

The background is a collage of three images. The top image shows the Washington State Capitol building in Olympia, Washington, with a forested hill in the background. The bottom-left image shows a large orange mobile crane with 'HESSE CRANES' written on its boom, lifting a large white rectangular object in a port yard. The bottom-right image shows the white hull and superstructure of a large ship, possibly a ferry, docked at a pier. A large, stylized, light blue circular graphic with curved lines is positioned on the right side of the slide.

Port of Olympia 2013-2025

Strategic Plan

Vision 2025

Adopted by Port Commission November 5, 2012



Port of Olympia

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OUR MISSION

Create economic opportunities by connecting Thurston County to the world by air, land, & sea.

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- 2. Increase rail activity at the Marine Terminal by 25%
- 3. Complete the revitalization of the East Bay District
- 4. Develop the Swantown District
- 5. Work with the City of Tumwater to generate 15 acres of commercial development and 30 acres of industrial development on Port owned Tumwater properties
- 6. Increase Port related direct jobs by 25%
- 7. Invest in the community through the Small City Fund Program, environmental restoration projects, community events and public amenities
- 8. Increase public understanding, awareness and interaction with the Port of Olympia
- 9. Identify the Port’s baseline carbon emissions in Thurston County and work to reduce or offset



ABOUT YOUR PORT

The southernmost deepwater port on Puget Sound, the Port of Olympia owns and operates an international shipping terminal that handles a range of breakbulk and project cargoes.

The Port also owns and operates Swantown Marina & Boatworks, a 733-slip recreational marina and boat haulout/repair facility, a regional airport and a real estate division.

The Port of Olympia creates 7,249 total direct, induced and indirect jobs as documented by Martin Associates in the 2009 data study, *The Economic Impact of the Port of Olympia*, available at www.portolympia.com.

GOVERNANCE

The Port of Olympia is governed by three elected commissioners from Thurston County. Port Commissioners serve four-year terms and work closely with the community and Port staff to establish Port policy.

SERVICE AREA

The Port of Olympia district includes all of Thurston County.

Facilities and Lines of Business

MARINE FACILITIES

The Port of Olympia's 60-acre marine terminal consists of a complete breakbulk/container yard, log export facility, on-dock rail, on-dock warehouse and three deepwater berths for ocean-going vessels.

MARINA AND BOATWORKS

Swantown Marina and Boatworks is a full service public harbor located at the southern end of the Puget Sound. Swantown is located wholly inside the city limits of Olympia on the East Bay side of Budd Inlet. The facility includes a 733-slip environmentally clean marina, along with a state of the art, environmentally sound haulout and boatyard facility.

AIRPORT

Olympia Regional Airport is a general aviation public airport offering aircraft service and maintenance operations, flight instruction, hangars and tie down space, state and corporate aviation facilities, and land and buildings available for lease for aviation-related use.

COMMERCIAL AND INDUSTRIAL PROPERTIES

The Port of Olympia provides a variety of options for developers and companies locating or expanding in the Pacific Northwest. Tumwater properties feature the NewMarket Industrial Campus and the Tumwater Town Center for retail/commercial and industrial development opportunities. The Port Peninsula properties, located in downtown Olympia's waterfront district, offer commercial, office and retail development opportunities.

Letter from the Commissioners to the Community

Dear citizens of Thurston County, tenants of the Port, and our many stakeholders throughout the region:

We are pleased to present to you Vision 2025: Port of Olympia's Strategic Plan 2013-2025.

This is an update to the effort that created a strategic plan for the Port in 1995. As you read through the plan you'll notice that we have retained the 1995 values and embraced the 1995 goals as fundamentals of the Port's operation and role in Thurston County. We have also updated our mission to clarify the primary purpose of the Port.

We have identified a series of nine targets that the Port will strive to achieve by 2025. With each target we have aimed to identify the benefit to our citizens, how we will measure our success on achieving the target, and some of the major challenges we will face in accomplishing the target.

The intent of this plan is to provide a focus to our efforts, clarity to our planning, and information to our stakeholders.

Each year we will review this plan, remind ourselves of the mission and values of the Port, and provide the public a status update on each of the targets. If needed, this plan can and will be altered to address the changing times, that includes adding or modifying targets in the strategic plan as we accept that new opportunities may need to be pursued and/or issues need to be addressed. We view it as a living and evolving vision for the Port of Olympia.

We also believe and accept certain assumptions or "givens" for the next 12 years:

The Three E's: We will evaluate opportunities and investments by balancing their benefit to Economic Development, Earnings, and the Environment.

Working Waterfront: The maintenance and preservation of the working waterfront in downtown Olympia is critical for the long-term viability of the Port.

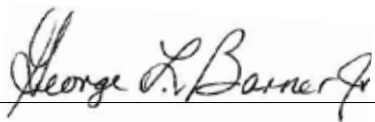
Land Development: The primary purposes for the development of Port property are to generate jobs, create revenue opportunities, and address environmental clean up.

Funding Strategy: Over the next 12 years, the tax levy is an important funding mechanism for opportunities and expenditures which cannot be financed otherwise; however, we strive to create an economically sustainable Port that utilizes revenues from operations as our primary funding source.

Financial Measurement and Reporting: We will present the financial health of the Port to the public regularly and at a minimum annually. Sound financial stewardship and accountability are critical for sustaining public support and trust.

Cooperation: We understand and embrace that we cannot achieve these targets without the support, participation and collaboration of our many stakeholders including the Cities, County, Tribal Governments, and many other interjurisdictional agencies and associations.

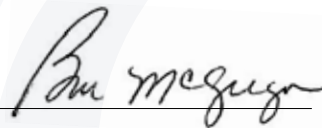
We believe this plan honors the intentions and accomplishments of the 1995 Strategic Plan. This plan articulates our expectations and actions aimed at sustaining and expanding economic prosperity throughout Thurston County.



GEORGE L. BARNER JR.



JEFF DAVIS



BILL MCGREGOR

Mission

Create economic opportunities by connecting Thurston County to the world by air, land, and sea.

Values

THE PORT OF OLYMPIA IS COMMITTED TO:

- Leadership and innovation
- Environmental stewardship
- Sustainable economic growth
- Importance and participation of citizens, employees, and Port customers
- Openness, integrity, and accountability
- Entrepreneurialism
- Its Heritage

The above Values were adopted in 1995. We applaud and recognize those that provided input and thought to crafting such a forward thinking set of values that have remained relevant for the last 18 years and we put them forth as the values of the Port for the following 12 years. There may be a benefit in restating, clarifying or reorganizing these values but as simple statements they are all of equal importance to the Port of Olympia, in the past, present and future.





Additional Port Opportunities

The nine targets in this plan are to help clarify the vision of what we are striving to be by 2025. However, the Port recognizes that it must maintain an ability to be nimble and flexible in order to create economic opportunities. We recognize that there are potentially many projects that the Port may explore over the next decade that do not appear as “targets”.

SOME EXAMPLES INCLUDE, BUT ARE NOT LIMITED TO:

- Collaborate with other regional entities, such as Cities, the County and Tribes, to identify shared economic development opportunities in Thurston County.
- Increase manufacturing, technology, industry and workforce development in Thurston County by creating and utilizing regional partnerships.
- Pursue real estate acquisitions, developments or investments in South County, Yelm or Lacey.
- Pursue additional Port Peninsula development at NorthPoint or the Market District.
- Further explore air service returning to the Olympia Regional Airport.
- Participate in the redevelopment of the Tumwater Brewery property in a manner that restores economic vitality in the region.

COMMUNITY PARTNERS

- | | | |
|---------------------------------|--|--------------------------------------|
| • City of Bucoda | • City of Tumwater | • Chehalis Tribe |
| • City of Lacey | • City of Yelm | • Nisqually Indian Tribe |
| • City of Olympia | • Economic Development Council | • Squaxin Island Tribe |
| • City of Rainier | • Foreign Trade Zone 216 | • Thurston County |
| • City of Rochester/Grand Mound | • Olympia-Lacey-Tumwater Visitor & Convention Bureau | • Thurston Regional Planning Council |
| • City of Tenino | | |

Planning at the Port of Olympia

THE PORT HAS FOUR SIGNIFICANT PLANNING DOCUMENTS THAT HELP SHAPE HOW THE PORT GROWS AND OPERATES.

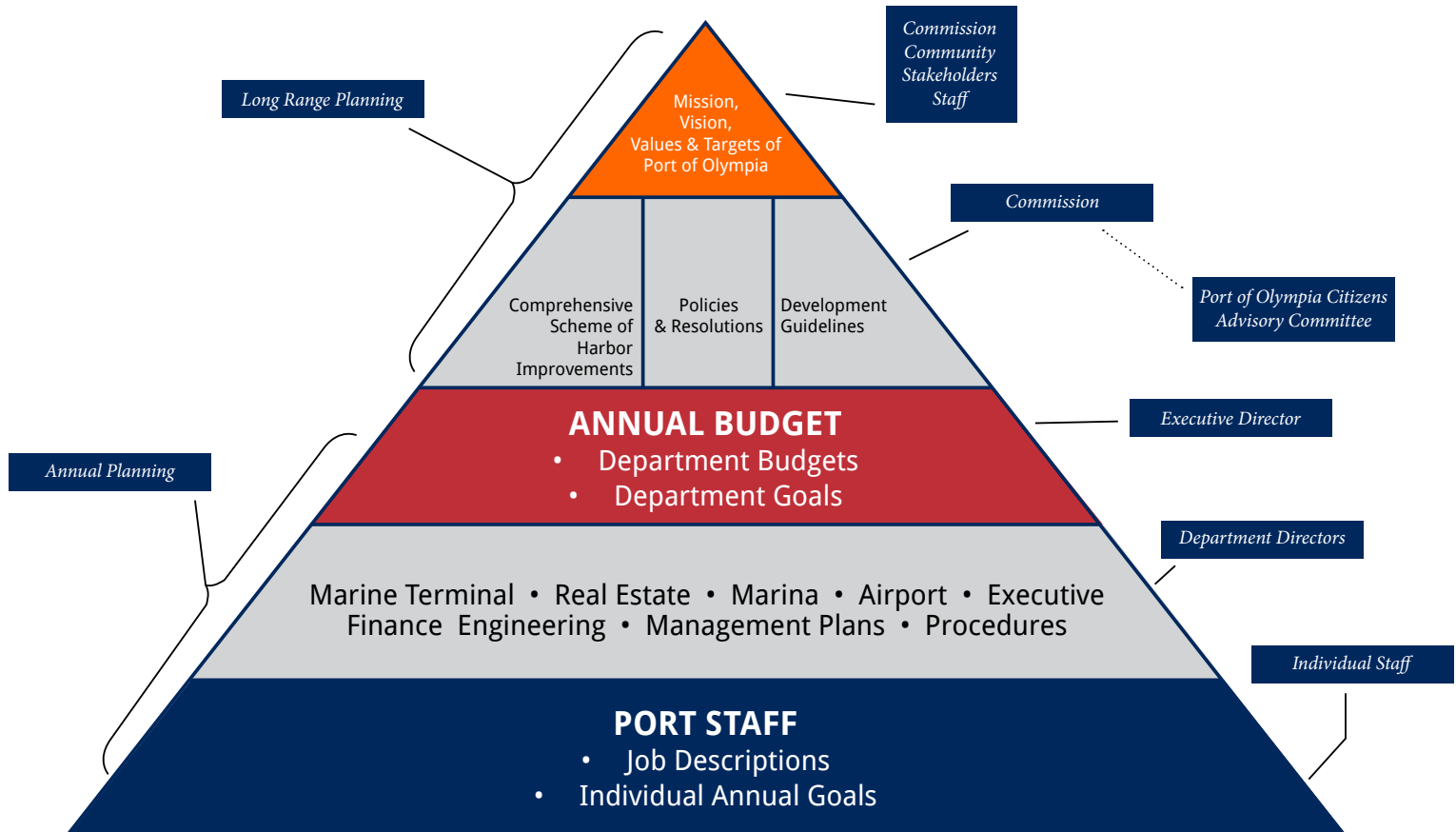
The Strategic Plan - This high level document explains the mission, values and targets of the Port. It is the primary visioning document for Port planning.

Comprehensive Scheme of Harbor Improvements (CSHI) - Updated annually, the CSHI is made up of a Capital Investment Plan, Map of Property Districts, and a list of contemplated future projects.

Development Guidelines - Similar to a land use plan, this document identifies the properties that the Port owns and how the Port intends to develop them.

Annual Budget - The budget creates annual departmental goals and identifies the funds that support them.

Port of Olympia Planning





1995 Strategic Plan

The Port embraces the 1995 Strategic Plan as the base of our planning and our role in Thurston County.

This update does not replace the 1995 plan but builds from the foundation it set.

1995 GOALS:

Ensure the Economic Viability of the Port

Facilitate Economic Development within Thurston County

Exercise Environmental Stewardship

Provide Public Services/Infrastructure to the residents of Thurston County as authorized

Identify and implement limits for Port Taxes

Fulfill the Port's social compact with the Thurston County Community

Operate the Port in a Professional Manner

1995 MISSION STATEMENT

The mission of the Port of Olympia shall be to vigorously manage its assets to provide maximum benefits to the citizens of Thurston County. To do this, the Port shall BUILD relations, facilities and infrastructure that help the Thurston County economy GROW, while it serves those who MOVE products and people and accepts a role to IMPROVE Thurston County's recreation options and environment.


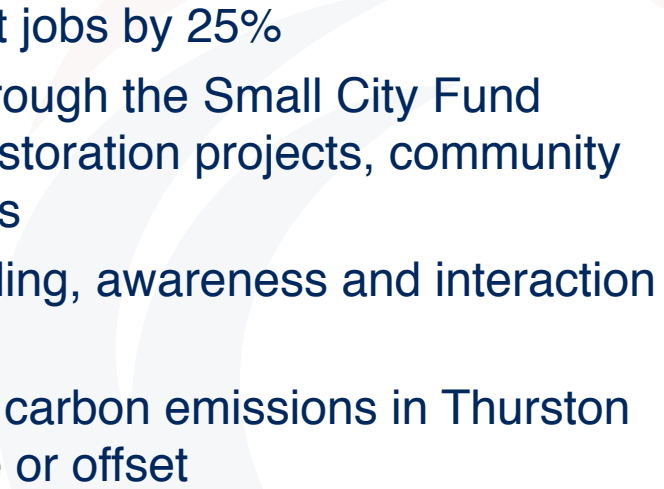
1995 VISION

The Port of Olympia sees itself, over the next twenty years, serving the Thurston County community as:

- An Enterprise Center
- An Economic Development Facilitator
- An Environmental Integrator
- A Public Service Provider

TARGETS FOR 2025

1. Dredge, clean up and maintain authorized depths in lower Budd Inlet
2. Increase rail activity at the Marine Terminal by 25%
3. Complete the revitalization of the East Bay District
4. Develop the Swantown District
5. Work with the City of Tumwater to generate 15 acres of commercial development and 30 acres of industrial development on Port-owned Tumwater properties

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6. Increase Port-related direct jobs by 25%
 7. Invest in the community through the Small City Fund Program, environmental restoration projects, community events and public amenities
 8. Increase public understanding, awareness and interaction with the Port of Olympia
 9. Identify the Port's baseline carbon emissions in Thurston County and work to reduce or offset

See the following pages for detailed information on each target.

1. Dredge, clean up and maintain authorized depths in lower Budd Inlet

Over the past 30 years, sediments have accumulated adjacent to the Marine Terminal and Swantown Marina and Boatworks. The greatly decreased water depths make it difficult for boats to navigate in those areas, and the Port has lost business as a result. The Port is taking a leadership role to not only regain authorized depths in our waterways but also to make a major contribution to the clean-up of contaminated soils in lower Budd Inlet. To accomplish this target, the Port will work with many jurisdictions, agencies and stakeholders. Once authorized depths are achieved, a plan to maintain depths will be necessary.

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

Restoration of water depths for the Marine Terminal and Swantown Marina allows full utilization of these Port assets and the associated economic benefit to the community; and

The removal of contaminated sediments will improve the health of the South Sound.

HOW TO MEASURE SUCCESS:

Water Depths: When the Port has achieved functional, if not authorized, water depths at its berths, and at Swantown Marina and Boatworks; and

Cleanup: When the Port has completed the sediment cleanup required by the Department of Ecology.

Timing: This target needs to be achieved at the earliest possible date.

CHALLENGES TO ACHIEVING GOAL

- Funding is the primary challenge to accomplishing this goal. The cost to dispose of sediments that contain dioxin is extremely high.
- The removal of the Capital Lake dam could present a challenge to the ability to maintain the authorized depths due to increased flow of sediments.





2. Increase rail activity at the Marine Terminal by 25%

As the recent recession approached, rail activity on the terminal rolled to a near stop. However, with federal grants and significant updates to the rail-served warehouse, the Port now has the infrastructure to handle increased rail activity. As the economy improves, the Port will diversify our cargo base and capture new commodities that will move by rail.

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

- Using rail and the rail-served warehouse will create new jobs and increase Port revenues, contributing to a financially healthy Port and community.
- Moving large volumes of cargo by rail will decrease truck traffic near downtown Olympia.

HOW TO MEASURE SUCCESS:

- In 2007-2011, a total of only 219 railcars moved through the Port. Previously in 2002-2006, a total of 2,565 railcars (an annual average of 513) moved through the Port. Using the 2002-2006 average of approximately 500 cars as a benchmark, the Port will move 625 railcars annually by 2025.

CHALLENGES TO ACHIEVING GOAL

- Most cargo moved by rail is in containers or in bulk commodity rail cars. But, Port of Olympia is a “break-bulk” port, which narrows the types of cargo we can handle.
- The dimensional restrictions of the rail tunnels between the terminal and the old Olympia brewery limit the types of cargo that the Port can move by rail. The Port needs to identify funding sources to increase the dimensions of the tunnels so that they can accommodate a wider diversity of cargo.
- As cargo volume increases, the Port needs to identify funding sources for additional tracks on the terminal for railcar storage.
- The Port will work with community stakeholders to address any concerns about increased rail traffic.
- The Port’s railcar commerce could be impacted by the proposed changes to the City of Olympia’s Shoreline Master Program.

3. Complete the revitalization of the East Bay district

The Port has invested \$10 million in infrastructure at East Bay. There is currently 278,074 square feet available for commercial development at East Bay. In the last 10 years a very limited amount of new private commercial development has occurred in downtown Olympia.

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

- A fully developed East Bay fulfills a publicly created vision of a new waterfront commercial district in downtown Olympia.
- The Port's cleanup of the East Bay properties is not only a revitalization of under-utilized contaminated urban property, but it removes environmental risks associated with the formerly contaminated parcels.
- Commercial development at the site will provide jobs, taxes and revenues for the region.

HOW TO MEASURE SUCCESS:

- Commercial businesses opened and operating on the site; and
- New development resembles the adjacent conceptual drawing.

CHALLENGES TO ACHIEVING GOAL

- Slowly recovering commercial development market.
- Competition with other communities for private development interest.
- High volume of vacant or underutilized commercial properties in downtown Olympia.
- Increased development will require additional parking.
- Potential impacts due to proposed changes to the Shoreline Master Program.



**CONCEPTUAL DRAWING OF
EAST BAY REDEVELOPMENT**





4. Develop the Swantown District

The Swantown District includes the Swantown Marina and Boatyard operations, public access trails, parks, parking areas and four undeveloped waterfront building sites. It has long been envisioned that full development of the district would also include a Marina Village retail shopping and office complex, 159-slip marina expansion, marine fuel dock, an expanded marine service center, restaurant and a light marine manufacturing business.

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

- Increase revenue and cash flow to the Port;
- Increased public access and recreational opportunities;
- Increased job opportunities; and
- Additional mariner services to area boaters.

HOW TO MEASURE SUCCESS:

- Commercial businesses opened and operating on the site; and
- The development completed in a manner similar to the adjacent conceptual drawings.

CHALLENGES TO ACHIEVING GOAL

- Weakened national and regional economy reduces spending on recreational activities.
- Competition for limited available funds from internal and external sources.
- Changing governmental regulations.
- Potential impacts due to proposed changes to the Shoreline Master Program.

5. Work with the City of Tumwater to generate 15 acres of commercial development and 30 acres of industrial development on Port owned Tumwater properties

Tumwater Boulevard and the New Market Industrial Campus are ideal locations for future development in Tumwater. Tumwater Boulevard provides highly visible and necessary traffic for commercial, office, and retail development. The airport properties and New Market Industrial Campus are ideally situated for industrial land uses.

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

- Public and Private investments typically lead the way for business growth and expansion which could mean more revenue and jobs in Tumwater.

HOW TO MEASURE SUCCESS:

- Compile the total amount of new development that occurs on Port property in Tumwater.

CHALLENGES TO ACHIEVING GOAL

- Still recovering weakened commercial development market.
- Development constraints such as critical habitat, high ground water, and city ordinances may limit potential development.
- Additional planning, permitting and infrastructure improvements will be necessary to be competitively viable.
- Analyzing truck routes and additional transportation planning may be needed.





6. Increase Port-related direct jobs by 25%

The 2009 Economic Impact Study indicated that there are 3,043 jobs occurring on Port property, otherwise known as direct jobs. A 25% increase would represent 760 direct jobs, bringing the total to 3,803. In 2004 there were 2,667 direct jobs attributed to the Port.

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

- The 2009 Economic Impact Study identified that 83% of the direct jobs were held by people that live in Thurston County.
- The Port will do an Economic Impact Study in 2015, 2020 and 2025 to insure tracking on this target.

HOW TO MEASURE SUCCESS:

- Compare results of the 2009 Economic Impact Study with the results of an Economic Impact Study to be completed in 2025.

CHALLENGES TO ACHIEVING GOAL

- Inability to generate new economic opportunities (i.e., new development on Port property) or maintain current operations (i.e., necessary maintenance dredging), unforeseeable economic influences at the local, national, and international levels (i.e., repeat recession).

7. Invest in the community through the Small City Fund Program, environmental restoration projects, community events and public amenities

In 2012 the Port made significant investments in the community. The following figures include direct contribution and in-kind or staff time contribution:

- \$30,000 in the Small City Fund Program
- \$30,000 in environmental restoration projects
- \$100,000 in public amenities and maintenance
- \$88,000 in community events

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

These projects do not provide a revenue return to the Port, but are public investments that are appreciated and valued by a wide variety of Thurston County stakeholders and citizens. These types of investments make our community an attractive place to live and work which in turn brings more revenue to Thurston County.

HOW TO MEASURE SUCCESS:

- Compile the annual community investment amounts from 2013-2025
- As the Port grows its business it will put additional revenue back into the Thurston County community

CHALLENGES TO ACHIEVING GOAL

- Inability to generate new and increased revenues at the Port will impede the ability to accomplish this target
- Inability to accomplish targets 1 through 5 will limit the amount of community investment the Port can provide





8. Increase public understanding, awareness and interaction with the Port of Olympia

A County-wide survey conducted by Saint Martin's University found that:

- 52% of residents are familiar or somewhat or greatly familiar with the role of the Port.
- 48% of residents are not very familiar or are unfamiliar with the role of the Port.
- Residents' 1st preference for Port information—overwhelmingly—is The Olympian (print or on-line).

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

- Both the community and the Port will benefit by having a greater understanding of one another.

HOW TO MEASURE SUCCESS:

- Measure the opportunities which the Port provides the community for public involvement.
- Measure the level of public involvement at the various opportunities the Port provides.
- Repeat the Port's Thurston County Citizen Survey every two years.

CHALLENGES TO ACHIEVING GOAL

- Limited resources and decreasing subscriptions to newspapers.

9. Identify the Port's baseline carbon emissions in Thurston County and work to reduce or offset

The Port will identify its baseline of carbon emissions in Thurston County.

Following the baseline analysis, the Port will identify and implement the steps to reach the identified reduction.

BENEFIT TO THE CITIZENS OF THURSTON COUNTY:

- Supports Port's environmental stewardship mission; and
- Contributes to a healthier and more sustainable Thurston County.

HOW TO MEASURE SUCCESS:

- The Port will regularly measure its emissions to determine progress towards this goal.

CHALLENGES TO ACHIEVING GOAL

- The Port may not have control over some emission sources.
- Implementation or offsetting methods may be expensive.



CIRCA 1946



CIRCA 2012



Port of Olympia

The Port of Olympia appreciates your comments.
Email strategicplan@portolympia.com to submit your comments.