

STRATEGIC PLAN 2016 — 2021





NORTHWEST MARITIME CENTER

2016 STRATEGIC PLAN

Approved 06-16-2016

Executive Summary: Signature campus, talented staff, a track record of success and momentum of recent wins—the Northwest Maritime Center is at a moment when we are looking to continue to scale and regionalize our mission impact. The next five years will be filled with measured but rapid growth of programs and exposure, largely out to the world outside of our campus. This is an aspirational path based on both financial and programmatic rationale, and one that projects the organization growing to sustainability by doubling in size in the next five years—scaling and regionalizing key funded and revenue generating parts of the organization.

Northwest Maritime Center—Strategic Plan 2016

Mission: To engage and educate people of all generations in traditional and contemporary maritime life, in a spirit of adventure and discovery.

Program Target Audience: Port Townsend area: tourists, locals, school students. Regional: recreational boaters, DIY boaters. National: professional mariners.

International: adventure/outdoor enthusiasts, wooden boat enthusiasts.

Outreach target audience (program audience plus): Sponsors (and potential sponsors), industry partners, regional and local donors, grandparents, parents, legislators.



Objectives	Goals – by 2021:	Strategies	Actions / Measures
<p>Broaden awareness of maritime opportunities (“widen the funnel”)</p> <p>Inspire people toward powerful maritime experiences</p> <p>Make the sea accessible</p> <p>Shift center of gravity of maritime world toward Port Townsend</p> <p>Strengthen PT area marine/maritime economic development</p> <p>Solidify NWMC’s long-term sustainability</p>	<ul style="list-style-type: none"> NWMC campus is known as a must-do for PT visitors (p10) Chandlery net income increased by 50% (p10) R2AK is profitable annual event of national significance. (p10) Wooden Boat Festival is still awesome, attracting 35,000 visitors (p10) Marine Thrift is regional chain of 2-3 revenue-generating stores. (p10) Remote enrollment in classes exceeds numbers of NWMC’s PT campus (p10) Operational vocational training center/mobile program with emphasis on bridging high school-to - career gap (p11) Summer, youth and adult programs participation grow 10-15% over 2016 baseline, 	<ul style="list-style-type: none"> Improve experience for casual visitors to PT campus. Grow presence and programs regionally and virtually Catalyze partners and industry to increase emphasis on vocational training 	<ul style="list-style-type: none"> Create durable exterior interactive exhibits, wayfinding signs, “beacon” sign on water street (p23) Create sustainable drop-in maritime activities: sailing tours, boat yard tours, boat rentals, bigger boat for boat rides (p23) Better utilize boathouse for visitor experience (p23) Increase/ enhance interpretive signage, boat descriptions and strategically placed models, increased story telling in chandlery, Rotating large scale activity based exhibits (canoe carving) (p23) Secure national sponsors, R2AK TV show (p17) Create predictable cycle for R2AK to balance character and profitability/scale (p17) Continue to create opportunities for millennials to get excited about wooden boat culture (p18) Make WBF presenter content available online for members (p18) Identify regional communities and partners that would be good fits for thrift expansion (p19) Adapt model of other “Goodwill” industries (p19) Secure contracts to expand “unbuilding” programs (p19) Finalize model for creating sustaining online content (p19) Meet or exceed performance benchmarks for online participation. (p15) Establish relationships with local pool, fire department, and vocational training company to offer STCW-approved courses in Port Townsend. (p16) Relationship with school district/community college for accredited skills center on site (p16) Develop new signature programs that build on momentum for adventure-based programming and vocational skills training (R2AK camp, AB for a week, internships, etc.) (p14,15)

Objectives	Goals – by 2021:	Strategies	Actions / Measures
	<p>net revenue improved by 50% (p11)</p> <ul style="list-style-type: none"> PT Boatyard permit is secured, area jobs in sector up by 25% (p11) Maritime Discovery Schools ongoing success (p11) <p>Doubled organization gross income, 85-90% earned income, 5% surplus (p11)</p> <p>Strategic reserve/contingency fund of \$750,000, no debt (p11)</p>	<ul style="list-style-type: none"> Incremental growth and experimentation of existing youth and adult programs Increase presence in local and regional public processes to advocate for training, trades NWMC remains actively engaged with Port Townsend Schools Improve operational efficiency through increased scale of operations Improve efficiency through tighter management Communications that are world class, define high bar for national peer group Grow board capacity, diversity, and geographic scope Contributed income for operations to perform at 2016 levels, campaigns to increase capacity of revenue generating functions Increase number and contributions of regional donors Pre-fund significant portions of new initiatives 	<ul style="list-style-type: none"> Cost-optimize fleet, prioritizing instruction efficiency (p14,15) Ongoing monitoring of legislative agenda for emerging relevant issues (p20) Meet with legislators, foundations, and industry contacts twice a year (p20) Implement quarterly forecasting and reviews (p22) Incentive/retention-based pay, 401k plans as central to staff retention strategy (p22) Websites, newsletters, advertising conducted under a deliberate and consistent brand structure (p22) Outreach emphasizes earned media (p22) Ongoing/systematic communications process integrated into regular operations (p22) Active board recruitment from marine/maritime industry, regional communities, and for racial and gender diversity (p22) Continue to develop legacy giving, ongoing fundraising (p21) Appropriately staff development department (p21) Work with schools to close out fund raising, transition to ongoing instruction (p21) Work with regional donors to host events in home communities (p21) Create donor benefits that are less tied to campus and Port Townsend, more connected to regional/mission benefit (p21) Sell Undine (p21) Opportunistic/initiative-based fundraising accomplished without cannibalizing operational funding. (p21)

2016 Strategic Plan

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NWMC foundational statements

Mission

The mission of the Northwest Maritime Center is to engage and educate people of all generations in traditional and contemporary maritime life, in a spirit of adventure and discovery.

Our values

Authenticity. Excellence. Community. Vibrancy. Collaboration. Service. Innovation. Intrepid and celebratory spirit. These words mean a lot of different things to a lot of different people. Here's what those words mean to us:

- We dream big, then deliver. From starting a Wooden Boat Festival, building a world class campus, to changing schools, to racing to Alaska, the core of the Northwest Maritime Center is a commitment to exploring our mission and programs through an entrepreneurial approach.
- Experts in their fields look forward to instructing here. Students leave inspired, prepared for the sea and excited about life, regardless of their age.
- A potluck could be happening in the boat shop while just as naturally a black-tie dinner is happening in the Maritime Meeting Rooms. 6-year-olds could be in pirate camp on the second floor while the Puget Sound Pilots are in simulator training on the third. We serve everyone, and we do it well. We don't do B work.
- Our campus is a place where people are drawn to celebrate and learn—life moments, maritime pursuits, community milestones. People want to be here.
- We herald and support others' maritime exploits and successes as much as we do our own. Our mission has a big tent.
- The community we serve includes our staff and volunteers, and we work to secure the resources we need to execute well.
- We are slightly less formal than we need to be, slightly more professional, and as welcoming as possible.

Our vision

We work in pursuit of a vibrant regional community that possesses:

- A thriving maritime economy
- A connection to the sea and accessible adventure
- Community members who are capable and resilient, informed and curious
- Maritime heritage that is alive and evolving through powerful experiences
- A school system supported through experiential maritime learning
- A Port Townsend maritime culture and trades that are a shining example of replicable success

Our Theory of Change: Through powerful maritime experiences people gain competence in real-world skills and as a result become more confident in their own abilities. That confidence leads to greater engagement in the world, which leads to an increased ability and willingness to explore, try new things, embrace the unknown, be of service to their communities and the world.

Landscape/SWOT

Strengths: great campus, industry connections, staff, track record for programs, PT location is iconic for maritime (especially wooden boats), local reputation is good/loved (see brand awareness exercise), debt-free, brand strength of Wooden Boat Festival and R2AK and communications in general, volunteer

support for large events, constituent buy in, earned-contributed business model. While there are other organizations that undertake efforts that are similar to portions of our operation, in no other do they all happen under the same roof.

Weaknesses: Port Townsend is isolated from population centers, still solidifying funding model for predictable net income, weak cash position, facility is expensive to maintain relative to organizational budget, first floor underutilized in terms of revenue and public engagement, lack of public understanding of what we do (“Where is the museum?”), adequate partners for increasing vocational training, development of post-capital campaign donor base, annual operational giving baseline, staff/organizational resources taxed for organizational goals, sense of longtime donors being “tired”.

Opportunities: Gap in training solutions for maritime industry shoreside and onboard personnel, good relationships with partner organizations (NW School of Wooden Boatbuilding), high vacancy rate for local lodging off season, Race to Alaska still has room to grow.

Threats: Boatyard permit and infrastructure issues for local shipyard is a threat to the viability of Port Townsend Marine trades and therefore a threat to the NWMC (we need to be in a town with viable maritime/marine trades sector), current and near future transitions of local area civic leaders (Schools, Port, City), rising sea levels, It’s been eight years since the last stock market correction.

The case for growth

We believe that because of opportunity and natural trajectory of new and emerging business units that are in concert with best practices for non-profits like ours, the NWMC is poised to double its annual budget by 2021. The pages that follow explain why we think that this level of growth is possible, here’s why we think growing is a good idea:

High demand for what we do: Whether the continued success of the Wooden Boat Festival, overnight success of the Race to Alaska, high levels of enthusiasm and approval for our work with the Maritime Discovery Schools initiative, pent up demand for used boat gear, or the decade long clamor the maritime industry has had for more qualified young people to enter the maritime workforce, much of what the NWMC is engaged in is in high demand. There is opportunity to match our organizational competencies with growth opportunities, and increase mission deliverables to affect exponentially more people than we do now. People want more NWMC.

Growth to scale = sustainability: There is research on the non-profit sector that indicates that there are thresholds of sustainability; that organizations are sustainable below an annual budget of \$750k – \$1 million, and then again when their annual budget reaches somewhere between \$2.5 – \$4 million. It’s not a hard and fast rule, but the research speaks to two kinds of sustainability: that of a small and scrappy organization, and that of a larger and more mature institution. People expect different things out of each, and there is an awkward window in which organizations in the middle are expected to act like a larger and mature organization but don’t have the resources. The research indicates that there is a finite amount of time that organizations can successfully exist in the middle, and they either grow to the sustainable threshold, retreat to a smaller scale, or fold completely. The sense among staff is that we are yet to be at our efficient scale.

Growth will be diversified: What makes the Northwest Maritime Center unique is that it's the only place where such a dramatic breadth of activity happens under one roof: simulation training, sailing lessons, boat building, rowing, festivals, adventure races, regattas, classes for cruisers, traditional hardware stores, a public beach and plaza, engaging school-aged students in experiential learning. There are places across the country where one or two of those things occur, but we're the only place where it all happens at once: where a professional ship's pilot might share a moment with a kid in a pirate-themed summer camp. NWMC is remarkable in its breadth.

That breadth provides a strategy for creating sustainable scale. Our industry and geographic location make it unlikely that just one program or department will grow to a scale requiring all of our campus or afford the high standard of professionalism we've come to be known for; we're fortunate to be an organization big enough to have a dedicated development staff that don't also have to be janitors, financial staff who don't also have to do IT, and our program staff that get to teach year round.

Each of our departments together creates that scale by unifying what amounts to several small organizations under a single support structure. We have roughly six departments that each have annual budgets between \$300,000 and \$500,000, and the building and administration is yet another unit. Each of these could be its own scrappy-sized organization, with its own board and employees all wearing several hats, but by aggregating them into one mission-aligned organization there are better mission outcomes and better efficiencies. The case for growth is as much for the opportunity to meet pent up demand and grow our mission through expansion as one of operational efficiency. We can be more sustainable if we are able to grow. This is not a "Grow or die" situation as much as it is "Grow or shrink."

Near-term growth will also be regional: As the more detailed program by program analysis will elaborate, the scaling up of program and business areas will rely largely on acquiring or growing net new operations and regionalizing those operations to provide the necessary growth, relying primarily on the increase of earned income and capacity/capital investments that can then be used for earned income. Not every area of our operation is likely to expand equally:

New/Growing <ul style="list-style-type: none"> • R2AK and associated events • Marine Thrift/un-building programs • Development/fundraising • Western Flyer tours • M/V Undine operations • International flotillas • Vocational training 	Executing/Sustaining <ul style="list-style-type: none"> • Wooden Boat Festival • Youth, summer and adult programs • Campus maintenance • Chandlery retail • Facility rentals (leased and event) • Maritime Discovery Schools
Exploring <ul style="list-style-type: none"> • Online classes • Maritime Running Start • Mobile programs • Regional stores 	Improving <ul style="list-style-type: none"> • Internal capacity • Visitor experience • Admin systems • Communications • Program

What regional growth looks like

Port Townsend will remain our home, but given its relative isolation and limited population, growth will continue to occur by reaching out and serving more people where they are while we continue to serve them at our Port Townsend campus.

- Virtual programming – Already we have begun to create and deliver online classes for recreational boaters and have had good success. As we continue to develop the model we foresee having more and more content online for our members in both live and recorded formats.
- Regionalizing Marine Thrift – The marine thrift model is proving successful in its infancy and we believe that it would work best as a 3- to 4-store regional chain. This would give us a programmatic toehold in other communities and a natural way to market our programs through a useful service to boaters, create entry level philanthropy through in kind donations, etc.
- Maritime Mobile – This will require the most capital investment and contributed income support, but the concept is to create a mobile training unit that could engage young people through USCG certified training delivered in remote locations. Travelling instructors would work with school districts to create school-to-work educational opportunities. NWMC would provide the training and industry connections for students looking for a career path.

The Port Townsend campus will serve as the focal point for these activities and the manifestation of the idea. The programs will radiate out from, and into, the NWMC Water Street campus.

Funding history favors growth of structure/capital investments over operations. From the capital campaign for the buildings, to the simulator, to the initiative to pay down the debt and starting the Maritime Discovery Schools, to the capacity building initiative to create a NWMC at a sustainable scale—our donor base likes to start things that can sustain themselves.

Strategic objectives, goals, strategies and actions

The jargon of strategic plans is often confusing; here's how we are defining it:

- Objectives: Changes in our community and region that we are working to make happen.
- Goals: In the next five years, what do we think we can reasonably achieve
- Strategies: General courses of action we think can achieve those goals
- Actions: The things we will do to enact those strategies

It would be easy to spend more resources than our organization has in creating a system to track actions to discrete strategies, strategies to goals, and goals to objectives, and then work those back downstream to the day to day tasks of employees. Our world is more dynamic than that, and many of our actions serve the outcomes of multiple tasks. Rather than a strict and intricate tool to be adhered to, this strategic plan is intended to be a mechanism by which to state and develop the logic of what it is we are going to try to do on purpose, then use that structure to periodically revisit our progress, question our theory, change course as necessary, and keep moving.

The objectives for the NWMC through 2021 are:

- **Broaden awareness of maritime opportunities (“Widen the funnel”):** We serve both the experts/professionals of the maritime world and the maritime curious who wander onto our campus or across our webpages. We need to serve both populations, and the opportunity for our maritime mission is our ability to expose increasing numbers of people to the maritime world. For some it will unlock a life’s passion, for some a peak experience, for others it will simply mean a greater awareness of what happens on the blue part of the map. We serve our mission well when an aspect of what we do is to engage more people who are new to the sea and its history and opportunities.
- **Inspire people into powerful maritime experiences:** The next step is to get people into the powerful experiences that can only be had on and around the water, through programs or self-directed experiences somehow inspired by our actions. “The sea is the most powerful teacher we know” and our role is to catalyze people into those value forming experiences of the sea.
- **Make the sea accessible:** There are a number of real and perceived barriers to participation in waterborne activities: safety, skills, cultural factors, cost, physical access to the water to name a few. NWMC will continue to work to democratize the water and make sure that more people feel invited and able to participate.
- **Shift center of gravity of maritime world toward Port Townsend and Northern Olympic Peninsula / Strengthen area marine & maritime sector economic development:** These two outcomes are separate but intertwined ideas that involve the opportunity for Port Townsend and the Northern Olympic Peninsula to be the “charismatic megafauna” of the maritime world (much like Mystic, Connecticut is for traditional maritime history), and how that identity can help strengthen the maritime character and overall economy of the peninsula. Because of its history and alchemy of maritime trades, schools, and signature events Port Townsend in many ways represents maritime to the region if not the world—and for the past 40 years that has been based on the strength of its traditional trades. The NWMC can work towards both of those outcomes through continued success and innovation to build on the wooden boat credibility for a greater engagement and economy into the future.
- **Solidify NWMC’s long-term sustainability:** One could argue that the goal of sustainability is internally focused rather than an outcome in the outside world and therefore it isn’t an “objective” as we have defined it. They would be right. Sustainability is here at the top level of our aspirational hierarchy because it is that important, and actions to bring it about will be a significant portion of our next 5 years.

1) **5-Year Goals:** The following are our top level goals, each of which relate to one or more of our strategies and objectives.

- NWMC campus is known as a must-do for PT visitors: During our early conversations with donors, community members and other stakeholders, an issue was raised that while our campus is excellent at serving classroom attendees and community members who already know about it, we are less accommodating for casual visitors. Although we are not a museum we could do a much better job at engaging visitors if there were "museum-like" things for them to do on a drop-in basis, for little to no cost; artifacts, ships models, etc. If our objective is to engage then better harnessing our campus would be an easy win.
- Chandlery net income increased by 50%: Our Chandlery is just starting to find its way as an engine of support for our programs and campus. With growing events and increasing visitors to the campus we need to maximize that potential.
- R2AK is profitable annual event of national significance: In 2015 our newest event took the world by storm in its inaugural year with more participation and global attention than we could have reasonably hoped for. The next 5 years will be spent continuing to grow both its popularity and profitability to make it our other tent pole event that kicks off the summer season.
- Wooden Boat Festival is still awesome, attracting 35,000 visitors: Our first tent pole is the wooden boat festival that is estimated to draw 30,000 people every year. WBF is a mature event that is bounded more by the number of hotels and ferries that serve the town than the popularity of the event. That said, there should be incremental ways to increase our numbers modestly over the next few years, find a few more ways to increase profitability, all while maintaining its reputation as the best Wooden Boat Festival in the country, and the best party that Port Townsend throws.
- Marine Thrift is regional chain of 2-3 revenue generating stores: Our theory from the outset was that this Marine Thrift model of selling used boat gear to DIY boaters would be best executed through a larger regional presence that linked multiple communities of used boat enthusiasm and donations through an integrated inventory, and a regional un-building program to remove useable hardware from boats destined for the dumpster. With our first store operational and exceeding projections in its first months of operations, the next five years will be spent solidifying the model and replicating it 1-2 more times in other communities.
- Remote enrollment exceeds participants at NWMC's campus: In 2015 we had our first online classes, and used our simulator to make purpose built visual aids for remote learning modules instructing entry level fishing vessel crew members. Port Townsend isn't getting any closer to population centers, so the way to grow our programs past the students who want to come to Port Townsend is to take our content to the students. For many of our programs this will be through internet based learning (online classes, Wooden Boat Festival presentations webcast for members, etc.) and remotely delivered programs at Marine Thrift branch stores and mobile teaching platforms.
- Operational vocational training center/ mobile program with emphasis on High School-to-career: This is a big initiative that builds off of our current programming, needs of the maritime industry and trajectory of the Port Townsend schools. One of the founding ideas of the Port Townsend Maritime Discovery Schools project was that students could graduate with basic maritime credentials as well as their high school diploma. The maritime industry needs more workers entering the workforce to replace retiring baby boomers, and working with industry partners, public schools, community colleges, and vocational schools we believe that we can create those

outcomes for students not just here in Port Townsend through a new occupational skills center based at the NWMC, but all over the state through a mobile training platform and mentorship/internship opportunities for established mariners to help engage the rising generation

- Summer, youth and adult programs participation grow 10-15% over 2016 baseline Net revenue improved by 50%: not everything we currently do will grow by leaps and bounds, but everything we do will grow at least incrementally, and improve efficiency. Our current youth and adult classes are our current programmatic focus and serve our local population and “educational tourists” who visit Port Townsend for the experience. We are meeting our current demand for these services, and while we expect to continue to grow incrementally, improvements to sustainability will come from continued evolution of the price and cost structure.
- PT Boatyard permit is secured, infrastructure sustainable, overall increase in area maritime/marine sector employment: One of the biggest threats to Port Townsend’s maritime economy growing is the potential loss of the boat yard permit issued by Department of Ecology that allows boats to be worked on, but there are also significant infrastructure issues that pose a threat to the long term viability of the trades in our community. Environmental compliance issues, eroding shorelines, and aging breakwaters are all issues that if uncorrected would result in the cessation of all boat work in boat haven maintenance yard, the loss of over 400 jobs, and the loss of Port Townsend’s maritime character. Once that permit has been secured, our work will include helping to attract additional training schools and maritime businesses to locate here.
- Maritime Discovery Schools is an ongoing success: The work to get place based, maritime curriculum infused as an integral part of a K-12 system was a lot of work. Our goal is that even as the outright support of fundraising sunsets with the completion of the initiatives implementation, we can work alongside of the PT Schools to allow them to continue the good work and make the lessons and pathway of this type of change available to other districts.
- Doubled organization gross income, 85-90% earned income, 5% surplus: In order for our efforts to remain sustainable, we believe that we need to continue to grow the proportion of income we count on based on business operations rather than contributed income. We will always have the need to raise money for operations, but more and more those will be reserved for special initiatives.
- Strategic reserve/contingency fund of \$750,000, no debt: In 2014 we paid off the last of the debt remaining from the construction of the campus, but to be truly sustainable we need to continue to be putting money away for rainy days and for the ongoing working capital required for an organization on the move.

- 2) **Key strategies to growth:** We don’t expect our growth to be linear or uniform across the organization. Growth will be based on focusing expansion in several areas, incremental growth in others, and continued improvement to efficiencies throughout the operations Our strategy as to how to obtain that growth is in 6 parts, all with discrete mission and financial rationale:

	Mission rationale	Financial rationale	Examples
Improve campus experience	<ul style="list-style-type: none"> Engage more people in the mission Optimize campus as program delivery vehicle rather than just host for mission 	<ul style="list-style-type: none"> ↑ Retail revenue Membership Word of mouth marketing Lease rental rates 	<ul style="list-style-type: none"> Icon/beacon sign Exterior interactive exhibits Play ground? Guided tours Daysails, increased capacity for boat based waterfront tours Wayfinding signs Improved use of Boathouse
Increase vocational training	<ul style="list-style-type: none"> Deepen, continue youth program trajectory Economic Development of PT community Serve maritime industry needs Culmination for MDS 	<ul style="list-style-type: none"> ↑ Paid simulator use Maritime industry Donations Mariners who become donors Geography of relevance = increased donor base 	<ul style="list-style-type: none"> Vocational skills center Increased activation of simulator Mobile maritime training to serve geographically remote areas
Expand & regionalize Marine Thrift	<ul style="list-style-type: none"> Support DIY boaters Increase access to the water Sow the seeds for future generations of boaters, festival attendees, etc. Environmental goals of reducing useable items in waste stream 	<ul style="list-style-type: none"> Expand geography of relevance Introduce ourselves to first time donors through in kind donations Increase memberships Word of mouth marketing of programs 	<ul style="list-style-type: none"> Expand store to 1-2 additional locations within Puget Sound, BC, and/or SE Alaska
Grow R2AK	<ul style="list-style-type: none"> Increase access to big adventure Support DIY boaters Focus more of national attention on maritime Economic development for Port Townsend 	<ul style="list-style-type: none"> ↑ Expand geography of relevance Sponsorship Margin/surplus Sophistication of marketing/licensing/TV rights/retail 	<ul style="list-style-type: none"> Create cycle for race with formats that alternate emphasis on grassroots nature and extreme racing Secure a TV show Create “better utilization of 1st floor of NWMC campus. (Boathouse, boatshop)

	Mission rationale	Financial rationale	Examples
Incremental growth of mature business areas	<ul style="list-style-type: none"> • Keep Wooden Boat Festival awesome and relevant • Steady improvement of Chandlery • Keep experimenting with Adult programs, online and otherwise • Build off of youth program track record as prudent/funded, especially re: vocational pathways 	<ul style="list-style-type: none"> • Keep WBF profitable, increase margin by \$10k by, 2017 • Increase chandlery sales by 50% by 2019 • Online prog generate 30% of in class revenue by 2017, 50% by 2019 • CTE and vocational program/funding is a major part of youth programs 	<ul style="list-style-type: none"> • Online revenue for Festival, programs, experiment with additional days. • International flotillas • Re-examine vessels used for sailing instruction for cost/mission effectiveness. • Mariner summer camps to expose young people to work at sea.
Tighten up operations	<ul style="list-style-type: none"> • Continue to innovate non-profit best practices 	<ul style="list-style-type: none"> • Best use resources • 10-15% efficiency improvement overall 	<ul style="list-style-type: none"> • Scale org so less “multiple hat” sorts of employees • Clarity and accountability re: revenue/expense • Quarterly reviews and trainings • Compensation strategy defined, includes incentive/retention strategies (401k, etc.)
Increasingly engage as advocate in mission related public process	<ul style="list-style-type: none"> • Help Port Townsend preserve and promote its maritime trades • Help public schools evolve by embracing maritime learning <p>Create pathways to maritime employment</p>	<ul style="list-style-type: none"> • Leadership can attract donors • Increased presence may lead to increased public funding 	<ul style="list-style-type: none"> • Be a resource for marine trades, Port for boatyard permit issue • Work with legislators to raise awareness of issues as a whole.

3) Department-specific goals/actions

Youth/school/summer programs

By 2021: Existing school programs evolve to further embrace adventure and vocational exposure, onsite programs have grown incrementally, the fleet is renewed. Summer programs have grown incrementally, focus evolved to include vocational and adventure emphasis

Primary departments/committees: Programs

Primary issues addressed: Broaden awareness of maritime opportunities, increase chandlery sales, inspire people to powerful maritime experiences, membership/donations

Key strategy: Incremental growth, Tighten up

Estimated investment: fleet renewal, \$40,000 – \$50,000 over 5 years

Actions to be undertaken:

- i) Develop new signature programs that build on momentum for adventure based programming and vocational skills training. (R2AK camp, AB for a week, internships, etc.)
- ii) Cost optimize fleet, prioritizing instruction efficiency
- iii) Integration of career development in existing programs

Sequence:

2016

2017

Create school program curriculum that points to Vocational Summer programs pilot program focused on vocational skills "Mariner skills summer camp", Adventure based programming ala R2AK

2018

First year of vocational training included as part of all school programs
Incremental growth of 3-5%

2019

Incremental growth of 3-5%

2020

Incremental growth of 3-5%

2021

Existing school programs evolve to include adventure, vocational, grow incrementally
Incremental growth, focus evolved to include vocational and adventure emphasis
Programs operating at improved efficiency, net revenue increased by 50%

Adult recreational programs

Sailing, navigation and maritime skills classes for the recreational boater.

By 2021: There has been steady incremental growth of existing programs plus: basic cruising, adventure training, 2-3 flotillas a year, fleet streamlined for cost, online classes. NWMC is known as go-to place to sail in PNW—the west coast, nicer, future focused version of the Wooden Boat School in Brooklyn Maine. Adult programs are revenue generating

Primary departments/committees: Programs

Primary issues addressed: Broaden awareness of maritime opportunities, inspire people to powerful maritime experiences, membership/donations, increase chandlery sales,

Key strategy: Incremental growth of existing programs, largest growth from new programs, Tighten up

Estimated investment: fleet renewal/replacement: \$TBD Could be accomplished through donations and likely to pay for itself in saved maintenance and/or moorage

Actions to be undertaken:

- i) Finalize model for creating sustaining online content.
- ii) Meet or exceed performance benchmarks for online participation.
- iii) Align program vessels to learning outcomes, business model

Sequence

2016

Identify optimal instruction boats for keelboat teaching outcomes, establish tighter guidelines for running/cancelling classes.

2017

Similar level of programming as 2016 plus: 30 days of online classes, 1st international flotilla, 4 weeks of charters on Undine, improved net income by 10k over 2015 numbers, begin fleet renewal

2018

40 days of online classes, sell Undine, additional \$10,000 improvement to Net income for remainder of adult classes

2019

Incremental growth over 2018, Remote programs in Thrift #2, 50 days of online classes, net revenue positive on direct costs and expenses

2020

Remote programs in Marine Thrift #3

2021

Incremental growth of existing programs plus: basic cruising, adventure training, 2-3 flotillas a year, fleet streamlined for cost, online classes. NWMC is known as go-to place to sail in PNW—

the west coast, nicer, future focused version of the Wooden Boat School in Brooklyn Maine.
Adult programs are revenue generating

Adult/youth vocational programs

Training and education with career and employment outcomes as the primary motivation. Simulation training, captains license courses, etc.

By 2021: NWMC is an established hub of vocational learning for both entry level mariners transitioning from school to career, as well as established mariners who come here to train. We have relationships with public schools, community college, vocational schools, local fire departments, aquatic facilities to facilitate USCG approved training that is also accredited by public schools and college. We work with our industry partners to provide job placement. We do this at our NWMC campus but also throughout the state, bringing maritime exposure and vocational readiness to the communities who need it most. By 2021 the Chandler building will be 75% programmed with vocational classes, occupational skills center, etc. Vocational programs will serve 200 school aged students a year (30,000 program hours) both here and around the state, 600 maritime professionals.

Primary departments/committees: Programs, *potentially need a new vocational oversight committee*

Primary issues addressed: Broaden awareness of maritime opportunities ("Widen the funnel"), Inspire people into powerful maritime experiences, Make the sea accessible Shift center of gravity of maritime world toward Port Townsend, Strengthen PT area marine/maritime economic development, Solidify NWMC's long-term sustainability

Key strategy: Increase emphasis on vocational training

Estimated investment: \$300,000-\$400,000 in staffing and capital investments over 5 years

Actions to be undertaken:

- i) Establish relationships with local pool, fire department, and vocational training company to offer STCW approved courses in Port Townsend.
- ii) Relationship with school district/community college for accredited skills center on site.

Sequence

2016

Work with industry partners and public agencies to form oversight group, create shared set of outcomes and goals, identify funding sources

2017

Hire lead staff (1 FTE), define biz plan, ID funding, industry focus group, plan curriculum, school partner ID'd, Lifeboat davit appropriate for training purposes acquired and installed and USCG approved, Compass Courses ramp up, USCG approvals for STCW, Agreements with fire, pool, schools, USCG, Industry

2018

Acquire Mobile Skills Center operational, rental agreement with district finalized, first classes of skills center

2019

Skills center/ mobile unit classes at 100 students

2021

200 school aged students a year (30,000 program hours) both here and around the state, 600 maritime professionals.

Race to Alaska (R2AK)

By 2021: Anchor event for Port Townsend, signature international sailing event that alternates between elite racers and to embrace the DIY spirit of racers who fly the freak flag. 60 boat average participation, consistent national brand sponsors. Stage one will become a destination event, shoreside festivities grow in all three stopping points, TV show in season 2-3.

Primary departments/committees: Race to Alaska

Primary issues addressed: Broaden awareness of maritime opportunities, inspire people to powerful maritime experiences, membership/donations, and increase chandlery sales

Key strategy: Grow R2AK, Tighten up

Estimated investment: Investment in staff capacity for race management and sponsorship occurred in 2016, business model will be a net contributor to the NWMC. Need expertise in media licensing, sponsorship for ongoing business model growth.

Actions/milestones

- i) Secure national sponsors, R2AK TV show
- ii) Create predictable cycle for R2AK to balance character and profitability/scale

Sequence

2016

Announce format for future, secure in house sponsorship staffing and initial national level sponsors, shop TV show, \$20k net income

2017

Better media/TV show, more outreach, more elite boats, larger shore events in PT/VIC/KTN, 5,000 people to PT Ruckus, regional music act. \$40k net income

2018

First year of "off cycle", 30k net income

2019

"Unlimited" – 50k net income

Wooden Boat Festival

By 2021: Festival is still a fun signature event of national significance, 10-15% growth in attendance over 2015, 100% of presentations are online for members. Demographic has gotten younger, net income stable at \$100k+.

Primary departments/committees: Wooden Boat Festival, Wooden Boat Foundation

Primary issues addressed: Broaden awareness of maritime opportunities, inspire people to powerful maritime experiences, membership/donations, and increase chandlery sales

Key strategies: Incremental growth, Tighten up

Estimated investment: Incremental investment into culture and systems, staff investment to get content online estimated at \$10,000 over 2-3 years

Actions/milestones

- i) Continue to create opportunities for millennials to get excited about Wooden Boat Culture
- ii) Make all presenter content available online for members by 2019

Sequence

2016

“Headliner” presentations online for members, First price increase for attendance since 2007, restart demographic study for attendees

2017

10% of presentations are online for members, start marketing to young crowd (music choices, tallship Olympics, etc.)

2018

20% of presentations online for members

2019

40% of presentations on line

2021

Incremental growth, online content is 100%, 35,000 attendees, demographic is shifting younger

Chandlery

Retail and hardware sales in the NWMC campus store and online

By 2021: The Wooden Boat Chandlery is a destination store for PT visitors and traditional hardware seekers, online sales are strong, better equipped for info desk function for Port Townsend’s maritime attraction, net income has grown by 50%.

Primary issues addressed: Broaden awareness of maritime opportunities, membership/donations, and increase chandlery sales

Key strategies: Incremental growth, Tighten up, improve campus as an attraction for casual visitors

Estimated investment: Web sales will require some investment for finishing current build out.

Actions/milestones

(Bulk of this strategy is in better attracting more visitors to the NWMC campus, tasks related to that captured elsewhere)

Sequence

2016

Hire new manager, complete online store

2017-2021

TBD (plan to be co-developed with new manager)

Marine Thrift

By 2021: Three stores will be operating jointly throughout the region stores, all profitable, driving membership, program enrollment up, and word of mouth marketing. Regional “un building program” is both a source of hardware and funded through environmental sources.

Primary issues addressed: Make sea, accessible, increase membership/donations, and increase chandlery sales

Key strategies: Incremental growth, Tighten up, improve campus as an attraction for casual visitors

Estimated investment: Web sales will require some investment for finishing current build out.

Actions/milestones

- iii) Identify regional communities and partners that would be good fits for thrift expansion
- i) Adapt model of other “Goodwill” industries
- ii) Secure contracts/funding to expand “Unbuilding” programs

Sequence

2016

Pilot year

2017

Operations are profitable, sell collectible items through online auctions, inventory levels secured through unbuilding/donations, business plan for Location #2 finalized, location 2 identified, Business planning for operating as regional chain

2018

Inventory stockpiled for location #2, Store #2 opens (+1 FTE)

2019

Store #2 operational at break even or better, Location #3 identified, inventory stockpiled

2020

Location #3 opens

2021

3 stores, all profitable, driving memberships up, driving program enrollment up

Advocacy/economic development

Working in the public sector and leveraging industry contacts for the health of Port Townsend's maritime economy.

By 2021: The Marine trades community is thriving with boat yard permit intact, new businesses are moving to the area and growing the sector, maritime and marine industry is a growing part of our local economy. At local state and regional levels, the NWMC is increasingly known as a go to maritime education organization, first in line for public dollars, and known resource and source of solutions to our elected officials, trade and industry partners.

Primary issues addressed: Shift center of gravity of maritime world toward Port Townsend, Strengthen PT area marine/maritime economic development, Solidify NWMC's long-term sustainability

Key strategies: Grow presence and programs regionally and virtually, catalyze partners and industry to increase emphasis on vocational training NWMC remains actively engaged with Port Townsend Schools, Increase presence in local and regional public processes to advocate for training, trades

Estimated investment: Only investment is time for ED, board, and senior staff to meet with legislative and industry contacts.

Actions/milestones

- i) Ongoing monitoring of legislative agenda for emerging relevant issues
- ii) Meet with legislators, foundations, and industry contacts twice a year

Sequence

2016

Begin work by forming industry focus group for shaping instruction, continue advocacy for Maritime Schools initiative, begin engagement with Port and PT area trades to determine best role for NWMC in securing boat yard permit.

2017

Secure public funding for Vocational training efforts

2018

PT boatyard permit is retained

2019

Successful recruitment of training school (aluminum welding, systems, diesel certification)
Work with local agencies to address affordable housing for students, trades employees

Development/fundraising

By 2021: Our efforts in development and fundraising are now only 10% of our operating budget, with over 2,000 members who increasingly come from regional locations. In addition to ongoing operational fundraising, further development efforts will be focused on capacity building initiatives and building a pipeline of legacy gifts, the intent of which is to increase liquidity and grow or create self-sustaining departments and programs that are largely self-sufficient based on earned income.

Primary issues addressed: Solidify NWMC's long-term sustainability

Key strategies:

- Contributed income for operations to perform at 2016 levels, campaigns to increase capacity of revenue generating functions
- Increase number and contributions of regional donors
- Pre-fund significant portions of new initiatives

Estimated investment: Increase development staffing by .5FTE in 2016

Actions/milestones

- i) Continue to develop legacy giving, ongoing fundraising
- ii) Appropriately staff development department
- iii) Work with schools to close out fund raising, transition to ongoing instruction
- i) Work with regional donors to host events in home communities
- ii) Create donor benefits that are less tied to campus, Port Townsend, more connected to regional/mission benefit
- iii) Sell Undine
- iv) Opportunistic/initiative based fundraising accomplished without cannibalizing operational funding.

Sequence

2016

Create second event in fall (remote control boats), increase staffing

2017

Remote boat event in year 2, additional grant staff, close out MDS campaign, 50% of funds for skills center ID'd/secured, Unbuilding initiative fund sources ID'd

2018

Mobile skills center/occupational center funded for 3 years, unbuilding funded for 3 years

Operations/communication

By 2021: NWMC is recognized gold standard for efficiency, communications, and financial health among peer organizations. Doubled organization gross income, 85-90% earned income, 5% surplus, Cash reserve of \$750,000, no debt

Primary issues addressed: Solidify NWMC's long-term sustainability,

Key strategies:

- Improve operational efficiency through increased scale of operations
- Improve efficiency through tighter management.
- Communications that are world class, define high bar for national peer group
- Grow board capacity, diversity, and geographic scope

Estimated investment: Increase staffing by .75FTE in 2017 (.5 FTE bookkeeper, .25 volunteer coordinator)

Actions/milestones

- i) Implement quarterly forecasting and reviews
- ii) Incentive/retention based pay, 401k plans as central to staff retention strategy for staff
- iii) Websites, newsletters, advertising conducted under a deliberate and consistent brand structure
- iv) Outreach emphasizes earned media
- v) Ongoing/systemic communications process integrated into regular operations
- vi) Active board recruitment from marine/maritime industry, regional communities, and for racial and gender diversity

Sequence

2016

401k established, direct deposit

2017

Volunteer coordinator to FT (+.25 FTE), additional book keeping staff (.5FTE) to allow Eileen to better project, analyze, and safeguard financial health

2018-2021

Adjust and grow with growing needs of organization

Facility improvements/ Campus as destination for casual visitors

By 2021 Our existing collection of models and artifacts are an attraction onto themselves and have been complemented with a diverse range of additional drop-in experiences and activities for the casual visitor. NWMC is known as the “attraction” in Port Townsend because of the vibrancy and quality of its displays and drop-in experiences. As a result we infuse more tourism dollars into the local economy, engage more people for word of mouth advertising, and better harness our campus for exposing more people to the maritime world. To allow for such an increase of visitors, our physical plant will be maintained to high level in both structure and systems and with increased resources to address higher overall use and age.

Boathouse specific goals: In addition to overall goals for improving casual visitor, the boathouse will incorporate an expanded set of uses that maximizes engagement to casual visitors as well service the ongoing and vibrant rowing community. The goals for the space are:

- Be active and engaging to visitors and rowers alike,
- The doors are open 7 days a week and open to the public during normal business hours from May-October.
- House maritime experiences for visitors that are experiential and authentic.
- Improved revenue model

Primary departments/committees: Facility, communications

Primary issues this addresses: Broaden awareness of maritime opportunities, increase chandlery sales, membership/donations, marketing for programs

Key strategy: Improve experience for casual visitors to PT campus

Estimated investment: 150,000 of staffing and fabrication costs over 2-3 years

Actions to be undertaken

- i) Create durable exterior interactive exhibits, wayfinding signs, “beacon” sign on Water Street, and better display and interpretation of our models, artifacts and exhibits.
- ii) Create sustainable drop-in maritime activities: sailing tours, boat yard tours, boat rentals
- iii) Better utilize boathouse for visitor experience
- iv) Increase/ enhance interpretive signage, boat descriptions and strategically placed models and as key parts of campus engagement strategy
- v) Rotating large scale activity based exhibits (canoe carving)
- vi) Increase story telling within Chandlery itself.

Sequence

2016

Identify broad strokes of campus improvement plan/exhibit plan, determine what can be done in-house and what will require outside contractors, develop detailed budgets

2017

Lead staff/contractor brought on(.5 FTE) to create plan for wayfinding signs, expand Western Flyer tours to boatyard, sunset sails, paddleboard rentals, increased presence of artifacts and models, Large scale/interactive exhibit #1 ready for summer season with appropriate marketing plan, begin transition for boathouse (biz plan complete, renters informed), beacon sign created and installed

2018

Boathouse repurpose complete for summer season, Exhibit #2 (potentially first one for second year), maritime skills trail in design

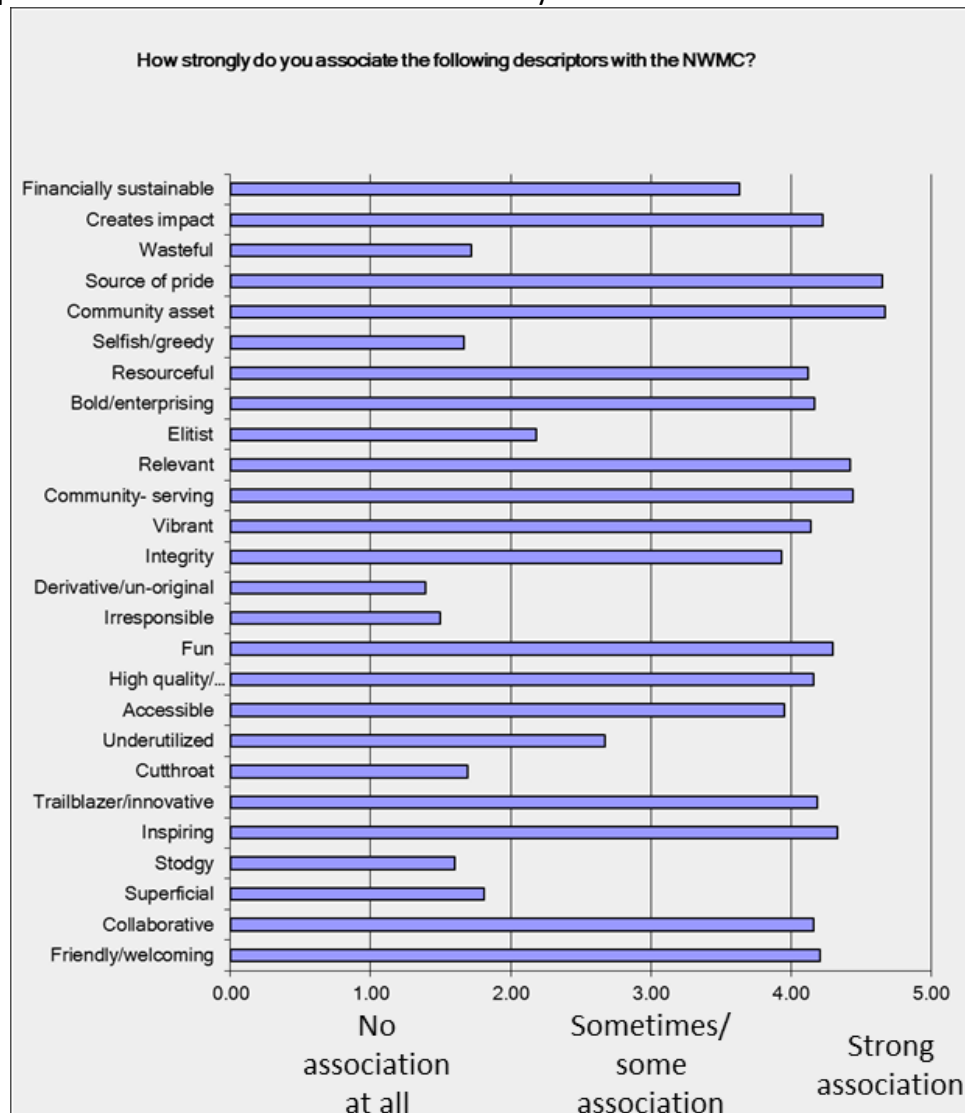
Financial projections

Net income by class									2016			2017			2018			2019			2020			2021		
			Jan - Dec 11	Jan - Dec 12	Jan - Dec 13	Jan - Dec 14	Jan - Dec 15	Budget	Net income	% change YoY	Net Income	% change YoY	Net Income	% change YoY	Net Income	% change YoY	Net Income	% change YoY	\$ Change from 2015	% change from 2015						
Administration																										
	Facility Overhead		0	-142,358	0	-681	-2,654	7,901	-2,654	0%	(32,654)	0%	(32,654)	0%	(32,654)	0%	(32,654)	0%	(30,000)	1130%						
	Total Fundraising		333,041	284,957	72,809	520,498	226,982	348,243	226,982	0%	249,680	10%	262,164	5%	275,272	5%	289,036	5%	62,054	27%						
	Operations		-445,925	-255,215	-327,985	-324,270	-342,262	-369,997	(379,637)	-10%	(379,637)	0%	(360,655)	-5%	(349,835)	-3%	(339,340)	-3%	2,922	-11%						
	Technology		0	0	-7,089	-331	-70,191	8,893	(70,191)	0%	(78,614)	12%	(90,406)	15%	(90,406)		(90,406)	0%	(20,215)	29%						
Total Administration			-112,884	-112,616	-262,265	195,216	-188,125	-4,960	(225,500)	-17%	(241,225)	-7%	(221,551)	9%	(197,623)	0.02	-173,364	0.02	14,761	(0.23)						
Educational Programs																										
	Adult Vocational*								(37,375)	100%	12,625	134%	12,625		42,625	338%	42,625		42,625							
	Youth vocational*								(127,375)	100%	(49,500)	61%	500		25,500	5100%	25,500		25,500							
	Adult recreational (frmr: Marit		-18,888	-49,316	-32,742	-18,976	-15,796	-26,988	(14,484)	9%	(7,242)	50%	1,000	824%	1,049	5%	1,100	5%	16,896	-108%						
	Boatshop		-40,733	-32,030	-85,534	-102,198	-20,274	-84,681	(20,274)	0%	(19,260)	5%	(18,297)	5%	(17,382)	5%	(16,513)	5%	3,761	-19%						
	Library		-6,433	-9,366	-11,099	-11,868	-9,406	-16,000	(8,559)	9%	(8,987)	5%	(8,987)		(8,987)	5%	(8,987)		419	5%						
	Symposium		4,529	20,842	-11,679	-10,566	-5,739	2,072	3,000	-291%	3,450	15%	3,450		3,968	15%	3,968		9,707	32%						
	Youth																									
	School		-32,371	-17,469	-17,562	-35,930	-44,398	-53,432	(42,178)	5%	(40,069)	5%	(38,066)	5%	(36,162)	5%	(34,354)	5%	10,044	-19%						
	Summer		-15,582	-18,791	-28,355	-26,757	-43,522	-23,350	(41,346)	5%	(38,038)	8%	(36,136)	5%	(33,245)	8%	(31,583)	5%	11,939	-24%						
	Total Youth		(47,953)	(36,260)	(42,659)	(62,687)	(85,738)	(69,621)	(83,524)	3%	(78,107)	7%	(74,202)	5%	(69,408)	7%	(65,937)	5%	19,801	-21%						
Total Educational Programs			(109,478)	(106,130)	(183,713)	(206,295)	(136,953)	(195,218)	(288,591)	-53%	(147,022)	96%	(83,912)	75%	(22,636)	271%	(18,245)	24%	118,708	-94%						
Events																										
	Festival		-107,877	137,419	65,254	110,639	96,738	79,868	95,526	1%	105,526		105,526		115,526		115,526		18,788	21%						
	R2AK		0	0	0	13,850	24,346	72,446	50,000	51%	75,000	50%	100,000		100,000		100,000		75,654	100%						
	Regattas		753	2,947	2,263	19	-795	0	(795)	0%	0		-						795	-100%						
Total Events			-107,124	140,366	67,517	124,508	120,289	152,314	144,731	-17%	180,526	-20%	205,526	-12%	215,526	-5%	215,526	0%	95,237	49%						
Chandlery			30,718	39,847	-7,681	-15,140	28,752	41,297	31,627	9%	37,378	18%	41,115	10%	43,128	5%	45,284	5%	16,532	43%						
Chandlery Marine Thrift			0	0	0	0	2,165	3,586	15,000	693%	18,586	24%	29,738	60%	33,586		38,000	13%	35,835	153%						
Chandlery Web Sales			0	0	0	0	0	13,385	53,540	400%	107,080	100%	160,620	50%	200,775	25%	250,969	25%	250,969	369%						
Facilities Rental			35,379	72,706	31,127	-18,531	18,830	4,446	21,655	15%	37,895	75%	39,790	5%	41,780	5%	43,033	3%	24,203	99%						
Simulator Rental			0	0	0	0	15,597	12,021	17,001	9%	34,001	100%	68,003	100%	88,404	30%	88,404		72,807	420%						
Total Mission Related Earnings			66,097	112,553	-46,435	-53,929	63,542	74,735																		
TOTAL			-263,389	34,173	-473,265	59,500	-141,247	26,871	(230,538)		27,219		239,329		402,939	241%	489,606	0.54	630,853	(3.12)						

Appendices:

Brand awareness survey results

The strategic planning process began in the spring of 2015 with a number of constituent engagement sessions designed to engage our supporters, partners, public officials and historic critics. The engagement questions focused on hearing what our stakeholders found valuable about the NWMC, things they were excited about, things that concerned them, and what they hoped for in our future. A portion of that engagement session was answering a two page brand awareness survey that sounded out the respondents' awareness of various components of the organization as well as how strongly they associated both positive and negative descriptors with the NWMC. The following are the compiled results up through February of 2016. In total, over 200 people completed the survey both during in-person interviews and via an online survey tool.



Maritime workforce reports

The following was published by the State of Washington spring of 2016 as a tool to communicate opportunity and need of the maritime sector.



WASHINGTON MARITIME FEDERATION

A Coordinated Voice for Maritime Progress

STATE LEGISLATIVE PRIORITY

MARITIME WORKFORCE DEVELOPMENT, EDUCATION AND TRAINING

Maritime activity continues to grow an average of 6.4% a year, and today provides jobs with substantially better pay than the average for all industries. The average pay for a job in Washington is \$52,000, while maritime workers are paid an average of \$70,800—totaling over \$4 billion in wages in 2012. Overall, the maritime sector contributes \$15 billion in gross business income, and directly employs 57,700 people. Including indirect and induced impacts, the sector is responsible for 146,000 jobs in the state and \$30 billion in economic activity. *

The Washington Maritime Federation (WMF) represents a coordinated and unified voice of the diverse and interdependent sub-sectors of the maritime industry. WMF supports policy and investment priorities that support the vitality, growth and resilience of Washington's maritime industry. Regional, state and federal priorities are based on a full consensus decision-making process by WMF members advised by associate members and a broad group of business, labor and government stakeholders.

WHY

Washington's maritime industry is well established as a legacy sector that works today on the cutting edge to remain resilient and provide middle income options at a time when wage disparity is rampant in the region. To enhance the competitiveness of Washington's exceptional maritime industry, we must invest in innovative, relevant education and training to faculty, students, and the incumbent workforce.

- **Living Wage Jobs** - The maritime industry supports a growing population with living wage jobs and addresses the need to grow middle class jobs. As our state grapples with widening income disparity, the sector offers above average salaries without the necessity for advanced degrees and ongoing education debt.
- **Aging Workforce** - As of 2013 the average age of the maritime workforce was upwards of 54 years old. As we look ahead to the needs of the industry from shipbuilding to merchant mariners, there will be an increasing need for a skilled workforce even beyond today's needs.
- **Growing Industry** - As the gateway to the Pacific, maritime jobs support Washington's trade dependency both at sea and shoreside. Commercial shipping continues to increase nationally and overseas. Our shipbuilding sector is on the verge of rebuilding the North Pacific fishing fleet. Our robust recreational boating industry needs increased capacity in boatyard support and services. Licensing requirements continue to increase for merchant mariners.
- **Clean Technology** - Washington State boasts global leadership in the growth of clean technology and best practices as the global maritime industry prioritizes this shift. As new opportunities emerge, it is important that the education and training sector remains well coordinated in the adoption of industry-leading voluntary standards, best practices and emerging technologies to help build a more sustainable future.

*The need for a **skilled workforce** will continue to increase. Maritime jobs support Washington's trade dependency both at sea and shoreside.*



*The maritime industry supports a growing population with **living wage jobs** and addresses the need to grow middle class jobs.*



*2013 Washington Maritime Economic Impact Study, www.maritimefederation.com/studies



HOW

The Washington Maritime Federation has engaged with the Center of Excellence for Marine Manufacturing and Technology, public and private education and training providers, and organized labor to identify high demand and priority job categories. The WMF supports the following objectives to meet the immediate needs of the industry.

■ **K-12 Education** - Dedicated funding and support are needed for **Career and Technical Education (CTE) programs** to ensure that schools across the state produce a significant number of graduates who are ready to go directly into career or technical training upon graduation. **Core Plus** is now operating in 37 schools statewide. It is a direct school-to-career program that aligns school curriculum with the skills employers need while engaging students and motivating them to graduate. Schools partner with businesses in such high-demand industries as aerospace manufacturing, maritime, construction and agricultural mechanics. Core Plus is a successful example of such a program. The WMF supports funding to ensure expansion of the program by at least 10 schools per year.

■ **Community and Technical Colleges** – Funding delivered to the State Board of Community and Technical Colleges (SBCTC) for **dedicated maritime education and training** FTE's through an industry driven competitive process. With this modest investment, community and technical colleges and training programs can fill the current needs of the industry. Meanwhile, the maritime community continues to market and communicate the value of maritime jobs, enhance and support the connection between industry and education, and ensure that curriculum and program offerings reflect the core competencies identified by industry partners.

■ **Four Year Universities** – Support for the development of **Marine Mechanical and Electrical Engineering programs** at the University of Washington – Bothell campus and Washington State University – Olympic College. There is currently no existing four-year program dedicated to marine engineering in the State of Washington, yet we are home to many, world class, naval architecture and marine engineering firms designing cutting edge technology. Both the UW and WSU have plans to develop degrees in these disciplines and we strongly support funding of these programs.

■ **Merchant Mariner Credentials** – Funding to support the development of the seafaring workforce in Washington. This includes **funds for licensed mariners to attend USCG approved training courses** leading to certification as "Qualified Assessor" in accordance with the International Convention on Standards of Training, Certification and Watchkeeping for Seafarers. In exchange for scholarships, operators would agree to support maritime training programs by providing afloat internship opportunities for students seeking a Rating forming Part of an Engineering Watch or Rating forming Part of a Navigation Watch credential. This initiative would support aspiring seafarers now and for many years to come through the development of a regional workforce development infrastructure.



*The Maritime industry grows **6.4%** a year, and provides jobs with substantially better pay than the average for all other industries. The average pay for a job in Washington is **\$52,000**, while maritime workers are paid an average of **\$70,800**, totaling over **\$4 billion** in wages in 2012.**

* 2013 Washington Maritime Economic Impact Study
www.maritimefederation.com/studies

*The maritime community continues to **market and communicate** the value of maritime jobs, enhance and support the **connection between industry and education**, and ensure that curriculum and program offerings reflect the **core competencies** identified by industry partners.*





WASHINGTON MARITIME FEDERATION

A Coordinated Voice for Maritime Progress

2016 LEGISLATIVE PRIORITIES

THE WASHINGTON MARITIME FEDERATION RESPECTFULLY SUBMITS ITS 2016 LEGISLATIVE PRIORITIES

- **Dedicated funding for maritime-specific career, technical training and education at the K-12, community college, and four year universities.**
- **Incentives for the modernization and recapitalization of Washington's Fishing Fleet**
- **Work to ensure the preservation, sustainability and reliability of funding in the Model Toxics Control Act (MTCA) Account for environmental cleanup projects.**
- **Work to develop a scientifically-supported No-Discharge Zone (NDZ) policy that targets specific areas of water quality impairment within Puget Sound**
- **Support a process to align and simplify the regulatory and permitting process across state and federal agencies to provide, speed, efficiency and predictability in shoreside maintenance, remediation and construction, while maintaining necessary environmental protections.**

The Washington Maritime Federation (WMF) represents a coordinated and unified voice of the diverse and interdependent sub-sectors of the maritime industry. WMF supports policy and investment priorities that support the vitality, growth and resilience of Washington's maritime industry. Regional, state and federal priorities are based on a full consensus decision-making process by WMF members advised by associate members and a broad group of business, labor and government stakeholders.

MARITIME POLICY FOCUS AREAS

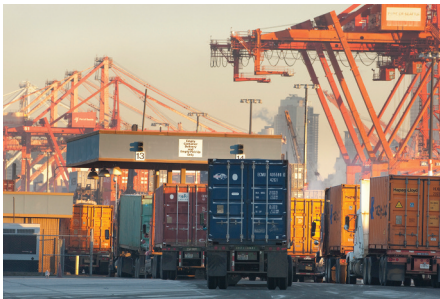
WORKFORCE DEVELOPMENT, EDUCATION AND TRAINING

To enhance the competitiveness of Washington's exceptional maritime industry, we must invest in innovative, relevant education and training to faculty, students, and the incumbent workforce. The Washington Maritime Federation has engaged with the Center of Excellence for Marine Manufacturing and Technology, public and private education and training providers, and organized labor to identify high demand and priority job categories.

The WMF supports the following objectives to meet the immediate needs of the industry:

- **K-12 Education** – Support for **Core Plus** programming to enhance industry-driven skills building through the Office of the Superintendent of Public Instruction (OSPI) and systemic expansion of **Career and Technical Education (CTE)** funding and support.
- **Community and Technical Colleges** – Funding delivered to the State Board of Community and Technical Colleges (SBCTC) for **dedicated maritime education and training FTE's** through an industry driven competitive process.
- **Four Year Universities**– Support for the development of **Marine Mechanical and Electrical Engineering** programs at the UW–Bothell campus and WSU–Olympic College.
- **Merchant Mariner Credentials**– Support program for licensed mariners to attend USCG approved training courses and providing afloat internships for aspiring seafarers.

TRANSPORTATION, INFRASTRUCTURE AND COMPETITIVENESS

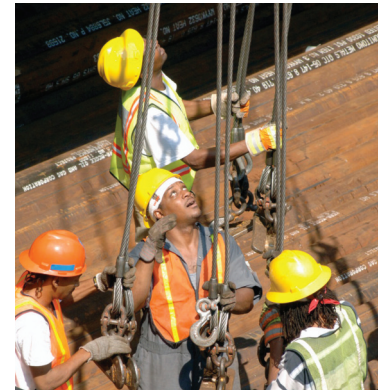


*More than **533 million** tons of freight were moved in Washington in 2010, and that number is expected to grow by up to **86%** by 2040.**

It is critical to the development and resiliency of our infrastructure that there is a reasonable expectation of the regulatory and permitting process. The WMF supports any process that aligns often competing, redundant or conflicting permitting processes and provides a predictable and efficient process for those wanting to do maritime business in our state—while at the same time retaining all necessary environmental protections.

Currently the process for permitting is disjointed and involves Washington State as well as federal and local laws and regulations for the maintenance, repair, remediation and new construction of terminals, docks and other shoreside facilities. This puts our state in an extremely disadvantaged position for industry sustainability and investment. While retaining necessary environmental protections - we need to review the processes to eliminate duplication, conflicts, inefficiencies, frustration, time and expense to the fullest extent possible.

The WMF supports engagement across state, local and federal agencies that are responsible for review and permitting of shoreside facilities to develop a permitting regime that is effective, predictable, and cost-effective.



*The Maritime industry grows **6.4%** a year, and provides jobs with substantially better pay than the average for all other industries. The average pay for a job in Washington is **\$52,000**, while maritime workers are paid an average of **\$70,800**, totaling over **\$4 billion** in wages in 2012.**



ECONOMIC DEVELOPMENT OPPORTUNITIES

Modernization of the North Pacific Fishing Fleet – The State of Washington is the historic home of the North Pacific commercial fishing fleet. Over 34,000 direct and indirect jobs in the state are attributed to the Alaska seafood industry. These activities contribute a tremendous positive economic impact. The average age of the North Pacific fleet is over 35 years, and half of the boats currently fishing in the Bering Sea and other Alaska fisheries need to be replaced.

Recapitalizing the fleet will provide significant economic benefits to the shipbuilding and maritime industry in the state and will showcase the high quality craftsmanship and commitment to clean technology, energy efficiency, sustainable fisheries and safety.

- **Washington Jobs** – Rebuilding the vessels in our state will cement our place as the home for the fleet, and will mean new jobs for vessel owners, shipyards, and the numerous suppliers to the fishing and shipbuilding sectors.
- **Sustainable Fisheries** – Today, the fishery is stable and is considered one of the best managed in the world. The quota system now in place means that vessel owners can be assured of their catch and associated revenue going forward.
- **Economic Development** – We need to make sure that these boats are built in Washington by providing a policy and regulatory climate that encourages that activity. Current estimates of the cost to replace half of the fleet range from \$7-14 billion, depending on the pace of replacement.
- **Clean Technology** – Washington State boasts global leadership in the advancement of clean technology and best management practices in vessel construction. New vessels have been, and will continue to be, built above and beyond standards that increase fuel efficiency, full utilization of every fish, and safe operation.
- **Competition** – These boats must be built in the United States, but they don't have to be built in Washington. The Washington Maritime Federation encourages the state to provide incentives to ensure these vessels are built in our state.

Specifically, the Federation supports a reduction in the B&O tax rate to .2904% as a part of a comprehensive incentive program to keep and expand jobs in Washington State. The cost to the state will be minimal and any cost will be more than offset by the value of the economic activity created by building the boats here. In addition, we believe the legislature should consider tax credits for fuel efficiency similar to those available to other transport modes. New vessels can reduce energy usage by more than 50%.



The F/V Blue North, currently under construction in Anacortes, WA, is an innovative, state-of-the-art design utilizing clean technology—creating one of the most environmentally friendly and safe fishing vessels in the world.



*The maritime sector contributes **\$15 billion** in gross business income, and directly employs **57,700 people**. Including indirect and induced impacts, the sector is responsible for **146,000 jobs** in the state and **\$30 billion** in economic activity.**

ENVIRONMENTAL RESPONSIBILITY

Washington State is a place where nature and humans are inextricably linked. The state's maritime industry understands this balance, has an outstanding record of leadership in environmental initiatives and is committed to preserving and protecting the environment in which it operates. It is imperative that our regulatory approach to environmental and land use regulation is in balance with the importance of a sustainable economy and family wage jobs.

Currently some of the specific concerns of the Washington Maritime Federation are:

- **Environmental Cleanup (Model Toxics Control Act)** – Use of funds from this account have been a model for how contaminated properties can be cleaned up and returned to productive, job creating uses. With a shortfall of over \$60 million dollars available for Remedial Action and Stormwater Grants through the MTCA account, the Federation is committed to work with industry, port, environmental and government interests to secure funding for projects and ensure that there are consistent and dedicated funds in the future.
- **Targeted No Discharge Zones (NDZ)** – Targeted NDZ protection could provide water quality protection in Puget Sound while still respecting the economic vitality of the commercial maritime industry and recreational boating community. The Federation believes that any NDZ petition must be firmly grounded in clear, scientifically-based, and empirically-supported data, and that the Sound-wide NDZ proposal would place severe economic hardship on many vessel operators without clear environmental benefits or scientific justification. Targeted NDZs throughout the Sound could provide water quality protection while still allowing the maritime community to use federally-approved onboard sanitation systems.

The opportunity exists for creating in our region a precedent that would both achieve our desired environmental goals and encourage technological progress to support human health and sustainable economic industries - ensuring our state is positioned to thrive in the increasingly competitive national and international marketplace for maritime services.

*2013 Washington Maritime Economic Impact Study
www.maritimederation.com/studies