



2019 NWSA PERFORMANCE GOALS & EXPECTATIONS

I. BUSINESS DEVELOPMENT / COMMERCIAL INITIATIVES

KEY PRIORITIES FOR 2019 & BEYOND	PERFORMANCE MEASURE
<p>1. NORTH HARBOR COMMERCIAL STRATEGY & T-5 MODERNIZATION & WATERWAY DEEPENING: (1) Re-engineer and modernize the North Harbor container terminal footprint to meet future container industry requirements, (2) increase throughput and terminal utilization supported by a commercial deal that is financially viable to support capital investment. (3) Support execution of Army Corps of Engineers' Seattle Harbor Deepening Project for POS/NWSA.</p>	<p>A. Achieve multi-year lease commitment with international container customers and MTOs:</p> <p>Conclude negotiation and agreement for Phase I of T5.</p> <p>Advance commercial negotiation for completion of Phase II term lease.</p>
	<p>B. Secure incremental new maritime cargo-related activities at the unused terminal acreage at T46.</p>
	<p>C. Secure Phase I T5 construction funding and commence construction of 2019 Q3.</p>
	<p>D. Begin preconstruction, engineering and design (PED) of the Seattle Harbor channel deepening project and obtain federal funding for continuing this work in subsequent years.</p>
<p>2. MAXIMIZE GATEWAY EXPORT POTENTIAL: Leverage partnership opportunities to retain, attract and grow export cargo (container/non-container) & increase cargo diversification: Expand BB, Auto & Industrial Maritime activity.</p>	<p>A. Complete feasibility study on the short-haul rail project to/from Eastern WA. Explore a pilot project based on the findings of the study.</p>

B. Increase international container market share versus other ports.

C. Assess the viability of the Midwest regional rail hub strategy to attract more inland export cargo. Implement components of the strategy if proven viable.

D. Explore the concept of off-dock terminal yards in Eastern WA and OR.

E. Retain the auto business by renewing the Glovis agreement expiring end of 2019.

3. GENERAL CENTRAL PENINSULA (GCP): Negotiate a Husky lease amendment that allows for building a new truck gate complex. Work with Husky Terminal regarding the tenant improvement for constructing and redeveloping terminal backlands that will maximize cargo capacity and throughput. This project will include extensive upgrades to paving, reefer capacity, electrical upgrades, yard reconfiguration and lighting. Support execution of Army Corps of Engineers' Tacoma Harbor Deepening Project for POT/NWSA.

A. Amend Lease and Operating Agreement to incorporate additional acreage. Support tenant's improvements (reconfiguration of CY and development of new gate complex). Coordinate on-terminal project with Port of Tacoma Thorne Road property improvements and consider related off-terminal road and rail infrastructure needs and impacts.

B. South Harbor Waterway Deepening: Secure funding for the Feasibility Study on the Tacoma Harbor deepening project in partnership with the US Army Corps of Engineers, in order to stay on track with the 3-year timeline established by Congress. Complete soil sampling survey by yearend 2019. Review project with key stakeholders.

	C. Receive and commission 4 ship-to-shore cranes at Pier 4 and commence operations by Q2 2019.
4. DIVERSIFY CARGO BUSINESS PORTFOLIO	A. Renew UPRR domestic terminal lease at the SIM Yard.
5. BUSINESS INNOVATIONS: Explore and implement innovative business solutions to retain and grow cargo (container/non-container).	B. Renew the log export business lease
	A. Secure Service agreements with selected container and/or breakbulk BCOs that capitalize on their growth strategies.
	B. Develop an NWSA transformational digitization strategy to maximize opportunities within the global shipping industry.
	C. Enhance and expand the number of distribution centers (DCs) and transload facilities in the region with targeted strategic accounts.
II. GATEWAY OPERATIONS	
ENHANCE GATEWAY PRODUCTIVITY, EFFICENCY & OPERATIONAL PERFORMANCE: A. Enhance the Port's Community Portal to improve cargo & service visibility and coordination across the supply chain.	A1. Design and Implement Phase II of the Port's Community Portal by end of 2019. This will include functionality that improves real-time cargo, drayage and inland transportation visibility
	A2. Establish ILA & strategic plan with WSDOT / SDOT / TDOT & King and Pierce Counties for electronic monitoring infrastructure & systems outside the port complex. This will be integrated into the Port's Community Portal.

B. Expand real-time drayage truck electronic monitoring & reporting of total service time at the international container terminals	B. Real-time drayage truck tracking project implementation by June 2019
C. Enhance and improve service delivery KPIs with a move toward real-time reporting and analytics	<p>C. Facilitate service delivery improvement initiatives with Marine Terminal Operators, Labor and Rail Roads:</p> <ul style="list-style-type: none"> - Target improved crane production to 30+ MPH - Reduce full gate turn times at/below 90-min avg. - Maintain intermodal transit to Chicago at/below 6 days
D. Promote improved service delivery by working with stakeholders to match workforce demand with registration availability and training.	<p>D1. Work with PMA/ILWU to increase registration and casual hiring to meet increased labor demand</p> <p>D2. Hold the labor/NWSA/Terminal Operator meetings to discuss how to improve the performance of the gateway.</p>
E. Explore expanding Port Operations (off-terminal) to augment/increase service delivery options to the supply chain stakeholders.	E. Create a draft port operations expansion strategy by mid-year 2019 and evaluate other opportunities to expand NWSA-controlled operations.

III. FINANCIAL PERFORMANCE

EFFECTIVELY MANAGE 2019 OPERATING ACTIVITIES TO DELIVER EXPECTED FINANCIAL RESULTS.	A. Meet or exceed the budgeted 2019 net operating income and distributed cash.
	B. Year-over-year comparison and explanation of financial results and opportunities for improvement.
	C. Evaluate the structure of our business models and make recommendations on ways to improve the financial performance of business leases.
	D. Evaluate and make recommendations on any improvements to the tariff setting practices.

IV. ENVIRONMENTAL STEWARDSHIP

1. IMPLEMENT CLEAN TRUCK PROGRAM

A. Develop and implement a drayage truck registry and Red Light/Green Light technology infrastructure by Q1 2019. Synchronize North Harbor and South Harbor truck management database using RFID technology and data obtained through early use of new gate technology.

B. Provide a recommend domestic terminal Clean Truck Strategy to the MMs by Q1 2019.

2. NW PORTS CLEAN AIR STRATEGY

A. With broad external stakeholder support, update the plan by Q1 2020.

B. Pursue grant opportunities to further CHE, Shorepower and fleet modernization initiatives.

C. Pilot electric yard equipment at both the North and South Harbor terminals by the end of Q2.

3. WATER QUALITY (WQ)

A. Construct West Sitcum stormwater treatment system by Q1 2019.

B. Resolve current litigation at West Sitcum Terminal & T46.

C. Develop comprehensive and integrated industrial stormwater general permit (ISGP) policy and leasing strategy to establish responsibilities and minimize legal/compliance risk by Q4 2019.

4. GREEN GATEWAY INITIATIVES

A. Work along side the Commercial & Public Affairs Depts and our customers to highlight and leverage our Green Gateway initiatives.

V. PUBLIC AFFAIRS / GOVERNMENT RELATIONS

1. LAND USE & TRANSPORTATION PLANNING

Support POT 2019 work on Tideflats Subarea Plan with the City of Tacoma to articulate NWSA interests and impacts.

2. DEVELOPMENT STRATEGY	Complete a scope of work, a schedule, and obtain executive authorization for consultant support to create an NWSA Terminal Development Plan for both harbors that will inform future 1) infrastructure investment, 2) land utilization, and 3) business decisions by Q4 2019.
3. BUILD AWARENESS IN THE PNW OF IMPORTANCE OF MARITIME TRADE INDUSTRY: Partner with key stakeholders to develop & execute aligned messaging.	A. Execute a multi-platform public affairs marketing plan, leveraging sponsorships & memberships to promote brand and ensure support from industry and community leaders.
	B. Launch and support in Q4 2018-2019 the Port Competitiveness Coalition and state legislature caucus; this network & education will help support achievement of Goal I, as does the Public Affairs' Team policy work and ongoing education with elected officials on the competitive landscape facing our gateway.
4. REDUCE REGULATORY CONSTRAINTS	A. Advance legislation that allows for operation of unregistered vehicles shipped as marine cargo on public streets between port facilities.
	B. Explore integration and improvement to regulatory requirements of gateway operations, similar to Canadian permit improvement initiative. Create greater awareness of the Canadian integrated strategy at the state & federal levels,
5. GRANTS	Leverage export-related grants from both the State and Federal government.
6. HARBOR MAINTENANCE TAX REFORM: Advocate & influence Congress to reform the HMT by addressing international competitiveness & donor port equity.	A. Advance HMT reform legislation that addresses NWSA priorities for international competitiveness and donor port equity.

	B. Achieve implementation of Section 2106 regulation on HMT rebates that reflects port priorities.
7. ENHANCE REPORTING METRICS FOR JOB CREATION	Partnering with homeports, complete 2018 economic impact study. Utilize results to better define additional jobs of producers/manufacturers reliant on NWSA gateway to reach global markets. This work will also improve capability to connect economic impact to underserved communities & constituencies.
8. PORT COMPETITIVENESS FUND	Establish a Port Competitiveness Fund that helps accomplish Goal I strategic initiatives & projects, including terminal infrastructure, port community systems, emissions reduction & supply chain partnerships recruiting cargo to the NWSA Gateway.
VI. ORGANIZATIONAL PERFORMANCE	
1. COMPLETE 2019 TRANSITION ACTIVITIES	A. Determine long-term work space requirements, including physical location & tech. improvements.
	B. Complete transition of North Harbor lease administration to the NWSA.
	C. Complete assessment and develop a timeline and plan to improve the efficiency of monthly financial data transfers from the NH to NWSA Finance (used to prepare financial statements).
2. TOTAL REWARDS	Complete assessment and develop timeline and implementation plan for any recommended changes.
3. STAFFING	A. Diversity & Inclusion: Make progress on our diversity & inclusion plan that reflects the community that we serve.

B. Succession Planning: Develop a succession plan for leadership positions within the organization.

C. Organizational Health: Implement a training program that supports a healthy working environment.