



# THE PORT PILOT



SUMMER 2016

## Port Adds New Advisory Committees, Meets with Community Partners

In alignment with the Port's Strategic Plan, the Port Commission has been engaging stakeholders through community outreach. Recent events have included joint meetings with the Clallam County Commissioners and the City Council of Forks, and the formation of two citizen advisory committees.

### Joint Meeting of Port, ONRC, AFRC and City of Forks

On May 2, the Port Commission met at the Olympic Natural Resources Center (ONRC) with the City Council of Forks and Matt Comisky of the American Forest Resource Council (AFRC) to discuss forestry and wood products issues. Topics included advanced wood products and timber advocacy, cross-laminated timber (CLT) and carbon taxes and sequestration. Matt Comisky shared an update on AFRC activities and Phil Kitchel of Forks gave a report about the county's trust lands. Plans were made for the Port to form a Timber Advisory Committee. *Read the full meeting minutes at <http://wa-portofportangeles.civicplus.com/AgendaCenter/ViewFile/Minutes/05022016-148>*

### Joint Meeting of Port and County

On July 25, the Commissioners of both the Port and Clallam County held a joint meeting. The group discussed a number of issues of mutual significance, including a joint request to the Clallam County Economic Development Corporation for 2017 goals and metrics,

comprehensive economic development for the North Olympic Peninsula, and workforce development. The latter covered a review of the Port's role in the Olympic Workforce Development Council process (OWDC) and funding for the marine trades workforce through OWDC. *(Read the full meeting minutes at <http://wa-portofportangeles.civicplus.com/AgendaCenter/ViewFile/Minutes/07252016-169>*

### Port Advisory Committees

On April 11 the Port Commission conducted a general review of advisory committee structures. On April 25, the Commission approved the formation of a Marina Advisory Committee. This provided a framework for creating other advisory committees.

#### Marina Advisory Committee (MAC)

In reviewing the Marina Advisory Committee structure and purpose, the Port Commission determined that it should be focused on both the Port Angeles Boat Haven (PABH) and John Wayne Marina (JWM), rather than only on PABH as had been the case with the previous MAC.

The purpose of the new committee is to "advise the Port on the roles of marinas as a community asset, on environmental issues and as the Commission directs . . . Specific areas of recommendation shall (include): boating culture (waterfront events, safety), capital improvements, marketing, strategic planning, clean harbor practices and education."



Commissioners Beauvais, McAleer and Burke attend a meeting with the ONRC, City of Forks and the AFRC at the ONRC in Forks.

Applications were solicited for the new MAC in June 2016 and the Commission appointed the new members in July. The new members are Bill Atkinson, Bruce Alexander, David Garlington, Don McKeta, Fritz Gruetzmacher, Mark Hasbrouck, Mark Ohman, Russell Smith, Steve Speidel, Stew Harris, Thomas O'Laughlin and Steven Burke, Port Commissioner.

The first meeting was held on July. On August 11, the committee toured PABH facilities. On August 12, they toured facilities at JWM. Future meetings will discuss capital improvement suggestions for both marinas to include in the 2017 capital budget.

#### Timber Advisory Committee (TAC)

On May 9 the Port Commission met to discuss a draft Timber Advisory Committee (TAC) resolution and application.

TAC would allow the Commission to receive input from a group that sees multiple sides of an issue instead of a single viewpoint. Some of the issues the

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**Board of Commissioners:**  
Colleen M. McAleer (President)  
Connie Beauvais (Vice President)  
Steven Burke (Secretary)  
Karen Goschen, Executive Dir.

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# Port Welcomes New Executive Director



The Port of Port Angeles has a new captain at its helm. On July 11, Karen Goschen was selected from four finalists to become the Port's Executive Director. Karen

had been acting as the Interim Director since the departure of her predecessor, Ken O'Hollaren, at the end of 2015. She had previously been the Director of Finance and Administration for the City of Sequim, and hired by the Port as the Director of Finance in August 2012. She was promoted to Deputy Executive Director in December 2014.

In addition to her first-hand knowledge and commitment to the Port, Karen brings a long-term perspective and a broad background in senior management to her new position, with special expertise in strategic planning and finance. As Deputy and Interim Director, she oversaw the development of the Port's Strategic Plan, the roll-out of the Composite Recycling Technology Center (CRTC), and the clean-up of the K-Ply site, which included a successful recovery of funds with other liable parties and the Port's insurers. Together with the Board of Commissioners, she is currently pursuing negotiations to restore air service at William R. Fairchild International Airport and overseeing the redevelopment of the K-Ply site into the new Marine Trades Industrial Park.

Karen says, "One of the key roles of the Port of Port Angeles is to provide infrastructure that lowers the costs and barriers of industry operating in Clallam County. Although we need to operate in a financially sound manner, we want to be able to make it attractive and feasible for businesses to grow here. In order to achieve this, it is critical for the Port to find and build the right projects at the right time. We believe the Marine Trades Industrial Park is one of these projects and

the CRTC is another. We are confident that these projects go hand-in-hand with existing industry and will enable the Port of Port Angeles to have a bright future."

In support of this direction, Karen is particularly focused on executing the Strategic Plan that was created in 2015. Its four goals are to:

- Market the Port and invest in strategic infrastructure
- Assure sound financial and economic return on Port assets
- Improve environmental performance
- Enhance stakeholder engagement and outreach.

Diversification is an important long-term objective. The main goal of the Port is to create jobs by providing infrastructure needed by industry. With almost 50% of the Port's revenue tied to the cyclical logging industry, the community needs to grow additional businesses and sources of revenue to even out the cycles. The timber industry remains a significant and viable industry and its revenue provides the Port with the means to build and operate large public assets such as the terminals on the waterfront and industrial properties, and assets that provide community benefits such as airports and marinas.

According to Karen, "We need to diversify our business base and support more industries for our community. Port Angeles is a beautiful area with a clean environment and wonderful recreational opportunities all around us, which makes it attractive. We need good jobs to support those who want to live here, so that even when timber harvests move into a low cycle, the community has additional ways to prosper. The Port will continue to work to develop a good industrial and job base, while remaining environmentally responsible."

Karen has high praise for her staff. She feels fortunate to have the support of a seasoned, talented and hard-working group of people who share her commitment to growing

the Port for the benefit of the region. "I am extremely gratified to have been chosen to lead the Port at this time of great change and great possibilities," says Karen. "I will continue to work hard to merit the faith the Board has shown in me. Together with the Board and our excellent staff, I look forward to achieving much for the citizens of Clallam County."

"The Port's Board of Commissioners spent substantial time and resources to ensure that the best candidate was chosen for the Executive Director position," said Colleen McAleer, Port Commission President. "Karen has been a member of our community for more than a decade and has served in Port leadership roles since 2012. We know we have made the best choice and we are delighted to have Karen in this all-important role."

Karen can be reached at [kareng@portofpa.com](mailto:kareng@portofpa.com)

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## Port Works with Community Partners

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TAC would weigh in on will include the prioritization of timber issues the Port should be involved in, ideas on how the Port can support the timber industry to achieve greater economic impact in our community, information on industry trends and concerns, and a road map for supporting advanced wood products, such as developing a timber supply study.

Harry Bell was appointed as TAC Chair. Members include Jim McEntire (TAC Vice-Chairman), Phil Kitchel (TAC Secretary), John Calhoun, Joe Murray, Ron Hurn, Bill Hermann, Grant Munro and Riley Fogarty. Port Commissioner Connie Beauvais will represent the Port on the TAC.

"The Port Commission believes that a rising tide raises all boats," said Connie Beauvais, District 3 Port Commissioner. "We have made it a priority to work with our partners for the economic benefit of the whole region and we look forward to many more opportunities to engage."

# CRTC Hosts Ribbon Cutting

On August 25, the Composites Recycling Technology Center (CRTC) hosted a ribbon-cutting at the Port's Composite Manufacturing Campus at the Port's Airport Industrial Park. This marked the opening of the world's only facility that transforms uncured carbon fiber composite scraps that would have ended up in landfills into new products. The event was a celebration of local leaders who worked together to make the project happen.

The CRTC Board and CEO put in countless hours to launch the endeavor. Peninsula College developed a cutting-edge composites training program to fill workforce needs, a critical component of the project's success. The Port provided resources and critical infrastructure for the facility and provided the impetus to get the CRTC off and running. Through an Economic Development Services Agreement with the CRTC, the Port has committed \$1.9M over three years, including in-kind contributions.

Clallam County contributed \$1M in Opportunity Fund money which was used as matches for infrastructure grants: \$1M in State Clean Energy Funds and \$2M from the Federal Economic Development Administration. The City of Port Angeles contributed over \$600,000 for equipment and utility, sidewalk and storm-water improvements. In addition, the City provided over \$1M in infrastructure improvements, including improvements to 18th Street.



*Representative Steve Tharinger cuts the ribbon at the opening of the Composite Recycling Technology Center on August 25. (Photo: John Gussman)*

Jennifer States, CRTC Vice President of External Affairs, welcomed the attendees and introduced the speakers. She thanked each for their contributions to the development of the CRTC.

Speakers included Bob Larsen, CEO of the CRTC, Dr. Luke Robins, President of Peninsula College, and Connie Beauvais, District 3 Commissioner of the Port of Port Angeles. Also speaking were Pat Downie, Mayor of the City of Port Angeles and Bill Peach, District 3 Commissioner of Clallam County.

"What began as a vision for a better future for our region at the Port of Port Angeles more than two years ago has now become a reality. Still in our start-up phase, we now have eight employees on staff, management systems in place . . . and initial production equipment installed" said Larsen.

Said Commissioner Beauvais, "As Henry Ford said, 'Coming together is a beginning. Staying together is progress. Working together is success.' Let's continue to work together . . . to further enable the success of advanced manufacturing in our community."

# K-Ply Settlement Achieved

After completing a successful and expedited clean-up of the Pen-Ply/K-Ply site on the Port Angeles Waterfront, the Port has successfully concluded negotiations to be reimbursed for the costs of the clean-up. On July 11, a "Settlement Agreement and Release of Claims" was executed between the Port, Rayonier AM and ExxonMobil that fully compensates the Port for all funds used in remedial actions to decontaminate the property.

This settlement is the result of really hard work, analysis, persistence and team work by staff, attorneys and consultants. It addressed

hydraulic oil and gasoline related contamination, among other things. The site is now in the process of being redeveloped as the Marine Trades Industrial Park.

"The Port is highly gratified to have reached this agreement," said Karen Goschen, Executive Director. "The clean-up of the Pen-Ply/K-Ply site has not cost the Port or the taxpayers of Clallam County one dime. We are looking forward to new activity on this highly valuable property that will result in more high-quality jobs."

# Port Receives SCASDP Grant

In July, the U.S. Department of Transportation awarded the Port of Port Angeles a \$200,000 grant under the **Small Community Air Service Development Program** to provide a revenue guarantee for new scheduled air service between Port Angeles and Seattle.

Out of 36 applicants, Port Angeles was one of nine communities across seven states to receive a grant award this year. Rep Kilmer, Senator Cantwell and many local business and other public entities and community groups provided letters of support to help make a compelling case.

As part of the grant agreement, the Port of Port Angeles, the City of Port Angeles and the Port of Seattle have also committed matching funds of over \$100,000 to market a new airline.

Executive Director Karen Goschen was elated at the news. "This is an important grant for our community and will help us secure airline services," said Goschen. "We have been pursuing several possibilities. This grant is intended to be used as a revenue guarantee, which allows a new airline to have a cushion during the first year of establishing its presence in the community. This makes it more attractive for an airline to commit to starting up service in Port Angeles to Seatac. We feel this is a very positive development to help us secure a commitment."

The Port believes this grant is the final component to a robust incentive package that will bring renewed air from Port Angeles to Seattle in the near future.

Commissioner Steven Burke says, "I cannot emphasize enough how critical it is for Port Angeles to get air service. We cannot attract new businesses or jobs to our community without it."

# FKC Marks 25 Years at Airport Industrial Park

FKC Co., Inc. (Fukoku Kogyo Company) is celebrating 25 years in Port Angeles by expanding their facilities adjacent to the Port's Airport Industrial Park. They have built their presence in North America as tenants of the Port and are a valued customer of leasing services. FKC is the inventor of the FKC screw press, an industrial dewatering technology widely used in treating municipal biosolids, producing wood pulp and other uses.

The company was established in 1959 in Tokyo, Japan and maintains its headquarters in Tokyo today. FKC operates production factories in Ishinomaki, Japan and in Port Angeles, Washington. Additional sales offices are located in Fuji and Osaka, Japan.

The FKC facility in Port Angeles integrates screw presses manufactured in Japan into full systems that address the needs of several different industries. FKC's dewatering systems are customized to meet each customer's unique process requirements. The screw presses dewater various substances and are especially used by municipalities, such as Sequim, Forks, and Tacoma, in processing biosolids. This allows beneficial reuse of the residue, mostly for compost. For municipal applications, FKC's patented process involves adding lime to the liquid biosolids, followed by flocculation (which means that organic chemicals are added to coagulate the solids to separate them from the liquids), then simultaneous dewatering and pasteurization in a screw press to produce a valuable soil additive while meeting various regulatory concerns such as destruction of pathogens.

FKC has enjoyed steady growth since establishing their North American headquarters here in 1991. The customer mix has evolved over time in response to market changes. In the beginning, FKC's customer mix was 90% pulp and paper makers and 10% other uses, such as surimi production for seafood companies. Now the mix is 70% municipal uses (mostly biosolids), 20% pulp and 10% other uses. On the production side, another change is that when FKC started here, they sold screw presses. Now they sell systems.

FKC's market area is North America, mostly in the United States and to a lesser degree in Mexico. For skid mounted systems, the screw presses are shipped from Japan and assembled at the Port Angeles facility into systems with platforms, controls, pumps, and any other components needed to customize for a particular customer. The systems are then shipped by truck to the location and installed with the assistance of a tech from FKC. For larger systems, the screw presses are shipped directly from Japan to the customer while ancillary equipment is fabricated and shipped from FKC in Port Angeles.

Roger Olson, President, sees more expansion in the future for the municipal market. There are many municipal wastewater plants with aging equipment around the country. Drinking water supplies also have market potential in conjunction with treatment processes.

Another advantage of FKC dewatering systems is that they can reduce disposal costs.

FKC markets through a representative network. Much of its outreach is focused on consulting engineers who specify the designs. The FKC web site has strong search engine

optimization, and on-site trials have been very successful in producing business opportunities. To accommodate FKC's anticipated growth, the expansion of the facility will extend 60 feet west beyond the current length.

FKC has been able to stay ahead of their competition by customizing their equipment and systems to meet each customer's needs and by optimizing equipment design and manufacturing processes to keep costs down. FKC's biggest barriers to growth are finding employees with the right set of technical skills that enjoy travel and dewatering sludge. In general, wastewater treatment related businesses have a hard time recruiting people because it is not an exciting profession. Currently FKC in Port Angeles employs 17 people and is planning on hiring two more in the near future.



## Port Updates Logo



The logo of the Port of Port Angeles has a new look. As requested by the 2015 Port Commission, updating the logo was included in a direction to staff to improve the signage at various Port locations.

The previous logo was developed in 1998 to recognize the Port's 75th anniversary. The Board felt that it no longer accurately reflected the Port's mission and its status as an important regional commerce and transportation center. The need for new signs was an opportunity to refresh the Port's identity.

The new logo retains certain aspects such as symbols of the Port's activities, but the imagery has been updated and a geographical component has been added. A complete re-

design was deemed unnecessary. In addition to signage, the new design will be rolled out over time in the form of business materials, printed materials and web applications.

The new logo was designed by Laurel Black of Laurel Black Design, Port Angeles. The design process was conducted under the direction of Holly Hairell, Public Relations Manager, with input from Port staff. The final design was approved for use on August 8.

"The internal process we used to update the logo was a great opportunity for staff to focus on the core essence of the Port," said Holly. "We feel the new version supports both the Port's mission and the Strategic Plan very well."