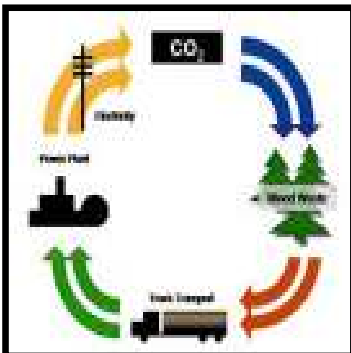


2011 Work Plan

January 24, 2011

Executive Director – Jeffery K. Robb



Memorandum



To: Commissioners
From: Jeffery Robb, Executive Director
Date: January 24, 2011
Re: 2011 Work Plan

In 2010, the Commissioners were provided a Work Plan as a tool to guide Port accomplishments. The Work Plan was developed by the Staff and identifies key projects and tasks consistent with the Strategic Plan (2009-2013) to be undertaken and accomplished in 2010. The plan was adopted and quarterly reports were provided to the Commission to keep you informed of our progress, challenges and/or changes in the plan.

While the Commissioners did not specifically request a Work Plan for 2011, we believe this provides us with the blueprint to meet our objectives and it serves as a tool to measure our progress. The plan is a useful document that we are committed to implement and deliver in 2011 as we did in 2010.

The Work Plan is a function of the Strategic Plan:

**Leading the Way in Economic Development, Strategic Partnership and
Environmental Stewardship.**

The Strategic Plan establishes a set of achievable Goals and Objectives, placing a high priority on leveraging Port resources with outside funding sources wherever possible. This Strategic Plan is a dynamic process that generalizes a range of realistic economic development scenarios without constraining the final range of opportunities. This Plan is subject to annual review and provides the framework for establishing the Capital Budget priorities. It is the primary driver for shaping the annual work plan by which the overall performance of the Port will be measured.

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2011 WORK PLAN

January 24, 2011

GOAL 1 MARKET TO INCREASE THE PORT'S MARINE FACILITY BUSINESS AND EXPLORE NEW ENTERPRISE OPPORTUNITIES

PROJECT 1.1: MARKET THE PORT'S MARINE TERMINAL AND CARGO HANDLING CAPABILITIES TO EXPAND CURRENT USE AND EXPLORE FUTURE PUBLIC/PRIVATE PARTNERSHIPS

Executive Summary: The Port operates marine terminals which provide modern, efficient and cost competitive facilities. A variety of uses ranges from the important top side repair activities to other new and exciting opportunities such as support for the US Navy, cruise ships as well as traditional and historic wood products cargo loading. Continued dialogs with existing customers will continue, to ensure that their needs are met and that the Port is looking to the future horizon for anticipated improvements in the years ahead. In addition, the Port needs to continue to maintain and upgrade current facilities within the availability of capital funds.

Action Elements/Milestones:

1. Meet with local downtown and community interests to consider market opportunities for cruise ships. Visit other locations to observe similar cruise activities (i.e., Astoria, Victoria B.C.).
2. Continue meeting with US Navy, ATC, Polar, US Coast Guard, NOAA and others that utilize the Port's terminal to ensure scheduled usage and discuss future needs. This activity will take place throughout the year on an ongoing basis and will include travel as necessary to decision maker's locations throughout the region.
3. Meet and have ongoing conversations with customers, suppliers, stevedores and shipping companies throughout the year. Review possible machinery purchases to enhance Terminal activities.
4. Continue to seek grant funds through general infrastructure grant programs, job enhancement programs and homeland security programs to assist in making necessary improvements to ensure long-term viability.
5. Contract for professional engineering services for the design and permitting for Terminal #3 expansion. RFQ for design services anticipated in first quarter of 2011.

Finance:

- **Budgeted:** Part of overall Marketing and Promotional Hosting budgets
- **Grants:** Will be applied for as appropriate.
- **Loans**
- **Other**

Long Range Financial Needs:

- Cruise ship marketing and other specialized target areas will need to be addressed in future budgets if the Port identifies it as a high priority.
- Capital improvements may be necessary to accommodate new terminal customers and needs. (i.e., dock, offices, warehouses, etc.).

Economic Impact:

- Preservation of jobs
- Additional jobs
- New Business

Variables and/or Constraints:

- Market conditions and demand will dictate the level of cargo activities.
- Grant programs have various lead times for both application and award.

PROJECT 1.2: ENHANCE TERMINAL #3

Executive Summary: The Port operates marine terminals, which provide modern, efficient and cost competitive facilities. With the increased demand for dockage facilities, the Port should analyze potential expansion opportunities. In the recent past as part of the proposal to attract NOAA, the Port completed some preliminary concepts for expansion of Terminal #3. In previous years, increased activity for top side repair led the Port to look at a number of pier expansion/dry dock scenarios that could add additional capacity for mooring/docking opportunities. Of the expansion options considered in the past, a series of mooring dolphins and a headline dolphin seems to be the most cost effective means to add that additional capacity to Terminal #3. Expansion of Terminal #3 was also part of the Port's Waterfront Strategic Development Plan as well.

During the 2011 budget preparation, expansion of Terminal #3 was identified as a high priority project. Because of engineering, design, permitting and possible construction, a new dock facility will likely take at least two to three years to complete.

Action Elements/Milestones:

Hire engineers to begin the design and permitting for Terminal #3 expansion. RFQ for design services anticipated in first quarter of 2011. Several preliminary studies have been conducted over the years that look at minimal expenditures to assure long-term viability of Terminal #3. Those studies have included looking at Terminal #3 during the NOAA proposal process.

Finance:

- **Budgeted :** \$400,000.00 budgeted for Terminal #3 Design and Engineering
- **Grants:** Will be applied for as appropriate.

- **Loans:**
- **Other:**

Long Range Financial Needs:

- Enhance Ship Dockage Facilities : \$3,900,000.00

Economic Impact:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints:

1. Design and Engineering will likely take most of 2011.
2. Market conditions and demand will dictate the level of cargo activities.
3. Grant programs have various lead times for both application and award.

PROJECT 1.3: **IMPROVE TERMINAL # 5 FACILITIES**

Executive Summary: This project will involve the construction of a tie road between Terminal #7 and Terminal #5 that will include cutting off steel round piles at the coffer dam and we will include initial engineering on Terminal #5 storm water. These improvements will improve the utilization of upland properties and enhance our cargo facilities.

Action Elements/Milestones:

- February 2011 Complete cutting of sheet pile and steel pipe
- March 2011 Begin clearing and grading tie road
- June 2011 Install storm water drainage system
- July 2011 Remove steel round piles from coffer dam
- August 2011 Complete grading and install perimeter fence and road

Finance: 2011 Strategic Project Budgeted \$100,000.00

Long Range Financial Needs: Additional investment in storm water improvements and surfacing (no cost estimates at this time).

Economic Impact:

- Retain of existing jobs
- New log business
- Increased operational efficiency

Variables and/or Constraints: None

PROJECT 1.4: TERMINAL 3 FENDER SYSTEM REPAIR PROJECT (Phase 2)

Executive Summary: This project involves the removal and replacement of an older section of the fender system. This is necessary to protect the structural components of the dock system and to support berthing of vessels.

Action Elements/Milestones:

- February 2011 complete engineering work
- February 2011 advertise for bids
- April 2011 award contract
- October 2011 start construction
- November 2011 finish construction

Finance: 2011 Major Maintenance Project Budgeted \$250,000.00

Long Range Financial Needs:

- None identified at this time

Economic Impact:

- Preservation of jobs
- Protection of dock

Variables and/or Constraints:

- Availability of Marine Contractors
- Restrictions of permits

PROJECT 1.5: CONSTRUCT TUMWATER CREEK BRIDGE

Executive Summary: This project is for the construction of a new concrete bridge structure to replace the existing bridge crossing at Tumwater Creek. The existing bridge has reached the end of its useful life. Due to the limited structural integrity, the loading for the bridge is restricted to passenger cars and light trucks. The new bridge will be designed to support the Port travel lift, fully loaded log trucks, loaded log stackers and top pick container handling equipment.

Action Elements/Milestones:

- February 2011 complete engineering and amended permits
- February 2011 advertise for bids
- April 2011 award contract
- July 2011 start construction
- September 2011 construction completed

Finance: 2011 Strategic Project

- Budgeted \$450,000.00

Long Range Financial Needs:

- None identified at this time

Economic Impact:

- Improved connectivity of marine trade properties
- Improved operational efficiency
- May attract marine trades expansion west of Tumwater

Variables and/or Constraints:

- Availability of marine contractors
- Restrictions of permits

PROJECT 1.6: MARINE TERMINAL SECURITY IMPROVEMENTS

Executive Summary: This project provides for additional security improvements that include the installation of new automatic gates, fending and cameras at the Marine Terminals #1 and #3 to supplement the existing security system. We are awaiting funds from the approved Round 8 security grant from Homeland Security to begin this project.

Action Elements/Milestones:

- Spring 2011 – Funding received
- June 2011 – Award small works contracts
- October 2011 – construction completed

Finance: 2011 Strategic Project – Budgeted \$30,000.00 (25% grant match)

Long Range Financial Needs: None

Economic Impact:

- Improved operational efficiencies

Variables and/or Constraints: Subject to grant funding

PROJECT 1.7: REPAIR MARINE TERMINAL WAREHOUSE BULKHEAD

Executive Summary: This project is for the design engineering for the replacement of the bulkhead on the West face of the Marine Terminal Warehouse facility. The existing bulkhead beneath the Marine Terminal Warehouse is failing. Settling and sinkholes are developing which are causing concern for the warehouse building itself. The repair of the bulkhead will extend the life of the warehouse.

Action Elements/Milestones:

- January 2011 commence engineering and permitting
- June 2011 complete engineering
- July 2011 start permitting submittals

Finance: 2011 Strategic Project

- Budgeted \$50,000.00

Long Range Financial Needs:

- Construction in 2012 is estimated at \$400,000.00

Economic Impact:

- Retain current jobs and businesses
- Protect existing assets

Variables and/or Constraints: Permitting

GOAL 2 MANAGE THE PORT'S MARINA ASSETS TO ADDRESS EMERGING MARKETS AND DISCOVER NEW INVESTMENT

PROJECT 2.1: PABH WEST BOAT RAMP EXPANSION

Executive summary: This project is for the initial design engineering and permitting to construct an all season float system and breakwater at the West Boat Ramp. In 2010, the Port made the decision to close the East Boat Ramp in the Port Angeles Boat Haven due to structural concerns. Staff did an analysis of the facility and determined that it would not be operational or cost effective to replace the facility in its current location. Staff presented its findings to the Commission in 2010 and were directed to seek alternatives to expanding the West Boat Ramp to allow for year around use.

Action Elements/ Milestones:

- A request for Proposals (RFQ) for Engineering and Permitting Services was advertised in December 2010 with responses due in late January 2011.
- Once a consultant is selected, engineering alternatives will be considered. Included will be alternates for wave attenuation and relative costs for each alternative.
- Once a favored alternative is selected, final engineering and permitting will proceed.
- It is anticipated that engineering will take several months and permitting will be applied for in late 2011. Permitting will likely take one year to 18 months from time of submittal. Permits required will be USACE, WDFW, WDOE, and City of PA.
- Letter of Intent for grant request for engineering assistance (\$50,000.00) was made to WA State Recreation Conservation Office (RCO) in December 2010. Decisions on funding will be made in second quarter 2011.

Finance:

- \$50,000.00 was allocated in the 2011 Capital budget

Long Range Financial Needs:

- Unknown pending final design options

Economic Impact:

- Preserve POPA boat ramp revenues
- Support recreational boating and fishing

Variables and/or Constraints:

- Will be dependent of permitting and possible mitigation requirements
- Permitting will likely take at least 12 months.

PROJECT 2.2: MARKET MARINAS AS CRUISE DESTINATIONS AND CONFERENCE OPPORTUNITIES

Executive Summary: The Port will continue to promote our facilities as opportunities arise. The Port will be represented at the Seattle Boat Show January 21-January 30, 2011.

Action Elements/Milestones:

- Booth space has been reserved
- Staff developed a marina specific booth display message
- Marketing materials will be developed

Finance:

- The estimate of the cost of booth space, booth display and marketing material will be approximately \$2,500.00 to \$3,500.00 and is part of our 2011 budget.

Long Range Financial Needs:

- Subject to continuing the marketing effort and participation in future shows.

Economic Impact:

- Additional moorage at marinas
- Additional boat repair work in boat yard
- Market Clallam County

Variables and/or Constraints:

- None identified

PROJECT 2.3: BOAT YARD STORM WATER IMPROVEMENTS

Executive Summary: This project involved the continued development of storm water facilities at the Boat Yard to meet DOE water quality standards. With the completion of the Boat Yard Sheet pile project in 2010, work started on developing a new storm water collection system. New catch basins and pipe will be installed along with a treatment system to conform to the new discharge regulations.

Action Elements/Milestones:

- February 2011 – complete installing catch basins and pipe
- May 2011 – purchase treatment system
- June 2011 – install treatment system

Finance:

- 2009 Capital Project Budgeted \$75,000.00

Long Range Financial Needs:

- Annual operational cost will increase (to be determined).

Economic Impact

- Preservation of jobs
- New business

Variables and/or Constraints:

- None identified

GOAL 3 MANAGE AIRPORT OPERATIONS EFFICIENTLY AND PLAN WITH PARTNERS FOR FUTURE DEVELOPMENT

PROJECT: 3.1: GENERAL AVIATION EXPANSION PHASE 1 SITE PREPARATION

Executive Summary: Both general and corporate aviation activities are on the rise and staging of itinerate aircraft are routinely becoming more limited. This project is consistent with the updated Airport Master Plan and Port Strategic Plan. Once completed, this project will provide additional pad site for corporate hangar development, improved fix based operation, itinerate aircraft parking, revised public access road and auto parking.

Action Elements/Milestones Phase I Engineering and Construct:

- Final Design - 1st Qtr – 2011

Final Engineering Cost Estimates: Preliminary estimates indicate an increase in construction costs higher than provided and budgeted for 2011.

Pending:

- Revised Project Scope Phase I Construction - 2011
- Commission Construction Approval – 2011
- FAA Grant Application – 2011

Permits required:

- SEPA/NEPA
- Clearing and Grading
- Wetlands (Possible)

Finance: 2011 Budget Project:

Engineering Phase I

- FAA \$331,791.00
- Port Funded at 5% \$17,462.00
- Port (non-eligible) \$30,319.00
- Total \$379,573.00

Construction Phase I

- FAA \$1,623,338.00
- Port Funded at 5% \$85,441.00
- Port (non-eligible) \$229,419.00 to be determined with FAA
- Total \$1,938,248.00

Economic Impact:

- Expand number of corporate based aircraft, increase employment opportunities, generate additional user fees and further enhance future commercial development activities.

Variable and/or Constraints:

- Revised costs and scheduling of FAA funding. This project may be delayed if funding support from FAA is limited.

PROJECT: 3.2 LINCOLN PARK MASTER PLAN AND DEVELOPMENT

Executive Summary: Establish a safe and permanent instrument approach to Runway 26, expand all weather capability to aircraft requiring access into Fairchild International Airport and improve airline operational costs and efficiencies. Process will include the Port’s partnership with City of Port Angeles and FAA in implementing the Master Planning and redevelopment of Lincoln Park.

Action Elements/Milestones:

- Port and City select Park Master Plan consultant– February 2011
- Park Master Plan contract approval – March 2011
- Commence Park Master Planning – April 2011

- Park Master Plan completion and approval – December 2011

Finance: 2011 Budgeted Projects

- FAA \$440,000.00
- Port of Port Angeles \$22,000.00
- Estimated total budget amount \$462,000.00

Long Range Financial Needs:

- Park Environmental Assessment 2012 - \$17,400.00
- Purchase Avigation and Clearing Easement 2013 - \$42,160.00
- Park Redevelopment 2014 – \$104,400.00

Economic Impact:

- Enhance and retain current and future commercial viability of the Airport and continued economic assistance to airline.

Variable and/or Constraints:

- Public process
- Environmental Impact Study

PROJECT 3.3: FINALIZE AIRPORT MASTER PLAN UPDATE

Executive Summary: FAA requires airports to update their Airport Master Plans every seven to ten years. The last Master Plan update for Fairchild International Airport was completed in 1988 and revised 1997. Master Plan updates typically are represented in an incremental format of 5-10-15-20 years. In special cases such as with this Master Plan where more comprehensive airspace analysis is required, an additional 50-year projection is required. This work started in 2009 and is 90% complete.

Action Elements/Milestones:

- Airport inventory - completed
- Demand forecasts - completed
- Market and trend analysis - completed
- Facility requirements - completed
- Alternatives analysis - completed
- Runway length analysis - completed
- Airport Layout Plan for general and commercial operations – completed
- Environmental review (SEPA only) – completed
- Air space analysis - February 2010
- Property map identifying Federal and non-Federal acquisitions – February 2010
- FAA final review and approval of Airport Lay Out Plan (ALP) – April 2011
- Approved by Commission - May - 2011

Finance: 2010 Budgeted Project:

- FAA \$332,500.00
- Port of Port Angeles \$17,500.00

- Total Budget Amount \$350,000.00

Long Range Financial Needs:

- None anticipated other than as identified in Port 5-year Capital 2011 - 2016 Plan.

Economic Impact:

- An approved updated Airport Master Plan is mandatory before any Capital Improvement or change in operational classification can be authorized by the FAA.

Variable and/or Constraints:

- Pending FAA approval of Airport Lay Out Plan April 2011.

GOAL 4 CREATE NEW OPPORTUNITIES FOR INDUSTRIAL PROPERTY DEVELOPMENT AND AGGRESSIVELY MARKET PROPERTIES

PROJECT 4.1 INDUSTRIAL MARKETING & PROPERTIES

Executive Summary: The Marketing/Property Manager will continue to identify and contact composite and alternative energy companies and work closely with Ports existing tenants and major businesses in Clallam County to support job retention and business expansion. Will also be providing project management support to the composite campus development and continue to find the highest and best use for Port real property assets and facilities. Will focus on identifying underutilized Port facilities and develop feasible studies and cost benefit analysis to improve these assets.

Action Elements/Milestones:

January-March: Finalize new brochure for Composite Manufacturing and begin design on alternative energy brochure. Support project management of composite campus and outreach to targeted businesses for potential tenants at the Industrial Park and other Port locations. Provide update on underutilized Port facilities and develop marketing contacts with new businesses.

April-June: Finalize new brochure for alternative energy and target companies and contact perspective companies. Support construction and development of composite campus. Provide update on underutilized Port facilities projects and marketing contacts and property actions.

July-Sept: Support construction and development of composite campus. Provide update on underutilized Port facilities projects, marketing contacts and Port leasing efforts.

Continue outreach to targeted businesses for potential tenants at the Industrial Park and other Port locations.

Oct.-Dec: Develop marketing program around composite campus opening. And support construction and development of composite campus. Provide update on underutilized Port facilities projects and marketing contacts. Continue outreach to targeted businesses for potential tenants at the Industrial Park and other Port locations.

Finance:

- This position is funded in our 2011 budget under Properties and Economic Development

Long Range Financial Needs:

- With increases in new facilities occupancies and improved industry networking capabilities, marketing cost will remain in equilibrium.

Economic Impact:

- Will continue to expand the Port's presence in the state and northwest as a leader in composite manufacturing as well as existing business development.
- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints: The economic conditions could worsen both at a State and National level making it even more challenging to recruit new businesses or obtain grants and funding to do so. Also with additional infrastructure and capital dollars being depleted for major Port projects available future inventory for new prospects may be restricted.

PROJECT 4.2: COMPOSITE MANUFACTURING CAMPUS

Executive Summary: This project is for the expansion and development of new industrial facilities. The Port has reached an agreement with ACTI for new facilities as part of the Composite Manufacturing Campus. The new campus is designed for up to five new 25,000 sq ft. buildings for the composite industry.

Action Elements/Milestones:

Composite Manufacturing Campus (ACTI): Construction cost and engineering drawings are being generated by engineering consultant. Funding/grant requests will continue through out the year. Infrastructure construction to begin in mid 2011. Construction of a 25,000 sq.ft. building to be complete by the end of the year.

- RFQ for architectural services will be advertised in early January
- Site development engineering will be complete in first quarter
- Site development contract to be bid/awarded early second quarter
- Building construction contract to be bid/awarded late second quarter
- Site Development construction to be complete late second quarter
- Building construction to be complete, ready for ACTI January 2012

Finance:

- \$4,000,000.00 for ACTI has been allocated in the 2011 budget from proceeds of ARRA bond sales in 2010.

Grants:

- Additional grants will be pursued
- EDA grant applications will be pursued

Loans:**Other:****Long Range Financial Needs:**

- Composite Manufacturing Campus cost estimates: \$8,500,000.00 (5 years +) to include future buildings

Economic Impact:

- Preservation of jobs: ACTI currently has 100 employees
- Additional jobs: ACTI will create 100 additional jobs
- New business

Variables and/or Constraints:

- Expansion plans for ACTI are subject to final lease negotiations, financing, permitting and confirmation of their respective business plans.

PROJECT 4.3: INTERNATIONAL FERRY TERMINAL

Executive Summary: The International Ferry Terminal is the location of Black Ball Ferry, which provides year around service to Victoria B.C Canada. Black Ball has been a tenant of the Port for over 30 years and facilities it leases from the Port are in need of major renovation

Action Elements/Milestones:

The Port contracted for professional engineering services with MC 2 in 2010 to complete engineering and permit drawings for the newly renovated facility. In addition, the Port contracted for the services of M.H. Hillman and Sea Run Consulting to help facilitate the construction review and permit requirements as part of this overall project. Several grants and appropriation requests were made in 2010 and a decision was made to hold off construction in 2010 with the anticipated plan of beginning construction in 2012, pending funding requests. We will continue permitting/preliminary engineering through 2011. Funding/grant requests will continue to be pursued throughout the year. Lease discussions will commence in the first quarter of 2011.

- Permit requests have been filed for USACE, WDFW, and DOE.
- Port completed SEPA in 2010.
- Some minor repair work may be necessary to make sure operations continue until major renovation in 2012.
- Design/construction drawing review will occur in 2011.

Finance:

- \$20,000.00 for International Ferry Terminal improvements (engineering) has been allocated in the 2011 budget. \$300,000.00 allocated previously in the 2010 budget, which may carry over into 2011.

Grants:

- Additional grants will be pursued
- EDA grant applications will be pursued
- Awaiting International Ferry Terminal Appropriations

Loans:**Other:****Long Range Financial Needs:**

- Construction cost estimate for the West Dock \$5,000,000.00 (Port share)

Economic Impact:

- Preservation of jobs: Black Ball currently has 125 employees

Variables and/or Constraints: Redevelopment plans for the International Ferry Terminal are subject to final lease negotiations, financing, permitting and confirmation of Black Ball's respective business plans.

GOAL 5 BE AN ACKNOWLEDGED LEADER IN ENVIRONMENTAL PLANNING AND PROGRAMS, INCLUDING SITE REMEDIATION, MITIGATION AND HABITAT RESTORATION

PROJECT 5.1: ENGAGE IN ALTERNATIVE ENERGY DEVELOPMENT OPPORTUNITIES

Executive Summary: Alternative energy projects are a key focus at a National and State level. We will work closely with Nippon Paper to assist them with the start up of a co-generation biomass facility as they progress from concept to implementation. The Port may not have a financial interest in the project but we will provide support as needed. Additional opportunities may include the use of solar power as we develop additional industrial buildings at the North Industrial Park. We will work closely with Pacific Northwest National Laboratory as they develop alternative energy projects and technology. Continue to support LevX Magna Force Technology as they identify markets for their alternative energy transportation system. Where opportunities are identified, we will actively engage to support these new businesses development opportunities.

Action Elements/Milestones:

- Actively seek opportunities throughout the year.

Finance:

- None identified.

Long Range Financial Needs:

- None identified.

Economic Impact:

Both Nippon and Pacific Northwest National Laboratory may produce economic impacts that will result in growth in all three areas identified.

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints: None identified.

PROJECT 5.2 PORT STORM WATER MANAGEMENT

Executive Summary: The management of storm water at Port facilities under State issued National Pollutant Discharge Elimination System (NPDES) permits foster quality environmental stewardship in the Port District. Storm water management and permit compliance is a dynamic and ongoing process that includes: Storm Water Pollution Prevention Plan (SWPPP) updates, permit modifications, and change in design, construction, operation, and maintenance at Port facilities to minimize pollutants in storm water.

Action Elements/Milestones:

- January 2011 - April 2011 – Implement Level 3 Response, Storm Water Improvements at Marine Terminal upland.
- January 2011 - July 2011 – Implement Boatyard Storm Water Improvements.

Finance:

- \$75,000 is budgeted for boatyard storm water improvements in the 2011 Budget.
- \$20,000 is budgeted for Marine Terminal storm water improvements in the 2011 Budget.

Grants:

- State Ecology grants for storm water are available depending on Federal funding.

Long Range Financial Needs:

- \$1,045,000 is proposed for Log Yard Drainage & Paving in the 2011 Five-Year Improvement Plan.

Economic Impact:

- Preservation of jobs

Variables and/or Constraints: Capital improvements depend on grant funding awards and future demand for industrial water front property in the vicinity of the Port Angeles Harbor.

PROJECT 5.3: CONTINUE TO SEEK NEW ENVIRONMENTALLY FRIENDLY PROJECTS AND INITIATIVES

Executive Summary: The Port will continue to seek new environmentally friendly projects and initiatives to provide the potential for green jobs and foster quality environmental stewardship in the Port District. This process involves the continuing education of Port staff through the attendance of environmental seminars and WPPA committee programs. The continued cooperation with State, County and City agencies will also lead to environmentally friendly projects/initiative opportunities for the Port and stakeholders.

Action Elements/Milestones:

- 2011 – Port staff will attend various environmental/green job seminars as they become available.

Finance:

- A portion of the \$60,000.00 as budgeted for Travel & Training in the 2011 Budget under Administration and General.

Long Range Financial Needs

- None identified.

Economic Impact:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints:

- Port staff time

PROJECT 5.4: APPLY FOR AND MONITOR NECESSARY PERMITS FOR PORT DEVELOPMENT PROJECTS

Executive Summary: Capital improvements and development requires permits from Federal, State agencies and local government (City of Port Angeles & Clallam County). Local municipality and County permits are required to cover local building codes and meet the requirements of the Shoreline Management Act. Federal and State permits are usually required when impacts to navigable waters or fish and wildlife habitat are anticipated. Development activities waterward of the mean higher high water (MHHW) for tidal waters are regulated by the U.S. Army Corps of Engineers (USACE or Corps), Washington State Department of Ecology (WSDOE), and the Washington State Department of Fish and Wildlife (WDFW). In addition, the National Oceanographic and Atmospheric Administration (NOAA Fisheries) and U.S. Fish and Wildlife Service (USFWS) must concur that any project requiring Federal approvals (a USACE permit, for example) is consistent with the Endangered Species Act (ESA). Port staff shall apply for and

manage the required permits to develop properties and facilities for the long-term benefit of Port stakeholders.

Action Elements/Milestones:

- Monthly, 2011 – Port staff will review and maintain current permits.
- 2011 – Port staff will apply for the appropriate permits as required by facilities and property development.

Finance:

- Permitting costs are budgeted into the 2011 Capital Improvement Budget.

Long Range Financial Needs:

- None identified.

Economic Impact:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints:

- Port staff time

PROJECT 5.5: AMEND COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS

Executive Summary: Port staff shall amend the Port of Port Angeles Comprehensive Scheme of Harbor Improvements as stated in RCW 53.20.020. RCW 53.20.020 states that “When such general plans shall have been adopted or approved, as aforesaid, every improvement to be made by said commission shall be made substantially in accordance therewith unless and until such general plans shall have been officially changed by the Port Commission after a public hearing thereon, of which at least ten days' notice shall be published in a newspaper in general circulation in such port district”.

Action Elements/Milestones:

- Monthly, 2011 – Port staff will review and amend the Port of Port Angeles Comprehensive Scheme of Harbor Improvements as required under the Revised Code of Washington.

Finance:

- Shall require approximately 40+ hours of staff time.

Long Range Financial Needs:

- None identified.

Economic Impact: Supports:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints: None identified.

PROJECT 5.6: PARTICIPATE IN THE CITY OF PORT ANGELES'S SHORELINE MASTER PROGRAM AND HARBOR RESOURCE MANAGEMENT PLAN UPDATE PROCESS

Executive Summary: The Port shall work with the City of Port Angeles, DNR, US Coast Guard and the Lower Elwha Klallam Tribe (Committee) to update the Harbor Resource Management Plan to meet current stakeholder goals and update the City's Shoreline Master Program to meet the State guidelines and stakeholder goals.

Action Elements/Milestones:

- Monthly 2011 – Port staff will attend committee meetings and provide available Port resources to the update process.

Finance:

- Approximately 40+ hours of staff time.

Long Range Financial Needs:

- None identified.

Economic Impact: Supports:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints: None identified.

PROJECT 5.7: MONITOR ENVIRONMENTAL AND LEGISLATIVE ISSUES THAT EFFECT THE PORT'S CURRENT AND FUTURE OPERATIONS

Executive Summary: There continue to be ongoing environmental and political issues that may impact the Port and/or its tenants and customers operating efficiencies. The issues have a broad range and may include regulatory changes, budgetary constraints and political decisions. The impediments may come from Federal, State or local level. Some examples include:

1. Shoreline master planning
2. Homeland Security restrictions
3. US Coast Guard regulations
4. Environmental Agency regulations (i.e., ballast water, storm water)
5. Timber harvest volume and/or forest practice regulations
6. Continue to monitor Wild Olympics Campaign

Action Elements/Milestones:

- Continue dialog with State legislators and Federal delegation to be mindful of new impacts that may be being considered.
- Continue to meet with and communicate with industry groups such as WPPA, NOTAC, NWMTA and others to keep up with current issues. Staff regularly participates in many such groups who meet on a regular basis.

Finance:

- Staff time to participate in meetings and seminars.

Long Range Financial Needs:

- Predominately staff time. Long term commitment/support to training and allowances for attendance at appropriate seminars and meetings is necessary.

Economic Impact:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints: Depending on issues, each may have a specific timeline for implementation and/or public comment.

**GOAL 6 BECOME A VISIBLE AGENT FOR ECONOMIC PROGRESS
IN THE PORT DISTRICT; INFORM AND ENGAGE THE
COMMUNITY ABOUT PLANS AND PROGRAMS**

**PROJECT 6.1: ENHANCE THE PORT'S IMAGE TO THE LOCAL
COMMUNITY AND CITIZENS OF THE PORT DISTRICT**

Executive Summary: The Port desires to inform stakeholders, customers and the community about its various projects and ongoing activities of interest. In partnership with community groups, service clubs, tribes, business interests and other governmental entities, the Port views effective and consistent communications as essential for long term success.

Action Elements/Milestones:

- Participate at local events to inform the public about the Port's mission.
- Continue to publish the Port Pilot quarterly and expand the current mailing lists and email contact list.

- Coordinate speaking engagements/appearances for the Commission and Executive Director to enhance the Port’s public image.
- Write consistent and effective news releases, highlighting the Port’s ongoing accomplishments.

Finance:

- Ongoing advertising and publication of the Port Pilot is included in the Ports 2011 operating budget. The anticipated expenditure is \$20,000.00. Advertising in local media and special publications is also included in the 2011 budget and is anticipated to cost \$20,000.00.

Long Range Financial Needs:

- Ongoing public outreach is expected to cost in the range of \$40,000.00 annually and commitment of staff time and allocation of work scope.

Economic Impact:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints:

- Variables are subject to timing of local events and printing schedules of publications/magazines that the Port may advertise in.

PROJECT 6.2: **EFFECTIVELY COMMUNICATE THE PORT’S MISSION AND GOALS**

Executive Summary: In addition to the local community and enhancing the Port’s image, ongoing communications as part of the Port’s overall marketing plan, continual updating of promotional materials and communication methods will be ongoing. Recognizing that communications and marketing are a “team effort”, all Port employees are encouraged to be informed and a messenger of the Port’s Mission, Goals and Strategic Plan.

Action Elements/Milestones:

- Participate in WPPA Port day.
- Participate in the KONP Home Show.
- Regularly maintain the Port website with current accomplishments and programs.
- Coordinate with Port marketing efforts to produce effective and attractive promotional material as needed.

Finance:

- Funding is allocated in the Port’s 2011 operating budget.

Long Range Financial Needs:

- Website updates and promotional materials will vary in cost. The initial website updates should cost no more than \$2,000. Promotional material costs will depend largely upon the complexity and amount printed.

Economic Impact:

- Preservation of jobs
- Additional jobs
- New business

Variables and/or Constraints: None identified.

GOAL 7 FULLY UTILIZE THE PORT’S RESOURCES AND INVESTMENTS TO ACHIEVE THE HIGHEST POSSIBLE NET RETURNS AND STRATEGIC CAPITAL PROGRAMS

PROJECT 7.1: PURSUE INVESTMENTS WITH ADEQUATE YIELD TO SUPPORT CAPITAL INVESTMENT PROGRAMS

Executive Summary: Yields on longer term investments are trading upward; Port currently has large investment balance in Washington State Investment Pool. This large balance was a result of many Port investments being called in second half of 2010; State Investment Pool monies can be reinvested within 24 hours.

Action Elements/Milestones:

- Over first and second quarters of 2011, staff will be aggressively examining options to increase yields on reserves, especially those reserves that are not likely to be spent over next 3-5 years.

Finance:

- Port’s 2011 Budget anticipated effect of these aggressive investment procedures

Long Range Financial Needs:

- Increased returns in 2011 will be reinvested to be used in future years and will be reflected in future budgets.

Economic Impact:

- Improved cash flow will enable Port to pursue capital improvements in 2011 and future years.
- Capital improvements will create jobs in community and develop stronger business base in Clallam County.

Variables and/or Constraints:

- Market conditions will impact ability to generate higher yields on investments.

PROJECT 7.2: PURSUE COST SAVINGS MEASURES IN PORT'S OPERATING PROCEDURES

Executive Summary: Intelligent costs saving measures improve the Port's "bottom line" as effectively as new streams of revenue. Staff considers and implements cost savings measures daily as decisions are made to purchase equipment, materials and services. An excellent example from 2010 was the switch from Qwest to VOIP telephone service which essential paid for itself in less than a year.

Action Elements/Milestones: A&G cost savings measures being implemented or considered for 2011 include:

- Reducing current network configuration from five servers to three
- Cost savings on equipment purchase, maintenance and long-run operational costs.
- Upgrading to latest versions of computer operating systems and office software suites
 - Improved productivity and compatibility with vendors will achieve long-run savings
- Exploring options to purchase document-scanning equipment to reduce paper handling, storage and retrieval labor costs in the accounting department.
 - Exploring options to invoice customers electronically, saving postage, paper, printing and labor costs.
- Emphasis on low cost purchasing in maintenance material processes; for example, purchasing from lowest responsive cost vendors.
- Emphasis on low cost administrative department purchasing; for example, purchasing from wholesale suppliers for office supplies.

Finance:

- Port's 2011 Budget anticipated effect of these cost savings procedures

Long Range Financial Needs:

- Decreased costs in 2011 will be reinvested to be used in future years and will be reflected in future budgets.

Economic Impact:

- Improved cash flow will enable Port to pursue capital improvements in 2011 and future years. Capital improvements will create jobs in community and develop stronger business base in Clallam County.

Variables and/or Constraints:

- Identifying and negotiating with lower cost suppliers will require some additional time and effort.

PROJECT 7.3: SEEK ALTERNATIVE FINANCING SOURCES FOR PORT TENANTS

Executive Summary: Partner with Port tenants in developing financing plans for Port/tenant improvements. Likely financing sources will be Port issuance of revenue bonds and use of Port reserves.

Action Elements/Milestones:

- First step is to meet with Port partners to understand capital expansion needs and timing requirements. Included in first step is explanation to partners of revenue bond requirements.

Long Range Financial Needs:

- Planning for revenue bond issuance assumes that long term lease arrangements are underway so that Port can be assured that enough funds will be available to repay debt service.

Economic Impact:

- Property development would likely result in preservation or creation of jobs within the Port district.

Variables and/or Constraints:

- Long term lease arrangements will be critical to support revenue bond issuances.

PROJECT 7.4: UPDATE COMPUTER SOFTWARE AND HARDWARE

Executive Summary: Purchase 19 licenses of both Microsoft Office 2010 Standard and Microsoft Windows 7 operating system for installation on Port PCs and laptops; also purchase two new PCs and one new laptop to replace existing equipment that cannot run the new software.

Action Elements/Milestones:

- Goal is to have installation complete by 3/31/2011.

Finance:

- \$18,000.00 – part of Admin major maintenance in 2011 Budget (includes estimated Outside Services labor expense for IT consultant to install new software on each PC/laptop).

Long Range Financial Needs:

- None

Economic Impact:

- Mostly a cost-of-doing-business expense.
- Improved productivity; improved reliability (less down time; fewer maintenance calls); increased compatibility with software used by vendors and customers (FAA, engineering firms, surveyors, etc.).

Variables and/or Constraints:

- Needs to be coordinated with IT consultant's schedule; may need to purchase additional computer memory for some existing PCs

PROJECT 7.5: ESTABLISH COMPUTER CAPABILITY AT FAIRCHILD AIRPORT (EMERGENCY OPERATIONS CENTER)

Executive Summary: The Port's servers and tape-backup machine were replaced with new equipment in Q4 2010. Move the older – but still useable - server and backup equipment to the airport and set up an off-site computer capability as part of the Port's Emergency Operation Plan.

Action Elements/Milestones:

- Goal is to have equipment in place and operational by 6/30/2011

Finance:

- \$5,000.00 – part of Admin major maintenance in 2011 Budget (includes estimated Outside Services labor expense for IT consultant to move, setup, network and test old equipment at new location).

Long Range Financial Needs:

- None

Economic Impact:

- Provides critical ability to run Port computer operations (email, accounting, payroll, internet, etc.) from airport in case admin building and server/PC equipment is rendered unusable by a natural disaster.

Variables and/or Constraints:

- Needs to be coordinated with IT consultant's schedule; may need to purchase additional hardware or software to integrate old equipment into the network from the new location.

PROJECT 7.6: REVISE PORT EMERGENCY OPERATION PLAN

Executive Summary: In 2010 Port Staff developed a Draft Port Emergency Operations Plan (EOP) based on the Emergency Management Group (EMG)/Emergency Operations Group (EOG) systems under the control and direction of a Port Emergency Operation Center (EOC). To implement a workable Port EOP, the 2010 draft plan will be slimmed down and include: Emergency Standard Operating Procedures, Damage Assessment Procedures, Emergency Procurement, Resources, and Contact Directory.

Action Elements/Milestones:

- March 2011 – Draft revised EOP for fellow Port staff review
- June-July 2011 – Present EOP for Commissioner review and approval.

Finance:

- Approximately 20+ hours of staff time.

Economic Impact:

- Preservation of jobs due to appropriate and swift emergency response and a quicker economic recovery following a major event.

Variables and/or Constraints:

- None identified.

GOAL 8 MAJOR MAINTENANCE PROJECTS

PROJECT 8.1: MAJOR MAINTENANCE PROJECTS

Executive Summary: In an effort to preserve the Port's assets, major maintenance projects are annually undertaken by small works contracts and/or Facility Maintenance crews. This allows the Port to fully market its facilities for new business opportunities and retain current tenant businesses.

Action Elements/Milestones:

- Replace/repair gutters and soffits on the main John Wayne Marina Building – May 2011.
- Install fencing on the NW property line at John Wayne Marina – June 2011.
- Repair Port Angeles Boat Haven Work pier piling – August 2011.
- Rebuild John Wayne Marina Parking Lot Lighting – June 2011.
- Seal coat Port Angeles Boat Yard – September 2011.
- Repair and seal coat Administration Parking lot – May 2011.
- Drive piling at the Log Yard Rafting Pockets – October 2011.
- Replace/repair Marine Terminal camel logs/walking sticks – As needed 2011.
- 1908 O Street HVAC Replacement – March 2011.
- Marine Terminal Storm water improvements – April 2011.
- Cut trees along runway at Sekiu Airport – September 2011.

Finance: 2011 Budgeted Projects (except seal coats)

- Budgeted - \$178,500.00
- Other – Seal coating projects are budget through the 2011 facility maintenance budgets for each location.

Long Range Financial Needs:

- \$150,000.00 to \$200,000.00 needed annually to maintain the Port's assets.

Economic Impact:

- Preservation of properties and equipment

Variables and/or Constraints:

- Funding and permitting as needed. Higher priorities sometimes will delay major maintenance projects for a year.