ACKNOWLEDGEMENTS

The Port Commission would like to thank the many members our community that participated in this process. With their insights and advice, our effort in guiding the Port of Longview will be even more successful in the years to come. Participants include:

- Community residents that attended our workshops and open house.
- The many individuals, organizational representatives and elected officials we interviewed during this process.
- ILWU Local # 21 leadership
- Port of Longview staff members

This plan builds on previous studies and analysis, including:

- 2011 Port Master Plan Report
- 2012 Strategic Plan
- 2013 Economic Impact Analysis
- 2013 Brand Positioning Development
- 2014 Commodity Analysis Study
- 2015 Comprehensive Scheme of Harbor Improvements
- 2015 Barlow Point Master Plan Phase I Feasibility Study
- 2016 Budget
A MESSAGE FROM THE COMMISSION

Bob Bagaason
Doug Averett
Jeff Wilson

The Port of Longview 2016 Strategic Business Plan communicates not only the agency’s strategic priorities, but how we, as the elected policy board, will approach the Port’s key decisions during the next three to five years. This update to the Port’s 2012 Strategic Plan has a special focus on aligning our resources, financial systems, assets, and work plan to ensure a sustainable future.

We based this document on the core mission and values that the Port Commission, community, and staff have re-affirmed during the update process. Through a series of workshops, stakeholder and community leader interviews, and public outreach efforts, we have asked those that we serve to affirm the Port’s role and value to the community, and to provide feedback on how the Port of Longview can best fulfill its role as an irreplaceable economic engine for the region.

This plan incorporates findings of previous studies and complements the Port’s other keystone documents, including our operating and capital budgets and the 2015 Comprehensive Scheme of Harbor Improvements.

As trustees for this valuable community asset, we look forward to many more prosperous years as we continue to build a strong local economy and improve quality of life for Longview residents. Our job is to leave the Port of Longview in better shape when we leave office than when we took office.
PORT VALUES

Our values define how we approach our work and what we value as trustees of a vital public agency.

PARTNERSHIPS
The Port is committed to developing valuable partnerships between our customers, tenants, and community to achieve Port wide goals and objectives.

INTEGRITY
Port employees conduct themselves in all situations, both internally and externally, in an ethical, honest and professional manner.

LEADERSHIP
The Port promotes good leadership through teamwork, mentoring, and recognition to reach a common goal.

FISCAL RESPONSIBILITY
The Port recognizes profitability as essential to ours and the community’s economic success, and therefore pledges to provide prudent fiscal management while achieving and maintaining transparency by being a responsible steward of our publicly owned assets.

ENVIRONMENTAL STEWARDSHIP
The Port endeavors to support operational choices that uphold environmental accountability, while continuing to expand economic and employment opportunities.

FORWARD-THINKING
The Port actively embraces innovative ideas in all aspects of the Port’s business to further its vision and mission, while acknowledging and building on the successes of its past.

RESPECT
The Port strives to create an open and hospitable environment to foster collaborative, productive personal relationships which result in successful projects.

PROFESSIONAL STAFF
The Port retains experienced professional staff and embraces a mutually supportive relationship between the Port Commission and Port staff to effectively carry out its programs and manage its facilities.

How we do our work is often as important as what we do. The Port’s corporate and community values guide how we make decisions, execute our projects, and treat our community, customers, staff, and the environment. The Commissioners are trustees for a relatively short period of the nearly 100 years of Port history. These values are crucial to ensuring that port decisions and growth reflect the priorities of those we serve.
Our Mission is to promote commerce and economic development through strategic public investments for the benefit of our communities.
In the 1800’s, private interests controlled the Washington waterfront areas of what was then called the Oregon Territory. The 1889 constitution of the newly-created Washington state changed that, declaring that the beds of the state’s navigable waters belonged to the people and authorizing the Legislature to designate which of those beds would become harbors for public use. In 1911, the Legislature passed the Port District Act, allowing communities the option through voter approval to form publicly-controlled port districts. Over the last 100 years Washington public ports have been afforded additional authorities by the Legislature and now have a wide array of tools and powers to promote trade and economic development for their communities and the state as a whole.

The Port of Longview was initially created in 1921 within Cowlitz County. The first facilities were located on the Cowlitz River in an area that had convenient landing. The Port purchased an initial 40 acres from the Long–Bell Timber Company adjacent to the Columbia River, and began construction of a 950-foot dock and warehouse for a marine cargo facility. The facility investment was a success, handling 72,000 tons of freight in the first nine months of operation and quickly reaching 246,000 tons per year, only to be slowed by the Great Depression.

Supporting the World War II effort revitalized the Port, as it exported materials bound for Russia and Great Britain, as did the Korean War, when the military used the Port extensively to ship supplies to the Pacific Front. Following closure of the early lumber mills in the 1960s, the Port began land acquisitions and expansion of Port facilities. By 1970, the Port was handling over six million tons of cargo annually and became Washington’s third largest port terminal.

Land acquisition and facility improvements have continued throughout the decades since, despite the closure of major local employers such as Alcoa Aluminum. In 2010, the Port acquired the Barlow Point property to create the opportunity for future development of a new deep draft marine terminal. In 2012, the Export Grain Terminal was completed. Cargo movements increased from a low of 1.5 million tons in 2006 to more than nine million in 2014.

Today, while we continue to experience a robust marine trade economy, flexibility and diversity in investments are necessary to accommodate a changing marketplace. The Port is positioning itself to be flexible in considering future initiatives and investments so that it can best generate growth for the regional economy.
In recalibrating the strategic plan, Port commissioners and staff engaged in a number of public workshops, each with a specific focus. Efforts also included a community open house on June 15, 2016, as well as stakeholder interviews and review of recently completed studies.

After reviewing our current business and financial performance, our effort focused on defining more precisely our core lines of business and community programs. Appreciating that resources are limited and our ability to achieve our mission in serving the community requires that we are financially sustainable, our attention turned to establishing reachable goals. When those goals are reached, the Port will be in a better position to sustain and expand its support of the local community, while continuing to be a major employer.
The Port of Longview is a municipal corporation created through a vote of Cowlitz County citizens. It is governed by a three-person elected Board of Commissioners and manages its policies through an appointed Chief Executive Officer and support staff. Under statute, port powers are singularly focused on economic and community development.

The Port of Longview, like all ports in Washington, has the ability and authority to fund their operations and programs through a combination of earned revenues and property taxes. In that sense the Port is a publicly owned business enterprise making market based investments in the support of the local economy and job creation.
The Port of Longview is the closest full-service operating port to the mouth of the Columbia River. Located 66 river miles from the Pacific Ocean, 120 miles from Seattle, Washington, and 40 miles from Portland, Oregon. The Port is located just three miles from Interstate 5 and is served by BNSF Railway and Union Pacific Railroad. Port facilities include eight marine terminals, over 478 acres of adjacent upland property, the 282-acre Barlow Point site, and the 75-acre Willow Grove Park.

The Port’s portfolio of properties includes:

1. **Marine terminals**: The Port’s eight marine terminals are equipped to handle diverse cargoes.

2. **Storage and warehousing**: Approximately 436,000 sq. ft. of indoor warehouse and storage space are adjacent to the terminals.

3. **Upland industrial properties**: Approximately 147 acres of non-marine properties are leased or available for lease to private businesses.

4. **Barlow Point**: The property includes approximately 282 acres with the potential for development of up to three marine terminals.

5. **Willow Grove Park**: This 75-acre park includes a boat launch, beach access, picnic shelters and playgrounds.

6. **Willow Grove Wetland and Habitat Mitigation Site**: This 76-acre area is retained for mitigation needs of future development.
This graphic demonstrates how strategic planning decisions are incorporated into the Port’s ongoing business operations. The Port’s mission and values – our foundational purpose – provide the long-term base for strategic planning and financial forecasting, which by their nature have shorter lifespans. Those efforts in turn inform development of the Port’s annual budget and the ongoing updates to our keystone documents.

**STRATEGIC GOVERNANCE CYCLE**

**KEYSTONE DOCUMENTS**
- Delegation of Authority
- Financial guidelines
- Comprehensive Scheme of Harbor Improvements

**STATUTORY REQUIREMENTS**
1 year lifespan
- Annual budget

**STRATEGY DEVELOPMENT**
3-5 year lifespan
- Goals and strategies are part of the strategic business plan.
- The financial forecast and strategic plan influence each other in the development process.

**FINANCIAL FORECAST**
10 year lifespan
- The financial forecast is updated annually to retain a rolling 10 year outlook.

**FOUNDATIONAL PURPOSE**
10-20 year lifespan
- Mission
- Values
With input from the Port Commission, staff, and stakeholders, the Port reviewed its current position through an analysis of needs, opportunities, and considerations. The Port has increased its cargo volume and revenues in recent years, and there is a need and opportunity to build on that success to position the Port for future growth. The goals and strategies have been designed to address the needs identified in this analysis and maximize future opportunities.

**SIGNIFICANT OPPORTUNITIES:**
Achievements or conditions the Port may aspire to, but that need further evaluation.

**IMMEDIATE NEEDS:**
Actions and initiatives for which there is true consensus.

**FUTURE CONSIDERATIONS:**
Concerns or issues that need to be addressed in the future.
The 2016 Strategic Business Plan is an update of the 2012 Strategic Plan and addresses the Port’s commitment to efficiently and effectively manage its resources and promote economic development.

Managing lines of business and programs with specific performance targets, as well as improving the ability to effectively manage overall finances, will enable the Port to expand its positive impact on the local economy and the availability of sustainable jobs.

The Strategic Business Plan articulates goals and strategies for three primary programs of the Port: Lines of Business, Community Investment, and Internal Resources.

**GOAL:**
- A goal is a condition or destination the Port desires to reach in realizing its Mission.
- Goals are determined by the Commission and reviewed every three to five years, unless conditions dictate otherwise.

**STRATEGY:**
- A strategy is the direction and scope of an action that the Port will employ to reach a goal and meet the needs of its constituents.
- Strategies reflect a collaboration by commissioners and staff, and are reviewed every one to three years, unless conditions dictate otherwise.

**TACTIC:**
- Tactics are a set of maneuvers or actions steps designed to advance a strategy that will be refreshed each budget year to support the Strategic Business Plan.
- Tactics are staff-driven and are reviewed and refined annually.

**GOALS AND STRATEGIES**

**GOAL AREAS**
The strategic plan includes goals and strategies for the Port’s major programs in lines of business, community investment and internal resources.
LINES OF BUSINESS

PORT-OPERATED MARINE TERMINALS
LEASED MARINE TERMINALS
NON-MARINE INDUSTRIAL DEVELOPMENT / LEASED PROPERTIES PORTFOLIO
DISTRICT-WIDE COMMERCIAL AND INDUSTRIAL DEVELOPMENT
LINES OF BUSINESS

The Port has four lines of business that group assets with similar operational, financial and management characteristics into a common portfolio. Assets are geographically based distinct properties and facilities.

PORT-OPERATED MARINE TERMINALS
These marine facilities are directly operated by the Port and are the backbone of Washington's Working Port. They are designed to handle commodities on a spot-market basis.

Assets in the portfolio include terminals 6, 7, and 8.

LEASED MARINE TERMINALS
The marine facility assets in this portfolio are operated by a private entity through lease and operating agreements.

Assets in the portfolio include terminals 4, 5, and 9, Barlow Point, and Bridgeview Terminal.

NON-MARINE INDUSTRIAL DEVELOPMENT / LEASED PROPERTIES PORTFOLIO
The real property assets in this portfolio are those upland facilities, lands and buildings that are in the Port’s core operating area and are in close geographic proximity to the marine terminals. Their operating role can support the terminals or function independently.

Approximately 147 acres of non-marine properties are leased or available for lease to private businesses.

DISTRICT-WIDE COMMERCIAL AND INDUSTRIAL DEVELOPMENT
As the Port solidifies its financial capacity to expand its holdings, consistent with its mission and values, it will consider real property industrial and commercial investments distinct from its traditional lines of business within its political jurisdiction. Investments in this future portfolio will financially support the Port’s core business activities and community programs.

Future assets that may be developed in this portfolio will be considered after rigorous due diligence.
**LINE OF BUSINESS:**

**PORT-OPERATED MARINE TERMINALS**

**GOAL:**

Achieve full cost recovery, while maximizing job opportunities, for the Port-Operated Marine Terminal Portfolio.

**STRATEGIES:**

- Identify and improve operating cost efficiencies.
- Analyze and determine which commodities result in the highest margin of return.
- Determine the timing and feasibility of transitioning Port-Operated Marine Terminals to the stevedoring model.

**WHAT THIS MEANS FOR THE COMMUNITY...**

- Managing Port-Operated Marine Terminals with a goal of financial self-sufficiency, reducing the need for property taxes. This acknowledges that Port-Operated Terminals provide other values, such as good jobs, in addition to revenue.
- Increased use of the terminals and the creation of more jobs.
- A focus on shipping commodities with the highest rate of return, while maintaining flexibility to move a wide range of goods.
LINE OF BUSINESS:  
LEASED MARINE TERMINALS

GOAL:
Achieve a positive financial return for each asset within the Leased Marine Terminal Portfolio.

STRATEGIES:
• Continue the transition of Bridgeview Terminal to the Leased Terminal Portfolio.
• Test market interest and feasibility of entering into a lease agreement for Berth 4.
• Continue the efforts in preparing Barlow Point for development for a long term marine-dependent lease.
• Re-evaluate Berth 5 operating agreement.
• Evaluate transition of Administration Building to support operation of Bridgeview Terminal.

WHAT THIS MEANS FOR THE COMMUNITY...
• The leased terminals will generate positive net revenue and shift the operating risk to the private sector.
• Revenue generated from the leased terminals will be available to support other Port programs and services.
• The Port’s office may have need to relocate to accommodate terminal expansion.
LINE OF BUSINESS:
NON-MARINE INDUSTRIAL DEVELOPMENT / LEASED PROPERTIES PORTFOLIO

GOAL:
Achieve a positive financial return for the Non-Marine Industrial / Leased Properties Portfolio.

STRATEGIES:

• Evaluate physical conditions of buildings to assess needed improvements and overall viability.
• Determine if the assets in the non-marine industrial development portfolio would more effectively contribute to either Marine Terminal Portfolio.
• Develop and implement a business plan for positioning underutilized real estate assets in the marketplace.
• Monitor local market conditions to set appropriate rates.

WHAT THIS MEANS FOR THE COMMUNITY...

• Dedicating Port resources to the physical improvement of these building assets.
• Increased availability of Port resources from this portfolio from investment in other Port programs, facilities and services.
• A renewed focus by the Port on upland industrial property development.
LINE OF BUSINESS:
DISTRICT-WIDE COMMERCIAL AND INDUSTRIAL DEVELOPMENT

GOAL:
Consider commercial and industrial investment opportunities outside of the Port’s core property holdings that provide a positive financial return and would not move forward without the Port’s participation.

STRATEGIES:
• Develop operating and financial policies on the types of local investment opportunities the Port will consider.
• Proactively reach out to the Port’s economic development partners.

WHAT THIS MEANS FOR THE COMMUNITY...
• The Port will support economic development efforts by considering investing in job-producing assets throughout the community.
• The Port will consider these investments to the extent that they meet certain requirements and do not unreasonably compete with the private sector.
• Investing in these facilities will not impair the Port’s ability to operate and manage its core cargo operations.
COMMUNITY INVESTMENT

ECONOMIC DEVELOPMENT

PUBLIC ACCESS, RECREATION AND EDUCATION
COMMUNITY INVESTMENT: ECONOMIC DEVELOPMENT

GOAL:
Actively participate in economic development initiatives that benefit the community.

STRATEGIES:
• Actively participate with government and economic development agencies in promoting the local economy.
• Participate in developing local, regional, state and national support for necessary regional transportation facilities and initiatives that support the Port’s mission.
• Actively educate the community on the Port’s purpose and benefits to the local and state economy, including celebrating the Port’s upcoming centennial.

WHAT THIS MEANS FOR THE COMMUNITY...
• Active participation by the Port with its partner organizations to promote the local and regional economy.
• Proactive support by the Port in area transportation improvements.
• Recognizing the contributions of the Port to local labor and the economy during the Port’s centennial celebration.
COMMUNITY INVESTMENT:
PUBLIC ACCESS, RECREATION AND EDUCATION

GOAL:
Provide public access, recreation, and educational opportunities for the benefit of the Port community.

STRATEGIES:

• Develop and maintain a forecast of operating and capital needs for the park facilities and funding strategy that considers use of property.
• Ensure current and future facilities are included and part of local land use plans, regulations, and other local programs.

WHAT THIS MEANS FOR THE COMMUNITY...

• Necessary Willow Grove Park improvements are completed.
• Willow Grove Park continues to be an important community asset, offering water access and recreational areas, and contributing to improved quality of life in the region.
Like any private or public entity, the ability for the Port to achieve its aspirations is based on the availability of adequate financial resources. The Port of Longview manages a complex operational and business model that relies on a combination of earned revenues and public taxes. It constantly must balance the need for a return on investment with meeting community expectations for job growth, economic stability and quality of life concerns.

It is critical that the Port have the right fiscal tools in place to effectively manage its limited resources, provide transparency to its community shareholders, and inform, with absolute clarity, future investment decisions.
INTERNAL RESOURCES: FINANCIAL

GOAL:
Create the financial policies, accounting structure, systems and processes to support the understanding of lines of business performance and measure success through performance metrics.

STRATEGIES:
• Create a rate of return tool that is asset-based and is all inclusive of costs including debt service and annual capital investment.
• Create an accounting structure, based on a ten-year forecast, that supports the allocation of resources and the calculation of return on investment.
• Develop a GIS-based asset inventory system that can be incorporated into a Computerized Maintenance Management System.
• Ensure the Port’s bond reporting complies with relevant requirements, and improve the agency’s long-term bond rating.
• Develop financial policies and guidelines that support the Port’s efforts to achieve financial sustainability.
• Establish a policy and process to analyze proposed investment in any line of business to determine if it meets the Port’s financial guidelines.

WHAT THIS MEANS FOR THE COMMUNITY...
• The Port will be able to determine with certainty the need for property taxes to support its Lines of Business and Community Investments.
• Long-term management of Port assets can be planned, without deferring maintenance, preserving facilities to serve the community well into the future.
• The Port will make investments that have a more predictable return and positive outcome for the community.

GOAL:
Explore the potential use, reduction or elimination of reliance on property taxes.

STRATEGIES:
• Explore use of property taxes in Lines of Business.
• Explore use of property taxes in Community Investments.
• Explore use of property taxes in servicing current and future debt.

WHAT THIS MEANS FOR THE COMMUNITY...
The Port will forecast and levy its property tax need to support Community Investments such as parks and economic development initiatives as well its ongoing job producing facilities.
By 2020, the Port will have made significant progress towards accomplishing the goals included in this plan.

- The Port is managing its leased terminals with a model that strategically focuses on profitable commodities and generates revenue to support other Port initiatives.
- Port-operated marine terminals function efficiently with a highly skilled and motivated labor force and well-maintained equipment.
- Some combination of Bridgeview Terminal and Terminal 4 are being managed through a lease agreement with a private party, the upland property has been remediated and the port administration offices have been relocated to accommodate the terminals expansion.
- The Barlow Point property has been fully leased and is being developed by a private party.
- The Port’s financial position is strong, with improved cost efficiencies and tighter lease and contract terms.
- The Port’s non marine industrial assets, both on its core properties and throughout its jurisdiction are receiving renovations as needed, are leased and generating a positive return.
- The Port is evaluating its financial performance on an asset basis and is predicting with a high level of accuracy its need for property taxes.
- The Willow Grove Park is improved and operational and is considered a significant community asset that positively impacts the area’s quality of life.
- Port commissioners, staff, the community, and regional, state, and industry leaders are preparing to celebrate the Port of Longview centennial.