strategic response group led by OSPO which will organize state agencies to respond to special port business opportunities or to emergency situations.

What the Ports Get:

- Revised & centralized program objectives (efficiency)
- Coordinated Funding Programs
- State Advocacy and Support for Business Development, Permitting, Regulatory, Legislative Matters
- State supported training and certification programs

What the State Gets:

- Formal Business Relationship with Each Port
- Funding tied to Priority Business Relationship, RICE and ability to maintain facilities
- Port commitment to compliance with state, federal structure
- Port accountability on use of state funds

Oregon's Stable Markets related to Ports include commercial fishing, along north coast property development; agriculture; bulk; cargo; automobiles; recreation; sport fishing; and tour boats.

I. Other Local and Regional Plans

Other community, county and regional economic plans and how they relate to the Port's Strategic Business Plan. How does the Port plan to address key industry or other opportunities identified in other plans?

J. Political Context and Analysis

What is the working relationship of the Port with the county, local cities and special districts? What interest or advocacy groups are involved with local issues and how are they engaged and/or consulted? Are there demographic changes affecting local and regional public perceptions and attitudes?

V. Situational Analysis

A. Strengths, Weaknesses, Opportunities and Threats

Strengths, weaknesses, opportunities and threats (SWOT) analysis is directed at enumerating some of the characteristic conditions that can be either modified or addressed as the Port moves to meet its stated mission and goals. These strengths, weaknesses, opportunities, and threats include the following:

1. Strengths

- ✚ Location at the mouth of the Columbia river, with proximity to the Pacific Ocean
- ✚ Availability of deep draft piers to support general cargo and berthing operations
- ✚ Available industrial land with both waterfront and airport locations
- ✚ Two existing marinas to support both recreational and commercial boating needs
- ✚ Attractive community setting with a flourishing tourism industry
- ✚ Continued, steady fish processing and fishing industry
- ✚ Close proximity to and availability of timber for log exporting

2. Weaknesses

- ✦ Distance from a major population center for potential cargo distribution
- ✦ Lack of significant upland space with adjacent transportation facilities and docks to support large cargo/container operations
- ✦ No active rail connection to a major distribution center or deep-water pier facility
- ✦ Small population and market base
- ✦ Local industrial base with slow long-range growth projections
- ✦ Lack of sufficient Port revenue to support and implement critical infrastructure improvements, and for expansions such as more berthing space to accommodate the industry trend toward larger/longer cruise ships
- ✦ Lack of water/sewer/electrical infrastructure to support industrial expansion
- ✦ Lack of sufficient revenue to support Airport operations
- ✦ Cost, potential contaminant liability and need for upland disposal of soils from dredging
- ✦ Deferred maintenance of the Port's berthing and dock structures imperils the Port's ability to continue operations

3. Opportunities

- ✦ Growing tourism industry in both Astoria and South County
- ✦ Potential for expanding log exporting, the Port's largest revenue producer
- ✦ Increasing the size of docking space for cruise ships would bring in more berthing revenue to the Port, and more tourism revenue to Clatsop County
- ✦ Developing the south end of the airport (install water, sewer, power infrastructure) for future potential "shovel-ready" projects
- ✦ Increasing the number of pads for Executive Hangars at the airport
- ✦ Cooperating with the State, Clatsop County Emergency Management, US Coast Guard and Oregon National Guard at Camp Rilea for inclusion and participation in the Oregon Resiliency Plan. May generate opportunities for new revenues and grants.
- ✦ Exploring the concept of a business, educational and community services campus that would focus on the disciplines surrounding environmental studies, levee management, habitat restoration and emergency preparedness. Potential partners include CREST, Clatsop CC Environmental Services, if wetlands are the predominant feature of the airport industrial park.
- ✦ Creation of a wetlands mitigation bank for future development of Port properties. Credits could potentially benefit the Port.
- ✦ Developing opportunities with new investors (foreign/domestic)
- ✦ Future development of the waterfront visitor industry properties: Riverwalk Inn and Seafarer Restaurant
- ✦ Development along waterfront from Seaman's Memorial Park to Portway Avenue. Address parking, ingress/egress, new corridors, dining, parking, visitor amenities
- ✦ Expansion of the west and east mooring basin marinas to accommodate more slips

4. Threats

- ✦ Deterioration of existing facilities through deferred maintenance
- ✦ Lack of a clear Port vision and decision-making process, which can create

situations that lead to public disputes, poor communications, and mistrust of Port actions

- ✦ Lack of sufficient Port staff to pursue important tenant management, marketing, public outreach, planning and operational support needs
- ✦ Changing local economy from a natural resource-based fishing and lumber products to a growing tourism, recreation, and retirement-based, which may not value traditional Port activities as in the past.
- ✦ Financial challenges related to maintenance needs, prior commitments, and expanded operational expenses
- ✦ Legal costs related to tenant, dredging, leasing issues
- ✦ Sea lions occupying and damaging east mooring basin piers
- ✦ Dredging and wastewater environmental regulations

B. Critical Issues

The Port faces a number of critical issues in determining investment priorities. Central to these issues are:

1. **The Need to Increase and Stabilize Port Revenue.** Without additional revenue streams, the Port will continue the spiral of deferred maintenance and the eventual loss of income-producing resources. The first priority is revenue, followed closely by job creation, with the focus being on the improvement or maintenance of neglected resources and the support of existing business lines and tenants.
2. **Unclear Port Decision-Making Process.** Port actions and unclear decision-making have led to significant public distrust in the process. The result has been protracted debate, the absorption of staff attention needed elsewhere, and the expenditure of resources for not gain. Until a clear, objective decision-making process is implemented, every major decision will be debated and second-guessed. This is a significant, high priority issue that needs to be addressed by the Port Commission and staff if the Port is to move forward.

C. Demand Analysis

What type of demand is growing in the local and regional economy (housing, retail, etc) based on key industry trends? What type of demand is decreasing? How does the Port's assets match up with demand and opportunity?

D. District Needs

Given demand, economic needs and the Port's assets, capacity and resources, what kinds of projects and strategies can the Port most effectively pursue to address the economic needs of the district and its residents?

E. Risk Analysis

What are the biggest risks facing the Port in pursuing strategies to achieve its economic development and revenue goals, including political risk?

VI. Goals and Objectives

A. Management Goals

1. **Policies and Procedures**
2. **Staffing**

3. Staff and Board Development
4. Emergency Management Procedures and Protocols

B. Management Goals

1. Property Acquisition
2. Debt Management
3. Depreciation
4. Reserves

C. Property Goals (Marine, Aviation, Industrial, Commercial, Recreational, etc)

1. Background and Status (for all properties)
2. Strategic Objectives (for all properties)
3. Action Plan (for all properties)

D. Infrastructure Goals

1. Background and Status (for all properties)
2. Strategic Objectives (for all properties)
3. Action Plan (for all properties)

E. Environmental Goals

1. Environmental Challenges
2. Environmental Objectives
3. Action Plan

F. Marketing Goals

1. Background and Status (for all of above)
2. Objectives (for all of above)
3. Action Plan (for all of above)

VII. Facilities and Business Plan

A. Five Year Capital Plan

Based on Property goals and objectives, updated annually as part of budget process.

B. Management Plan

Based on Management goals and objectives, updated annually as part of budget process. Includes Professional Development and Board Development goals.

C. Financial Plan

Based on Financial goals and objectives, updated annually as part of budget process.

D. Environmental Plan

Based on Environmental goals and objectives, updated annually as part of budget process.

E. Marketing Plan

Based on Marketing goals and objectives, updated annually as part of budget process.

VIII. Attachments and Exhibits