

Strategic Plan Study Session

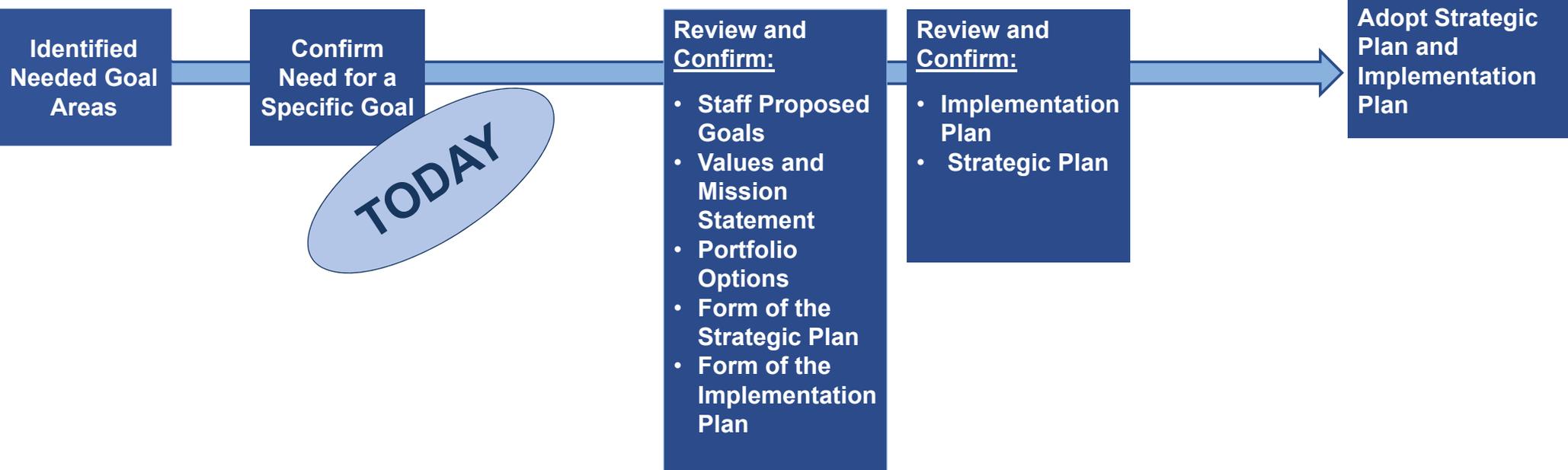


July 23, 2020

AGENDA : OUTCOME

- **Review Strategic Plan Development Process**
 - Understanding of where we are and where we are going
- **Online Open House**
 - Hear public input on survey questions
- **Goal Development Workshop**
 - Goals defined and study session process
- **Next Steps**

REVIEW STRATEGIC PLAN DEVELOPMENT PROCESS



LEGEND

Commission

Staff & Project Team

- Develop Proposed Goals with Metrics
- Analyze Investment- based Portfolio Options
- Create Form of the Plan

Strategic Plan & Implementation Plan Development & Design

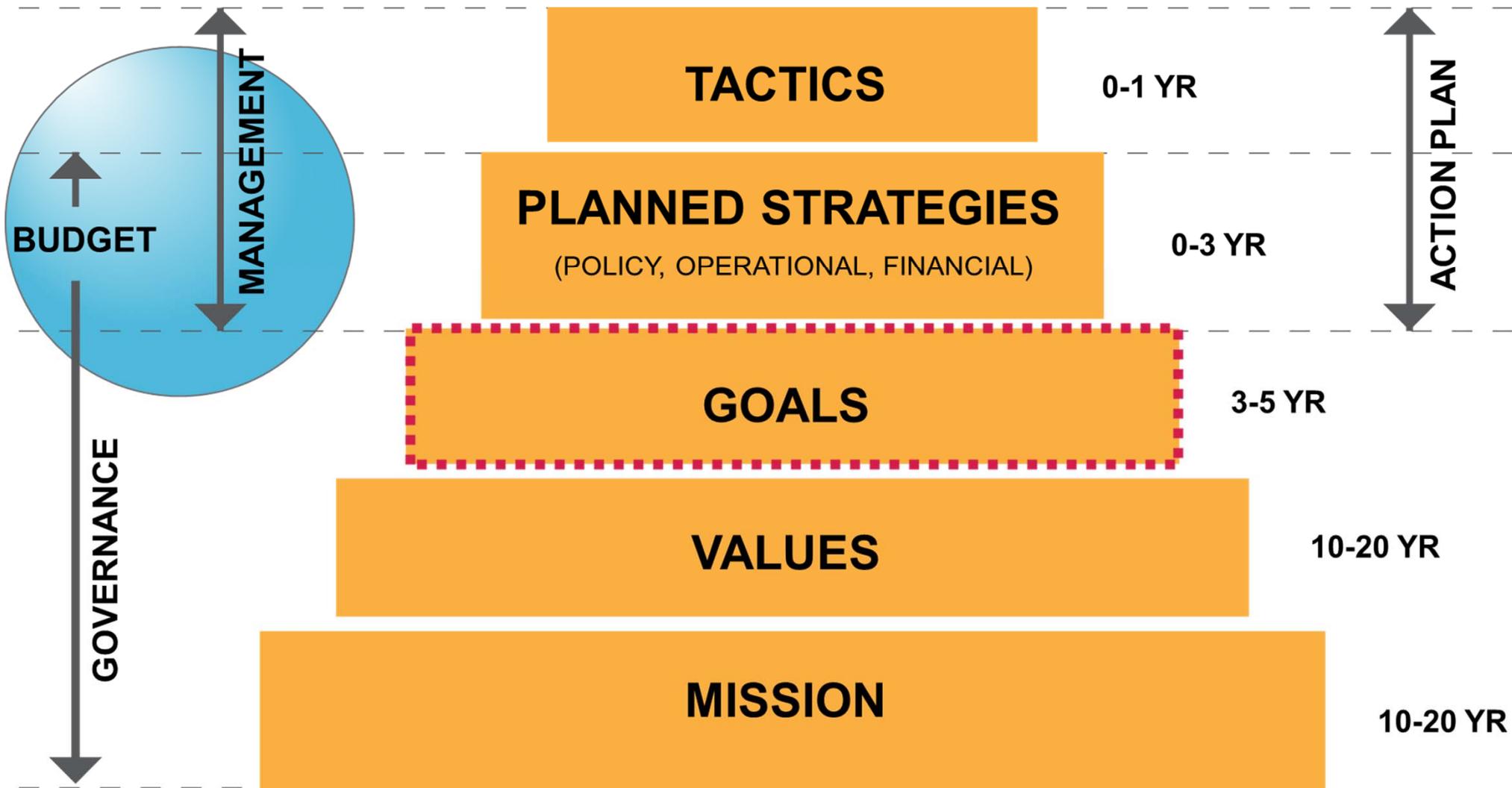
Identify Strategies and Tactics to Achieve Commission Goals: '2021 Implementation Plan'

Public & Stakeholder Input

THEMES FROM SURVEYS

	Community	Staff
Port of Tacoma's most important role for Pierce County for the next five years	<ul style="list-style-type: none"> • Economic development • The environment 	<ul style="list-style-type: none"> • Jobs creation • Build and improve infrastructure • Economic development • Environmental cleanup
Ways the Port can use the tax levy money (\$20 million in 2019) paid by Pierce County residents	<ul style="list-style-type: none"> • Invest/re-invest in revenue producing projects • Environmental cleanup • Habitat mitigation • Economic development 	<ul style="list-style-type: none"> • Invest/re-invest in revenue producing projects • Build and improve infrastructure • Economic development • Environmental cleanup

ARCHITECTURE OF STRATEGIC PLANNING



WHAT IS A GOAL?

Goals describe **WHAT** the Port wants to achieve

- A more focused goal describes the goal as a destination the Port wants to reach in a specified time frame.
 - Goals should be reachable (realistic) and measurable.
 - It is more challenging to reach organizational alignment on focused goals.
- A less defined goal describes an effort to move in a specific direction and, while valuable, are not as strong as a focused goal.
 - The supporting strategies behind a less focused goal can include more specific and measurable detail.

GOAL *EXAMPLES*

Financial Goal Area *Examples*

‘Focused goal’ example: *Increase the Port’s net operating income, all costs and capital included, by 3% a year for the next five fiscal years.*

‘Less defined goal’ example: *Strengthen the Port’s financial sustainability.*

Economic Goal Area *Examples*

‘Focused goal’ example: *Beginning in 2021, in coordination with the South Sound Manufacturing Industrial Council, ensure there is always a fully serviced, available inventory of 100 to 200 acres of industrial land in Pierce County.*

‘Less defined goal’ example: *Support local efforts to maintain an adequate supply of industrial real estate throughout Pierce County.*

GOAL SETTING APPROACH

How the Goals are organized:

Current Efforts

Re-focus and expand current efforts that have been previously identified but would be more successful if they were re-energized.

New or Expanded Efforts

New or expanded efforts that have not been formally identified in previous Port documents.

GOAL SETTING APPROACH

Rules of the Game:

- 1. Introduction of the goals within a goal area**
- 2. Discuss each potential goal**
 - **Introduce potential goal**
 - **Begin with taking Commissioner's pulse**
 - **Try to limit the discussion of each goal area to five minutes or less**

Potential Goal #1

Current Effort

Goal Area: Cargo and Marine Trade

“Growing marine trade on Port property.”

Potential Goal: Marine Trade Should there be a goal to pursue increased marine trade activity and corresponding increases in net revenue?

Possible strategies may include exploring:

- *Opportunities related to the marine trade markets;*
- *Real estate and infrastructure gaps to support new or expanded markets.*

Discussion Notes

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Potential Goals #2-4

Current Effort



Goal Area: Environmental

“Utilizing and managing Port assets in an environmentally sustainable manner and participating in regional environmental resiliency efforts”

Potential Goal #2: Regional Environmental Resiliency Should there be a goal to participate with other local and regional agencies and the Puyallup Tribe in exploring resiliency and recovery plans?

Potential Goal #3: Port Environmental Liabilities Should there be a goal to continue to aggressively address historical environmental contamination in which the Port has actionable liability?

Potential Goal #4: Sustainable Port Practices Should the Port adopt a goal to advance its commitment towards sustainable operating practices?

Potential Goal #2

Current Effort

Goal Area: Environmental

Potential Goal: Regional Environmental Resiliency Should there be a goal to participate with other local and regional agencies and the Puyallup Tribe in exploring resiliency and recovery plans?

Possible strategies may include

- *Focus existing efforts to update the Region 5 All Hazard Mitigation Plan;*
- *Continue to plan for anticipated sea level rise and its impacts on the Port, its customers, and the NWSA; and*
- *Factor environmental risks into the 2021 Gateway Infrastructure Plan.*

Discussion Notes

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Potential Goal #3

Current Effort

Goal Area: Environmental

Potential Goal: Port Environmental Liabilities Should there be a goal to continue to aggressively address historical environmental contamination in which the Port has actionable liability?

Possible strategies may include

- *Accelerating implementation of the Port lead cleanup actions on the Earley Business Center, the Former Petroleum Tank Farm on Alexander Avenue (Parcel 2), the Former Portac Log Yard (Parcel 15), and the former Arkema Chemical Manufacturing Facility (Parcel 99);*
- *Divesting of non-strategic contaminated parcels; and*
- *Proactively investigating Port parcels with suspected contamination to determine cleanup needs..*

Discussion Notes

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Potential Goal #4

Current Effort

Goal Area: Environmental

Potential Goal: Sustainable Port Practices Should the Port adopt a goal to advance its commitment towards sustainable operating practices?

Possible strategies may include:

- *Updating storm water permits for all properties,*
- *Resolving surface water utility fees, developing alternatives analysis for achieving MS4 permit requirements,*
- *Developing shore power for docked vessels,*
- *Assessing and cleaning up additional brownfield redevelopment properties in Pierce County (also a Real Estate potential strategy),*
- *ing an air quality improvement plan; and*
- *Reviving the Port's Green Team.*

Discussion Notes

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Potential Goals #5-6

Current Effort



Goal Area: Real Estate

“Planning for and investing in new real estate projects within the Tideflats and throughout Pierce County that produces the Port's expected rate of return.”

Potential Goal #5: Planning the Future of the Tideflats Should there be a goal to support the Port's participation in the development of the Tideflats Sub Area Plan?

Potential Goal #6: Developing Unlicensed Tideflats Property Should there be a goal to develop job creating real estate assets on unlicensed Port land in the Tideflats?

Potential Goal #5

Current Effort

Goal Area: Real Estate

Potential Goal: Planning the Future of the Tideflats Should there be a goal to support the Port's participation in the development of the Tideflats Subarea Plan?

Possible strategies may include

- *Developing guiding principles and maintaining close coordination and financial participation in the planning area with the project partners (city of Tacoma, The Puyallup Tribe, city of Fife and Pierce County) and community partners such as the Manufacturing Industrial Council for the South Sound.*

Discussion Notes

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Potential Goal #6

Current Effort

Goal Area: Real Estate

Potential Goal: Developing Unlicensed Tideflats Property Should there be a goal to develop job creating real estate assets on unlicensed Port land in the Tideflats?

Possible strategies may include

- *Specific development plans for Port-owned properties including, but not limited to, the Thorne Road site and the Wheeler-Osgood property.*

Discussion Notes

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Potential Goals #7-9

Current Effort



Goal Area: Infrastructure

“Investing in needed transportation infrastructure within the Tideflats and throughout Pierce County that is an operational or public investment to support economic development”

Potential Goal #7: Developing Transportation Infrastructure Should there be a goal to create Port-specific priorities for needed infrastructure projects and to identify funding for projects identified in both the 2021 NWSA Gateway Improvement Plan effort and throughout Pierce County?

Potential Goal #8: Coordinating Tideflats Infrastructure Investments Should there be a goal to coordinate with regional transportation agencies to maintain freight mobility in and around the Tideflats?

Potential Goal #9: Wetland Mitigation Banking to Support Port Projects Should the Port adopt a goal to expand wetland banking for Port-based project mitigation needs?

Potential Goal #7

Current Effort

Goal Area: Infrastructure

Potential Goal: Developing Transportation Infrastructure Should there be a goal to identify funding strategies to construct needed transportation infrastructure identified in both the NWSA 2021 Gateway Improvement Plan effort and throughout Pierce County?

Possible strategies may include

- *Exploring infrastructure development of broadband, rail, road, and marine infrastructure in the Tideflats as well as funding approaches.*

Discussion Notes

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Potential Goal #8

Current Effort

Goal Area: Infrastructure

Potential Goal: Coordinating Tideflats Infrastructure Investments Should there be a goal to coordinate with regional transportation agencies to maintain freight mobility in and around the Tideflats?

Possible strategies may include

- *Advancing state and local road projects such as, but not limited to the 11th St. Bridge, SR 167, Tacoma Road/I-5 Interchange and Taylor Way.*
- *Engaging with Sound Transit and South Sounder to minimize potential conflicts with freight movement.*

Discussion Notes

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Potential Goal #9

Current Effort

Goal Area: Infrastructure

Potential Goal: Wetland Mitigation Banking to Support Port Projects Should the Port adopt a goal to expand wetland banking for Port-based project mitigation needs?

Possible strategies may include

- *Completing the Upper Clear Creek property or other sites in the County's Water Resource Inventory Area*
- *Adopting an acquisition policy that identifies the rationale/cost-benefit.*

Discussion Notes

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Potential Goal #10

Current Effort

Goal Area: Equipment and Facilities

“Managing facilities and equipment owned and used by the Port and is an overhead cost”

Potential Goal: Port Administration Office/ Maritime Center

Should there be a goal to complete a Port/NWSA office location analysis and funding plan by early 2021?

Possible strategies may include

- *Developing an architectural programming statement that explores size, configuration, location, cost, internal and external users and a plan of finance.*
- *Address the re-use of the existing Fabulich Center property*

Discussion Notes

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Potential Goals #11-14

Current Effort



Goal Area: Culture and Organization

“Advancing the Port’s organizational culture and engagement with the Pierce County community”

Potential Goal #11: Puyallup Land Claims Settlement Should there be a goal designed to collectively afford the Port Commissioners and staff a greater appreciation of the Puyallup Land Claims Settlement and how it should influence Port decisions and actions?

Potential Goal #12: Institutionalizing the Strategic Priorities Should there be a goal that implements the Strategic Plan priorities and institutionalizes those priorities by March 2021?

Potential Goal #13: Social Responsibility Plan Should there be a goal to reexamine and institutionalize the Port’s Social Responsibility Plan?

Potential Goal #14: County Wide Public Outreach Should there be a goal to amplify the public outreach effort to communicate the Port’s role throughout Pierce County?

Potential Goal #11

Current Effort

Goal Area: Culture and Organization

Potential Goal: Puyallup Land Claims Settlement Should there be a goal designed to collectively afford the Port Commissioners and staff a greater appreciation of the tribal land claim settlement act and how it should influence Port decisions and actions?

Possible strategies may include

- *Create an internal resource library;*
- *Conduct periodic training;*
- *Onboard training of new staff and commissioners to improve interactions with the Puyallup Tribe on cultural and business-related matters.*

Discussion Notes

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Potential Goal #12

Current Effort

Goal Area: Culture and Organization

Potential Goal: Institutionalizing the Strategic Priorities Should there be a goal that implements the Strategic Plan priorities and institutionalizes those priorities by March 2021?

Possible strategies may include

- *Assessing staff resources to achieve strategic priorities, providing necessary staff training, and institutionalizing the strategic priorities in day to day decision making and annual budget processes.*

Discussion Notes

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Potential Goal #13

Current Effort

Goal Area: Culture and Organization

Potential Goal: Social Responsibility Plan Should there be a goal to reexamine and institutionalize the Port's Social Responsibility Plan?

Possible strategies may include

- *Review and update of the previously adopted plan;*
- *Review of contracting policies and procedures to address the Port's use of woman and minority business;*
- *Approaches to increasing the staff diversity;*
- *Consider the Port's ongoing policies and positions on social and environmental issues.*

Discussion Notes

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Potential Goal #14

Current Effort

Goal Area: Culture and Organization

Potential Goal: Countywide Public Outreach Should there be a goal to amplify the public outreach effort to communicate the Port's role throughout Pierce County?

Possible strategies may include

- *Assessment of the level of funded effort;*
- *Enhance social media techniques;*
- *Targeted messages; and*
- *Priority communities*

Discussion Notes

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Potential Goals #15-18

Current Effort



Goal Area: Financial

“Creating financial performance targets for the Port”

Potential Goal #15: Investment Policy and Practice Should there be a goal to review the investment policy that guides the Port’s target financial rate of return; evaluation of public benefits; and impact on the local economy and jobs?

Potential Goal #16: Financial Targets Should there be a goal focused on meeting specific financial metrics?

Potential Goal #17: State Audit Compliance Should there be a goal that prioritizes achieving yearly clean audits?

Potential Goal #18: Property Tax Policy Should there be a specific goal to adopt a long-term property tax use policy?

Potential Goal #15

Current Effort

Goal Area: Financial

Potential Goal: Investment Policy and Practice Should there be a goal to review the investment policy that guides the Port's target financial rate of return; evaluation of public benefits; and impact on the local economy and jobs?

Possible strategies may include

- *Developing criteria and guidance of a policy should inform both the overarching financial capacity of the port in decision making and include a thorough analysis of the individual projects.*
- *Reviewing the Port's Investment Development and Decision Process (IDDP) to ensure the criteria and guidance considers revenue producing projects and subsidized investments that advance the economy.*

Discussion Notes

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Potential Goal #16

Current Effort

Goal Area: Financial

Potential Goal: Financial Targets Should there be a goal focused on meeting specific financial metrics?

Possible strategies may include

- *Meeting budget goals and key metrics such as debt coverage ratios, cash balances, and meeting the financial obligations of the NWSA.*

Discussion Notes

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Potential Goal #17

Current Effort

Goal Area: Financial

Potential Goal: State Audit Compliance Should there be a goal that prioritizes achieving yearly clean audits?

Possible strategies may include

- *Port wide continuing education on audit issues, review of systems such as accounting and purchasing, and routine Commission updates and reporting.*

Discussion Notes

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Potential Goal #18

Current Effort

Goal Area: Financial

Potential Goal: Property Tax Policy Should there be a specific goal to adopt a long-term property tax use policy?

Possible strategies may include

- *Reviewing industry wide practices,*
- *Analyzing the impact of limiting use of property taxes,*
- *Prioritizing how taxes are used; and*
- *Possible impacts on Port borrowing rates.*

Discussion Notes

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Potential Goals #19-22

New or Expanded Efforts



Goal Area: Economic Development

“Providing financial and staff support to economic development efforts throughout Pierce County with partner agencies, governments, and business. Also investing in new real estate projects within the Tideflats and throughout Pierce County that advance Pierce County's economy and creates jobs but may not produce the Port's expected rate of return.”

Potential Goal #19: Enhancing Economic Development Partnerships Should there be a goal to identify partnerships with other local agencies/governments as well as the private sector to advance the local economy, job availability, and workforce development?

Potential Goal #20: Funding Port Economic Development Should there be a goal to establish a funding framework/criteria for Port economic and workforce development support with a priority on metrics?

Potential Goals #19-22

New or Expanded Efforts



Goal Area: Economic Development

“Providing financial and staff support to economic development efforts throughout Pierce County with partner agencies, governments, and business. Also investing in new real estate projects within the Tideflats and throughout Pierce County that advance Pierce County's economy and creates jobs but may not produce the Port's expected rate of return.”

Potential Goal #21: Mitigation Banking to Support Economic Development

Should the Port advance a goal to expand its mitigation banking efforts to provide wetlands habitat with high ecological value as a mitigation credit option for public and private projects that support economic development in Pierce County?

Potential Goal #22: Countywide Lower Rate of Return Economy Enhancement

Investments Should there be a goal to identify investment in new real estate projects throughout Pierce County that support the economy but may not produce the Port's expected rate of return?

Potential Goal #19

New or Expanded Efforts

Goal Area: Economic Development

Potential Goal: Enhancing Economic Development Partnerships Should there be a goal to identify partnerships with other local agencies/governments as well as the private sector to advance the local economy, job availability, and workforce development?

Possible strategies may include

- *Clearly defining the Port's role in regional economic and workforce development*
- *Determine the most effective role for the Port in the post-COVID recovery, and*
- *Exploring new relationships with higher education and trade training institutions.*

Discussion Notes

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Potential Goal #20

New or Expanded Efforts

Goal Area: Economic Development

Potential Goal: Funding Port Economic Development Should there be a goal to establish a funding framework/criteria for Port economic and workforce development support with a priority on metrics?

Possible strategies may include

- *Surveying industry practices,*
- *Exploring various funding sources,*
- *Defining an appropriate level of investment by the Port in economic development efforts,*
- *Identifying where its workforce development should be focused such as higher-education.*

Discussion Notes

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Potential Goal #21

New or Expanded Efforts

Goal Area: Economic Development

Potential Goal: Mitigation Banking to Support Economic Development Should there be a goal to expand its mitigation banking efforts to provide wetlands habitat with high ecological value as a mitigation credit option for public and private projects that support economic development in Pierce County?

Possible strategies may include

- *Expanding the Port's mitigation banking effort to develop wetland credits to support other public or private development projects that encourage economic development*

Discussion Notes

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Potential Goal #22

New or Expanded Efforts

Goal Area: Economic Development

Potential Goal: Countywide Lower Rate of Return Economy Enhancement

Investments Should there be a goal to identify investment in new real estate projects throughout Pierce County that support the economy but may not produce the Port's expected rate of return?

Possible strategies may include

- *Developing guidelines as policy to inform transactions that are not expected to meet the full return but have a significant positive impact on the economy and availability of jobs,*
- *Consider strategically acquiring properties that the Port is uniquely positioned to restore to economic use such as brownfield properties (e.g. the Oxychem site) throughout Pierce County.*
- *Adoption of standard terms and practices for leases and investments.*

Discussion Notes

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Potential Goal #23

New or Expanded Efforts

Goal Area: Real Estate

“Planning for and investing in new real estate projects within the Tideflats and throughout Pierce County that produces the Port's expected rate of return”

Potential Goal: Countywide Full Return Real Estate Investments Should there be a goal to seek opportunities to invest in new job creating real estate projects in the Tideflats and throughout Pierce County *that generates the Port's expected rate of return?*

Possible strategies may include

- *Exploring and adopting investment criteria to inform action on real estate transaction decisions which may target sectors such as water dependent maritime businesses, industries that create significant jobs, provide a full rate of return and support cargo related facilities.*

Discussion Notes

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Potential Goal #24

New or Expanded Efforts

Goal Area: Open Space and Public Access

Potential Goal: Improving Waterfront Access Should there be a new goal to improve maritime waterfront access for the community?

Possible strategies may include

- *Coordinating with agencies in the development of their state required park and open space plans to identify opportunities to expand access.*

Discussion Notes

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