



Port of Port Orford Strategic Business Plan



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II. Port of Port Orford Mission

A. Mission Statement

The long-term mission of the Port of Port Orford is simple, achievable, and prioritized in this Mission Statement.

‘We are stewards of public trust who:

- ❖ **Provide ocean access for commerce and recreation.**
 - ❖ **Retain current businesses and attract new ones.**
 - ❖ **Build our port’s financial strength.**
 - ❖ **Increase and diversify our operating revenues.**
 - ❖ **Make the highest and best use of our financial tools, people, and property assets.**
 - ❖ **Improve our region’s special quality of place.**
 - ❖ **Create diverse means for regional economic well-being.**
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B. Mission Defined

To define this Mission more clearly, the following guidelines, definitions, and measures of success are offered in a breakdown.

❖ **‘We are stewards of public trust...’**

The Port of Port Orford is first and always a public agency and must abide by all governing laws and regulations. Public trust and confidence are the most important aspects of the Port’s success. Without the support of the Port district’s citizens, the agency cannot succeed.

The Port of Port Orford is entrusted with property assets and financial assets that belong to the Port district’s citizens. Proper use of these assets is a requirement for maintaining public trust and confidence.

The Port’s Board of Commissioner and management must continuously act with full and proper fiduciary responsibility even when it requires unpopular actions.

The Port of Port Orford must whenever possible act to the benefit of the all of the Port district’s citizens and not in the special interests of a few. The Port Commission and management have a duty to perform to a high ethical standard.

To be successful the Port must act in concert and consensus with federal, state, regional, and local government agencies. Port of Port Orford must work to maintain the trust and confidence of those agencies.



❖ **Provide ocean access for commerce...’**

‘Commerce’ means commercial and charter boat recreational fishing and commercial diving. It includes the first-line providers for these water-dependent activities and their water-dependent and water-related support providers.

The Port has a major custodial role in sponsoring the development and maintenance of the in-water infrastructure that supports water-dependent and water-related businesses. It is the only agency available to do so. This role is fulfilled with the cooperation of the US Army Corps of Engineers and the state of Oregon.

The Port of Port Orford also needs to support other federal, state, regional, and local agencies in their efforts to improve infrastructure that generally supports business activities. While the Port has no direct responsibilities for upland infrastructure such as highways and rail, these assets are critical to Port district success.

The Port of Port Orford needs to lend its muscle to political struggles in support of maintaining and improving highway and air access.

❖ **‘Provide ocean access for...recreation.**

‘Recreation’ means sport fishers, recreational vehicle campers, tent campers, and sport diving enthusiasts. Here again, this includes the frontline providers for the water-dependent and water-related activities and their support and service providers.

❖ **‘Retain current businesses...’**

‘Current businesses’ include those clients and customers already being served by the Port including their supporting businesses. Most often the greatest economic impact can be achieved by helping to grow several existing businesses—rather than grow new ones.

A small across-the-board increase in business activity has a large impact. A robust business community will, by its nature, attract new players.

❖ **‘...and attract new ones.**

‘New’ businesses include additions to the activities of current clients and customers as well as entirely new businesses created within or relocating to the Port of Port Orford district.

The Port actively supports the commercial and recreational fishing industry. To increase the district’s economic diversity, it is important to develop and retain focus by adopting Port of Port Orford criteria for the pursuit of *new* business opportunities.

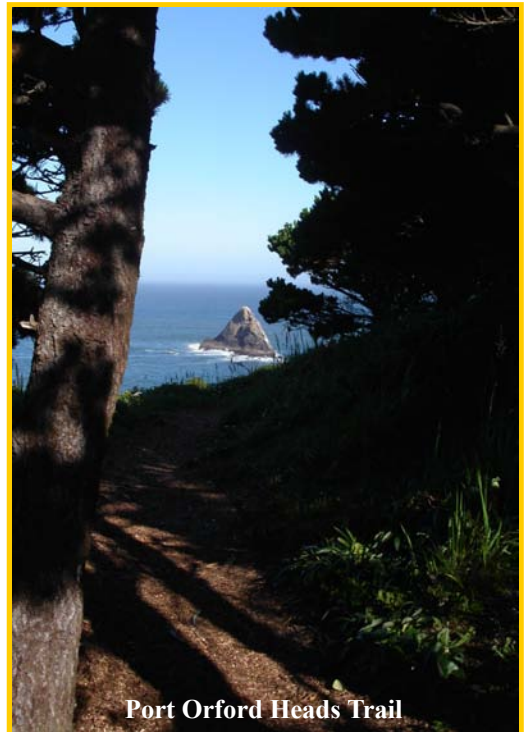
With criteria, the Port can filter out those businesses not to pursue. With clear preferences, the Port can also actively identify and pursue specific business targets. The Port of Port Orford’s business selection criteria are to directly support and develop new businesses that are:

- **Not Cyclical:** To improve financial health, the Port’s *new* business preference is to support and develop businesses that are not cyclical—subject to widespread declines and advances—such as steel production.
- **Not Seasonal:** To secure steady Port revenue flow, the Port’s *new* business preference is to support and develop businesses that are not seasonal—subject to wide swings in activity because of weather—such as tourism.

- **High Employment Density:** To increase district job production, the Port's *new* business preference is to support and develop businesses that result in the highest employment density on the asset—the most jobs per acre—as opposed to cargo terminal operations or distribution facilities with very few direct jobs per acre.
- **Family Wage Jobs:** To increase the Port district economic well-being further, the Port's *new* business preference is to support and develop businesses that create the highest proportion of family-wage jobs—with FTE pay rates above the current median family income of \$29,653.



Port Orford Heads



Port Orford Heads Trail

◆ **Build our Port's financial strength.**

The Port of Port Orford is financially fragile; but it can be managed successfully through the current crisis. Success requires care and attention to detail.

Before making new investments or undertaking new business activities using Port assets, the full and thoughtful exercise of written due diligence, financial analysis, and business case preparation is required.

The preparation and adoption of the written fiscal policy and fiscal targets is required—together with regular written and oral reports to those policies and targets.

❖ ‘Increase...our operating revenues.’

‘Increase’ our operating revenues means carefully adding to net income in three distinct ways:

- **Cost-based Pricing:** Shifting Port costs, that are not normally provided by ports, to the customer. These costs include water, sewer and electrical utilities, trash disposal, and liability insurance premiums for providing Port facilities and services. Cost-based pricing also means regularly assessing the Port’s cost of providing facilities and services with a view to gradually increasing prices to offset costs.

- **Value-based Pricing:** Increasing Port prices to reflect the value-added by Port facilities and services that are not available at competing locations. Value-added includes the many client-money-saving benefits provided by on-dock dry storage and the Port’s no-bar access to the prime fishing ground on the Southern Oregon Coast.

Value-added pricing also means increasing and adding the ability to adjust the percentage fee of the landed catch collected from fish buyers, when their current lease agreements are renewed or open for negotiation.

- **Incentive-based Pricing:** Providing incentives to increase commercial fishing activity and raise the landed-catch weight and value. These incentives must be structured to reward the currently high-performing clients and to spur the lower-performers to action or exit. For more information on this subject, see the Addenda section of this plan.

❖ ‘...diversify our operating revenues.’

‘Diversify’ operating revenues means to search out and develop new revenue producing opportunities that do not rely entirely on resource-based and fishing industries.

<p>Special Note: The Port of Port Orford is and will be an active supporter of the commercial and recreational fishing industry and the industry’s water-dependent and water-related supporters.</p>

To add economic diversity, the Port will work to attract and support businesses in other industries including tourism and scientific research. The addition of a fishery research and education center that includes a ‘live fishery’ exhibit and commercial and retail opportunities is a step to diversification.

All *existing* Port business activities must be carefully scrutinized and wherever possible vigorously used as opportunities to produce added positive net revenue.

❖ ‘Make the highest and best use of our financial tools...’

The Port is unique among public agencies in the wide range of public financial tools available to it. The Port of Port Orford Commission and management will select the highest and best use of available resources and assets.

The Port must be risk-averse when adopting strategies. The Port must be fiscally responsible and vigilant. The Port must avoid risks in order to make the highest and best use of their limited publicly owned assets. The Port of Port Orford Commission and management need to steer and reallocate the Port's portfolio of assets and resources to stable and secure enterprises.

The Port's major effort during this five-year plan period is to improve its own financial strength. Improving the Port of Port Orford's financial strength is a critical success factor.

The Port can only be a successful provider of economic development and job generating services for the Port district's citizens if it is financially strong. A strong agency can deliver economic development services—when they are needed most.

❖ **'Make the highest and best use of our...people and property assets.'**

Port of Port Orford's *new* business activities must all generate positive operating revenue to the Port—loss-leading or asset-reducing businesses are not in the Port's best interest.

In pursuit of property development and management, the Port's first priority is to lease the asset or, at minimum, lease the underlying property—as opposed to selling the asset.

The Port's drive toward long-term leasing is different from other economic development agencies at the federal, state, or county level. Other agencies are generally encouraged to sell the asset to private entities as quickly as possible to achieve an immediate return—the Port is different and should not sell assets.

As revenue surpluses are generated, they will be used first to maintain existing assets—through diligent capital maintenance. Added surpluses that are generated will be carefully used to buy new revenue producing assets. With good management, surpluses beyond these uses will be retained in secure financial reserves for the future.

❖ **'Improve our region's special quality of place.'**

All of the Port's activities should protect the unique quality of place that exists in the Port district and do no harm to the already developed balance of rural, suburban, tourism and industrial economic activities that currently exist.

Port's economic development activities should strive to improve the region's curb appeal. The Port can provide these benefits by signage, landscaping, and environmental impact of its own activities.

Satisfying an increasing assortment of environmental laws and regulations is part of every modern business portfolio. It is even more prominent in businesses on or near water—such as the Port's. The Port Commission and management need to stay well-informed about environmental laws and regulations and—through their assets—the Port's exposure to environmental risks through onsite business activities.

The Port and management must be continuously watchful to minimize and avoid environmental risks. Similarly, it is important to proactively select businesses and conduct business activities in a way that improves the quality of life within the Port district.

❖ **‘Create diverse means for regional economic well-being.’**

‘Economic development’ has a clear and simple meaning to the Port of Port Orford—more and diverse employment opportunities within the Port district.

The Port’s principal tools for economic development are its competency in property development and management, and access to an unusually large array of public financing mechanisms.

The Oregon Port-authorizing statute, ORS 777, while not restrictive, clearly encourages Port of Port Orford to actively develop and maintain the Port district’s participation in waterborne trade and water-dependent activities.

The Port’s currently owns and has water-dependent and water-related industrial property to manage. More industrial property is available for the Port to pursue developing and managing in the Port District.

C. Measures of Mission Success

In five years, the Port can measure Mission success by these prioritized measures:

1. Infrastructure Goal

Work with the US Army Corps of Engineers, sister Ports, other public agencies, and businesses to obtain grant funding and complete the following prioritized Action Programs:

<p>1. Install a submersible pump and piping shoaling removal system to mitigate maintenance dredging and maintain operating capabilities by FYE 05.</p>	<p>2. Continue the services of the US Army Corps of Engineers to conduct ‘as-needed maintenance dredging projects indefinitely.</p>
<p>3. Retain the Port’s current maintenance dredging project status for a fourteen (14) foot deep access channel and turning basin indefinitely.</p>	<p>4. Perform a complete engineering hydrology study of the High Dock and Jetty with US Army Corps of Engineers and academia for action by FYE 06.</p>
<p>5. Based on the engineering study, perform the recommended Jetty modifications by FYE 09.</p>	<p>6. In conjunction with the Jetty modifications, apply any disused jetty rock to a revetment to prevent waves overtopping the High Dock by FYE 10.</p>

2. Existing Asset Goal

Increase existing asset revenue by working with sister agencies and customers, obtain grant funding, and complete the following prioritized Action Programs:

<p>1. Add Cost-Based Price increases by shifting Port-provided utility, trash disposal, and insurance costs to current customers, increase prices to reflect the value-added benefits of dry storage and High Dock location, by FYE 05.</p>	<p>2. Add property tax revenue by working with Curry County to achieve the stepwise incremental expansion of the Port district boundaries to the south, north, and east of the current district area, beginning in FYE 05.</p>
<p>3. Add Value-Added Price increases to the percentage on the landed catch collected from the fish buyers, when lease agreements are renewed or otherwise open for negotiation.</p>	<p>4. Add Cost-Based Price increases by regularly reviewing the Port's costs of providing facilities and services using a computer model, beginning in FYE 05.</p>
<p>5. Determine the feasibility of litigating High Dock construction claims, the proceeds accruing to OECDD, by FYE 05.</p>	<p>6. Reduce and restructure the OECDD SPWF loan for \$500,000 to eliminate accelerated repayment and other terms, by FYE 05.</p>

3. New Asset Goal

Increase new revenue producing assets by working with sister agencies and obtaining grant funding to complete the following prioritized Action Programs:

<p>1. Complete a Master Facility Plan describing the complete stepwise development of Port's existing assets, by FYE 05.</p>	<p>2. Begin stepwise 4th and Washington property development to include revenue intensive use of this commercially zoned, 45-foot height limit property, in FYE 06.</p>
<p>3. Begin stepwise re-development of the Cannery Building and adjacent property to include a fishery research and education center in FYE 06.</p>	<p>4. Add High Dock RV Camping facilities, upland tent camping facilities, and improved sport fisher amenities in FYE 06.</p>
<p>5. Add a recreational boat ramp including access road modifications and parking additions to enhance tourism, retail, and commercial activity by FYE 07.</p>	

4. Strategic Partnering Goal

Create 'strategic partnering' charters to develop and improve facilities for current and new businesses by completing the following prioritized Action Programs:

1. Charter with US Army Corps of Engineers, and academia, for High Dock shoaling mitigation, submerged pump and maintenance dredging, Jetty study and modification, in FYE 05.	2. Charter with OECDD, to determine the feasibility of High Dock claims litigation which accrues to OECDD and for reducing and restructuring the SPWF \$500,000 loan, beginning in FYE 05.
3. Charter with Curry County for the stepwise incremental expansion of Port district boundaries, for facility development cooperation, and for other needs to be determined, in FYE 05.	4. Charter with City of Port Orford for the development of new facilities, and for other needs to be determined, beginning in FYE 05.
5. Charter with the owner of the former Western States mill property for the cooperative re-development of the site, beginning in FYE 05.	6. Charter with the Oregon Aeronautic Division for Cape Blanco Airport to ensure proper maintenance, proper equipment, and stepwise cooperative re-development, beginning in FYE 06.

5. Financial Policy Goal

Create and implement written policies covering Port financial practices, and obtain grant funding, tools, and training to complete the following prioritized Action Programs:

1. Establish a policy requiring the routine use of computer cost and price modeling using the sample provided with this plan's documentation, in FYE 05.	2. Establish a policy requiring the routine use of comparative year-on-year revenue and cost performance using the sample provided with this plan's documentation, in FYE 05.
3. Establish a policy for using the US Maritime Administration's Port Risk Management & Insurance Guidebook, Appendix C Questionnaire to regularly review Port risk, in FYE 05.*	4. Establish a policy for not selling Port real estate assets and for their long term leasing, in FYE 05.
5. Establish a policy for updating Port's computer equipment, software, and software training, beginning in FYE 05.	

* Manual is available at <http://www.marad.dot.gov/publications/portriskmgmt.html>

6. Organizational Development Goal

Create and implement written policies covering Port organizational practices, and obtain grant funding, tools, and training to complete the following prioritized Action Programs:

<p>1. Establish a policy requiring SDAO Board Member and fiduciary responsibility training for Commissioners and for management skill building training in FYE 05.</p>	<p>2. Establish a policy for adding intern and extern resources using grant funding for graduate degree students, in FYE 05.</p>
<p>3. Establish a policy requiring the preparation and presentation of a complete business case for new and expanded business lines, in FYE 05.</p>	<p>4. Establish a policy requiring the use, regular updating, and progress reporting to the Strategic Business Plan, beginning in FYE 05.</p>
<p>5. Establish a policy requiring the use, regular updating, and progress reporting to the Master Facility Plan, beginning in FYE 05.</p>	



High Dock Dry Storage



High Dock Dry Storage