

27 August 2015

To: Jennifer Keene, Executive Director, Port of Woodland
From: Scott Keillor and Nicole McDermott

**Re: Port of Woodland Comprehensive Scheme of Harbor Improvements
Kickoff Meeting Summary**

ATTENDEES

Commissioners (participated in the SWOT Analysis)

Dale Boon, Chair

Jerry Peterson

Paul Cline

Staff

Jennifer Keene, Executive Director

Consultants

Scott Keillor, Nicole McDermott, and Scott McMahan (BergerABAM)

Todd Chase and Tim Wood (FCS GROUP)

OVERVIEW

On 20 August 2015, the Port of Woodland (Port) hosted a kickoff meeting for the development of the Port's Comprehensive Scheme of Harbor Improvements (CSHI). The meeting was held at the Port offices and began with an overview of the CSHI process and background data with the Port Executive Director, Jennifer Keene. The project overview was followed by a tour of Port facilities and a strengths, weakness, opportunities, and threats (SWOT) analysis with Port Commissioners. A summary of the facilities tour and SWOT analysis follows.

FACILITIES TOUR

A list of Port-owned facilities and site tour notes is provided below.

- **Down River Industrial Park** – includes six industrial buildings (not visited during the site tour). All industrial buildings are currently leased and there is currently a waiting list for tenants.
 - **Pekin Industrial Park** – public hearing scheduled for 20 August 2015 to surplus the property.
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- **Schurman Way Industrial Park** – industrial buildings at the park are Build-to-Suit. Depending on needed lot size, site readiness, and the ability to work with BNSF, this industrial park may accommodate rail-dependent users. A 25-acre site is currently available for development. A rail spur runs along the northern boundary of the site and is used by PDM Steel. The Port would like to assess the highest and best use of the 25-acre site in the CSHI.



Schurman Industrial Park – 25-acre Development Site

- **Schnitzer Property** – public hearing is scheduled for 20 August 2015 to surplus the Schnitzer property, located east and northeast of the Schurman Industrial Park.
- **Guild Road Industrial Park** – includes the Rose Growers Site, south of Guild Road. The Port recently received Cowlitz County, state, and federal grant funding for the design, engineering, and permitting of the Rose Growers Site.
- **Taggart Site** – located north of Guild Road and northwest of the Rose Growers Site. The Port is in the process of purchasing two additional parcels to the west of the Taggart Site; a public hearing is scheduled on 20 August 2015. The purchase will facilitate the move of West Coast Training from their existing location on Austin Point.
- **Martin Bar North** – currently permitted as a dredge material disposal site. This site has deep-water access and the Port is working with the U.S. Army Corps of Engineers to remove it as a disposal site in order to facilitate its use for economic development.



Martin Bar North

- **Martin Bar South** – currently used as a dredge material disposal site. This site will remain in use as a disposal site. The Port is currently working to expand Martin Bar South by 9 to 11 acres, in conjunction with the removal of Martin Bar North as a dredge material disposal site.
- **Austin Point and Rail Loop** – Austin Point is prime heavy industrial property with deep-water access. The northern 20 acres of Austin Point is currently used as a dredge material disposal site and leased to West Coast Training. Following acquisition of the site adjacent to the Taggart Site, West Coast Training will be relocated. The rail loop is currently leased for agricultural use.



Austin Point

- **Port Office Property Acquisition** – the Port is currently in the process of acquiring a property north of the Pekin Industrial Park for use as the Port administrative offices. A public hearing for consideration of the acquisition is scheduled for 20 August 2015.



Acquisition Property

SWOT ANALYSIS

Ms. Keene kicked off the SWOT analysis and introduced the Port Commissioners to the consultant team. Following introductions and an overview of the CSHI process, the consultant team facilitated the SWOT analysis, beginning with the Port's strengths. The following is a brief description and summary of each discussion topic and bullet points generated by the Commission during the meeting.

Strengths

All agreed the Port has many strengths. Access to Interstate 5 (I-5), the BNSF railroad, and the Columbia River are among the Port's most important assets. The longevity of the Port Commission and a skilled staff benefit the Port in many ways. Specific Port strengths include:

- Access – I-5, rail, and river (including deep-water access)
- Diversity of facilities (warehousing, manufacturing, waterfront sites)
- Quality of life – strong community, good education, new high school
- Access to the river for recreation and fishing
- Low energy and land costs
- Low tax rate
- Regional growth that leads to new development in the area
- Access to technology services
- Relationships with other ports that have experienced staff and more resources
- Proximity to the Portland Metropolitan Area and the Portland International Airport

Weaknesses

The Port's primary challenges are similar to many challenges facing ports with small staffs and limited resources. Weaknesses recognized by the Port within its District include:

- Lack of shovel-ready development sites
- Lack of infrastructure to support development, including limited water supply for larger user
- Lack of buildings to support businesses with 20 to 50 employees
- Lack of a large net buildable site for development (over 50 acres)
- Relationship with the County and City could be stronger
- Staff size (too small)

Threats

The greatest potential threats facing the Port are related to public perception based on the activities of neighboring ports and permit timelines at the City of Woodland. The Port Commission and staff feel it is important to set policies related to commodities the Port will and will not accept (coal, oil, liquefied natural gas, propane, etc.) in order to address public perceptions and expectations. Additionally, opportunities are included below to facilitate

stronger relationships with the community, City, and County. Summary of threats to be addressed, include:

- Negative public perception related to activities of neighboring ports
- City permit timelines – City has limited resources and must comply with Growth Management Act because of its location in both Cowlitz and Clark Counties
- Limited revenue streams
- The cost of doing business because of state regulations (environmental, public notice, etc.) – the Commission noted that maintaining a clear and open public process is important, but adhering to process requirements from the state require additional time and resources

Opportunities

The Port recognizes some of the current challenges and potential threats as opportunities to leverage its resources and improve economic development in the region. The Port can build on existing assets and expand waterfront and inland development opportunities. Opportunities for the Port include:

- Supply industries for manufacturing and agriculture – potential for cold storage, distribution facility (i.e. home depot)
- Take advantage of market opportunities (as assessed through the CSHI process)
- Improve relationships with the community, City, and County
- Support efforts to attract clean industries
- Work with the City and County to streamline permitting
- Seek partnerships with ports, City, and County and/or private businesses
- Marketing/branding, website improvements

NEXT STEPS

The Port staff and Commission will direct refinements to the SWOT analysis, which will be included in the Port's CSHI. The consultant team will conduct stakeholder interviews and complete a market analysis and facilities conditions assessment to be presented to the Port Commission in September/October 2015.

PORT OF WOODLAND COMPREHENSIVE SCHEME OF HARBOR IMPROVEMENTS STAKEHOLDER INTERVIEW SUMMARY

The Port of Woodland is starting work to develop its comprehensive scheme of harbor improvements. In order to solicit input on the Port's existing facilities and the initiatives needed to enhance job creation in the region, the Port's consultant, BergerABAM, conducted a series of interviews with seven business and community stakeholders/leaders in September 2015. Interviewers posed a total of 11 questions seeking to understand individual and organizational perspectives related to strategic planning goals.

1. What is the geographic extent of your customer or client base? Are they strictly local or beyond?

The stakeholders interviewed offer goods and services that primarily serve the Southwest Washington region. Specific responses included:

- Western United States
- Cowlitz County
- City of Woodland

2. What do you think are the Port's and the area's greatest assets for retaining and attracting businesses – e.g., access to local markets and customers, adequate infrastructure, access to transportation corridors, availability of skilled workforce, access to recreation, quality of life, etc.?

Interview respondents found a lot to like about the Port. The primary benefits identified were access to rail, Interstate (I-5), and the Columbia River. Respondents noted ways to improve on these attractions, including upgrades to rail and river access. More specific comments included the following.

Advantages

- Location – access to river, I-5, BNSF/Union Pacific mainline, close to the airport, closest port in area to Portland and Vancouver.
- Rail spur built in 1997; while the Port has yet to land a user, this is a good asset.
- Waterfront – deep water access.
- High school is new and state of the art.
- Tourism options.
- Staff, including bold new leadership.
- Workforce available.

- Relatively inexpensive land and low cost of living.
- No income tax is an advantage when recruiting.

Challenges

- Rail (but no current access) is too congested.
- Big cost to develop river access.
- It's a disadvantage being far from Portland.
- River access (underdeveloped), presents opportunities (e.g., provides the largest income producers for the Port of Kalama).

3. How familiar are you with the Port's properties and do you have input on what should be done to enhance the economic value of these areas? Are there underutilized Port-owned assets or property the Port should consider acquiring?

All respondents were familiar with the Port's landholdings and identified numerous opportunities to better utilize its assets.

Opportunities

- Need a marine terminal/berth.
- Good value in current assets; the Guild Road Industrial Park expansion will serve the Port for years.
- When planning for growth, ports such as Woodland who are "asset rich" are in the best position over time.
- Need more ready flex industrial buildings.
- Austin Point would be difficult to develop for truck traffic, so the Port needs to work on traffic access improvements. You have to drive through town to get to the property. Having another exit would be helpful, but the state won't likely allow one. The proposed Scott Avenue reconnection under I-5 is needed to take congestion off exits/underpass.
- Marine sites – Remove obstacles to development: long-term permitting, water needs, power, etc. Make marketable. Users look for shovel-ready sites that can be operable in two to three years.
- Could have been better at investing in jobs over the past 20 years. Looking better now.
- Property acquisition is a poor use of Port funds; such sites should be sold back to private industry.
- Not all Port properties have frontage improvements, and investing in road frontages would make Port sites more attractive to incoming investors.

4. If you are a tenant, business, or economic development interest tied to the Port's business lines, do you have what you need to grow? What can the Port do to help you retain jobs or grow local business?

Current tenants think the Port does provide what they need to grow. Specific responses included:

- Yes, 60+ acres across the street for expansion; purchased land for marine terminal.
- The prior economy was timber-dependent. Now there is more diversity with industrial.
- Light manufacturing would provide the most jobs per acre.
- They've been helpful over the years. We are looking to grow our business and build another facility. Not sure if it will be a fit in Woodland. Looking at other ports.
- Port of Kalama, like the Port of Woodland, is not pursuing coal and oil. They feel these will draw large legal battles and cost too much money. Woodland should "pick its battles" – maybe focus on bulk commodities such as potash, grain, or minerals.
- Leave Martin's Bar for recreation.
- Austin Point – target a single commodity, focused on bulk imports/exports via rail.

5. What are the primary industry types (including clusters of supportive businesses) the Port should focus on for marketing itself and the surrounding area? How could the Port or other agencies strengthen these industries and clusters?

The majority of respondents think the Port should continue to focus on a mix of light and heavy industry. Specific responses included:

- Light and heavy industry.
- Food processing potential.
- Rock aggregate.
- Grain terminals.
- Light manufacturing is the Port's bread and butter – stick with it.
- A mix/variety of needs for buildings and land (light industrial).
- Steel manufacturer on the marine side.
- Variety of users, including Lifeport/aeronautics (lifesaving equipment helicopter).
- See Cowlitz PUD and others, have facilities ready. Implement a long-term plan.
- Look at what other ports are doing.
- Make use of the Cowlitz Economic Development Council (CEDC).

- Avoid industries that require a lot of water or high fire flows. If these industries were pursued, a water supply expansion would be needed to support them.

6. Are there certain goods or services that you think are missing in this area? Please share your ideas for accommodating opportunities by location (e.g., sites with deep-water Columbia River access, in-town I-5 and rail access, etc.), best uses, and the condition or need for improvements of Port properties?

Respondents listed needs for various goods and services that included:

- Rail access is key to serving bulk terminal uses.
- Now diversified. Cold storage, construction, plastic parts, chain builder, toilet paper and towels (hotel/motel).
- Marine terminal is critical to the future of one company which has invested \$12 million, and plans to add 10 to 20 jobs. The Port needs to invest in and prepare sites (i.e., permitting) in order to attract marine facilities.
- Most of the goods and services we need are 20 to 30 miles away in Portland and Vancouver. The affordable property counterbalances any lack of resources.
- High speed internet access is becoming more available – we just got Comcast three years ago.

7. What do you think the Port's reputation is for effective leadership vis-à-vis the Port Commission, Executive Director, and staff? Do you have suggestions to strengthen this image of the Port?

The majority of the respondents are encouraged by the Port's new leadership and have a positive outlook and expectations for change in the future. This means more industry and jobs can result from the Port's efforts. Specific responses included:

- Support job types that best fit the Port's mission.
- The Port has struggled in the past, and at times was considered anti-development (protecting farmland). New opportunities now exist, in part due to farmland changing hands and differing expectations of the new generation.
- Port needs to be more proactive in bringing in business. Who is marketing?
- The Commissioners seem to be protecting agriculture. This is counter to the goal to attract industries to the Port.
- The Port is moving in a positive direction. The new director is a plus!
- The existing staff is doing a good job. Past efforts of prior directors and the Commission failed in not developing industrial properties while the economy was good.

- There has been a leadership vacuum in the past, but staff and Commission appear to be stepping up recently.
- Five years ago, the image was that there was no action at the Port. Now, perceptions are changing.
- Port is dependent on dredge spoils (sand sales) to balance its budget. They didn't take advantage of the good economic years.
- Perception that Commissioners are not thinking independently and there is coziness between some.
- Utilize comprehensive scheme of harbor improvements as a daily planning tool!
- Doing well. Staff and Commission need to work as one team.
- Prior to the new executive director, there was a lack of leadership. Didn't have a well-defined mission from a County standpoint.
- There is still disagreement among the Commissioners on the long-term mission. Not all are committed to turning agricultural land into industrial.
- As a Commissioner, you have a responsibility to bring in work for the community.
- The Port needs to embrace the change – help community to recognize new big opportunities. New residents in town; new approach – good timing.
- New director moving in the right direction; not afraid to move Port forward.
- Too much farm preservation versus progress.

8. Do you think the Port is involved in and supportive of the community?

The majority of respondents think that the Port is currently active in the community. Specific responses included:

- Stay involved with Chamber and Rotary.
- Not over the past 25 years. Conflict of farmland versus industrial development.
- Little activity to support jobs.
- Yes, very much so recently. The new executive director has brought in much-needed leadership.
- CEDC board of director's position held by the new executive director is a plus for the Port.
- Yes, the Port has initiated community meetings with the school district.
- Yes, the Port is supportive of community – even if meeting attendance is low. People don't show up for Port meetings unless there is a complaint.

- Be proactive – market property.
- Yes, active in Planters Day.
- Continue to reach out and be engaged, e.g., Commissioners taking a tour of Columbia River Carbonates facility.
- Yes – for example, the Port signed a letter of support for a new marine terminal.

9. What is more important:

- a. Removing the Port tax (\$0.17/\$1,000 assessed value, compared to Port of Kalama – no taxes, Port of Longview at \$0.45).**
- b. Bringing more jobs and developing current properties from agriculture to industrial by using the taxing ability.**

Most respondents did not have an answer. Those that did replied:

- Ask a community member (respondent doesn't live in the port district).
- Baby steps with taxing – keep it less controversial.
- Tax base is important to schools and community.

10. Has the Port been effective in reporting activities to the taxpayer? Are there other communication opportunities?

Some of the respondents (other Port managers, etc.) do not live within the Port district and are not aware of any taxpayer communication improvements, but encouraged it. It was recognized that locals want more information and want to understand what the Port is doing to grow jobs. The Port needs to continue its newsletter and consider additional communications such as press releases. Specific responses included:

- Let public know what tax dollars go to; Port of Camas-Washougal uses taxes for port properties, improvements, debt service only – not general fund.
- The Port has gotten some big tenants but hasn't shared the news with anyone (e.g., Portco Packaging). The ports of Kalama and Longview have newsletters, press releases.
- Consider a more sophisticated financial report to show taxpayers the results of their investment.

11. Is there anything else you'd like to add?

Stakeholders had many positive (and some critical) things to say about the future of the Port. Primarily, respondents feel there are opportunities for current Port leadership to grow Port assets and attract industry. Specific responses included:

- The Port may be becoming less desirable. Other ports have more possibilities to expand and grow. The Commissioners don't like heavy industrial. We have good relationships

with the Port and that's why we have stayed, although there is some concern that change may not be helpful for our company.

- Encourage Commissioners to be bold and think big.
- For success – get a unified direction – the comprehensive scheme of harbor improvements will provide this. The Port staff and Commission must work as a team.
- The County provided money for a preliminary study/site selection (\$10,000) and engineering study (\$50,000) for a boat launch. The project stopped because the site identified in the site selection was later found to be unusable. Port lost focus and didn't use the \$50,000, while the County still expects a boat launch to be built.
- Good job looking for alternate funding for the Community Economic Revitalization Board.
- The Port is a good partner in local industrial improvement efforts.
- Developing a comprehensive plan is important. Future focus on river access, Scott Hill Park, boat launch, Scott Avenue Underpass.
- Keep Port assets available to the public.
- The City of Woodland is developing its comprehensive plan. Please send a copy of the comprehensive scheme of harbor improvements to the City so they can include it in capital improvements.
- Comprehensive scheme of harbor improvements is valuable to get staff and Commissioners on the same page. Use the plan, but understand that it takes years – the Port of Kalama does 30 years of strategic planning. "Have patience to see it through."

PEOPLE INTERVIEWED

Michael Karnofski
Bob Kinghorn
David Ripp
Bernie Schockelt
Ted Sprague
Bart Stepp
Mark Wilson