

Statewide Port Strategic Planning: The Process, Available Resources and Anticipated Outcomes



Heceta Head Coastal Conference

Florence Event Center

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Statewide Port Strategic Plan

- Adopted by the Business Development Commission on September 24 of this year
- Undertaken at the direction of the Commission and in response to legislative criticism
- Establishes a new framework for the State to work with Oregon's 23 ports
- Requires each port to develop a Strategic Business Plan based on a Department template and to enter into an Intergovernmental Agreement with the Department to continue to access state funding

Statutory and Policy Context

- Department charged with being the statewide coordinating, planning and research entity for all Oregon ports and port authorities to ensure the most orderly, efficient and economical development of the state port system
- The 2007 Legislature added language to ORS 285 requiring the ports to develop and maintain strategic business plans complying with standards set by the Department
- Department to establish by rule the date by which ports must have their approved plans in place
- Administrative rule currently states that date as one year after the adoption of Statewide Port Strategic Plan

Issues of Concern



- Mixed financial condition of the ports with many struggling with declining revenues
- Growing backlog of deferred maintenance at many ports as a result
- Limited staff and institutional capacity
- Examples of poor governance
- A number of documented and anecdotal reports of non-compliance with environmental regulations
- Lack of resources to accomplish ports statutory role

Financial Capacity of Ports

- 17 of 23 ports have negative cash flow from operations
 - Not fully covering O&M costs
 - All but Morrow, Tillamook Bay, Hood River, St. Helens, Gold Beach & Portland
 - Taxes, grants & other non-operating sources make up the difference
 - Tax revenues are subsidizing operations
- Most ports not in a position to fund projects
 - Not from operations; not from tax proceeds
 - Many not in a position to post matching funds

Statewide Plan Needs Statement

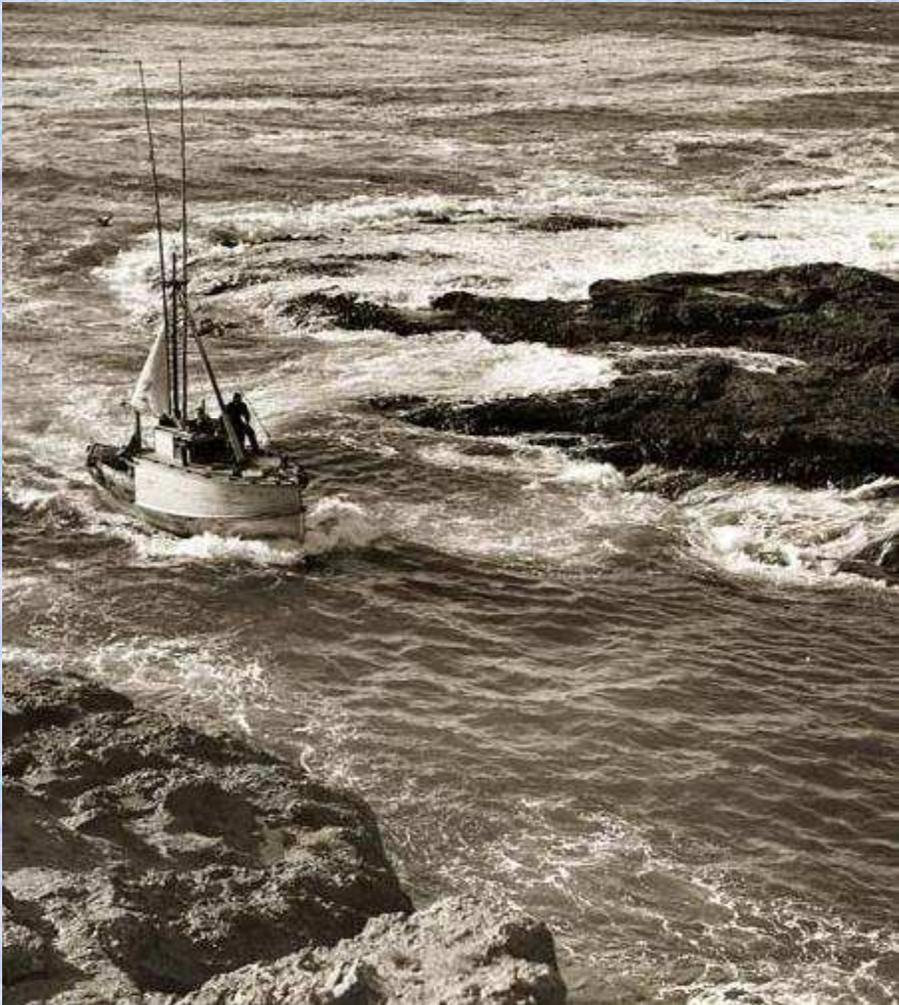
Oregon's ports need:

- Stronger and coordinated statewide message and legislative presence
- Higher level of state oversight in accountability, training of port officers and commissioners
- Strategic and Priority-focused state funding, financing, grants
- Regulatory compliance/permitting assistance
- Marketing, publicity, advertising assistance
- Education & training programs

What We Heard from Legislators

- State funding to ports needs tracking and accountability
- Legislature now wanting “return on investment” for capital funding (not just for ports)
- Ports need to demonstrate that they have a strategic focus to their development efforts
- State should focus its funds on business lines of state significance or regional importance
- Ports must demonstrate ability to maintain and operate new state-funded, capital facilities
- Use of port planning and marketing grants has been disparate and accountability has been sporadic
- Some port officials and commissioners not complying with state and federal laws; should have mandatory training
- Would like to see a comprehensive list of port capital project needs

Resources and Assistance



- Bad news – Ports have to develop a strategic business plan to continue to be eligible for state funding
- Good news – Department has grant funding to help pay for the plans
- Port Planning and Marketing Fund can provide up to \$50,000 or 75% of the cost of the effort, whichever is less

Process and Progress

- Contact your Regional Coordinator and me
- Fill out and submit a project notification form followed by an application
- Anticipate doing two plans per quarter given current and projected staffing
- We want to be in the room and participate in the planning process
- Two plans completed (Tillamook and Astoria), one in final draft (Nehalem)
- Garibaldi and Umpqua efforts under way
- Others have expressed interest in moving ahead in the near future (Bandon, Brookings, St. Helens and Umatilla)

Strategic Business Plans

- Based on a template for consistency
- But can't be a "one size fits all" approach
- Significant differences between the size and the scope of Oregon's ports
- Opportunity for the ports to align their goals with the state's and explain what their doing and why
- Also an opportunity to identify business lines of importance to their regions
- Ports and OBDD formalize relationship for state investment and involvement through intergovernmental agreements with each port

New Policy Framework

- IGAs based on individual port strategic plans, Statewide Plan recommendations and Best Management Practices
- Individual port strategic plans each identify core business functions to protect and expected state role
- Ports will need to identify and study new business lines before approaching OBDD for planning and marketing funds
- Ports and OBDD agree on “means test” for state financial support of new business lines and infrastructure
- Training program and certification for elected port officials and port officers
- State investment focused on key industries and business lines designated as of state importance Demonstrate

State-Significant Industries*

- Agriculture and food products
- Manufacturing, computers and electronics
- Freight transportation, warehousing, distribution and logistics
- Commercial fishing
- Forestry and wood products
- Transportation equipment: cars, trucks, aircraft, assembled and parts
- Energy: petroleum/gas, wind, solar, biomass
- Construction related: metals, rock, gravel
- Tourism

*From OBDD Cluster Reports; ODOT Freight Planning reports

Anticipated Outcomes

- Trying to raise the policy profile of Oregon ports – Statewide Plan concluded that 1 in 6 Oregon jobs are tied to port activities and cargo
- Trying to lay the ground work for increased future state funding assistance and advocacy
- Trying to change the “culture” of Oregon’s port industry and how it is perceived
- Statewide Plan documents the importance of the ports to Oregon’s economy
- Ports need to be viewed as having their act together if they are going to successfully compete for state resources



Questions?