Port of Tacoma
Economic Impact Study 2014

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Martin Associates
cai community attributes inc

Port of Tacoma

Contents

1. Overview of Analysis

Economic Impacts
Economic Sectors
Commodity Types
Data Collection

Economic Impacts Estimated
(2013 Impact Data)

Employment Impacts

> Direct Jobs
> Induced Jobs
> Indirect Jobs
> Related Shipper/Consignee (related user) Jobs

Revenue Impacts

Personal Income Impacts

> Personal Earnings Impacts

Tax Impacts

Economic Impacts Sectors

The movement of cargo through the Port of Tacoma terminals generates economic activity in various business sectors of the state and local economies.

1. Surface Transportation Sector
   - Rail & trucking
2. Port of Tacoma Industrial Business
   - Industrial lease tenants
3. Shippers / Consignees Using Port Facilities
   - Private sector users of facilities
4. Maritime Service Sector
   - Cargo Marine Transportation
   - Vessel Operations
   - Cargo Handling
   - Federal, State & Local Government Agencies

Commodities

Economic value includes employment and income, facilities costs and relative demand for different commodities and serves future port planning.

Data Collection

633 telephone surveys of members (conducted in 2014):

- Port of Tacoma
- Journal of Commerce
- Port Telephone Tickler
- Pacific Northwest Ports Handbook 2014
- Port of Tacoma Tenant Lists
- Martin Associates Internal Database

Additional data collected from:

- Census of Wholesale Trade
- Census of Retail Trade
- Census of Construction
- Census of Service Industries
- Annual Survey of Manufacturers
- U.S. Census Bureau
- U.S. Bureau of Economic Analysis
- U.S. Bureau of Labor Statistics

2. Economic Impacts

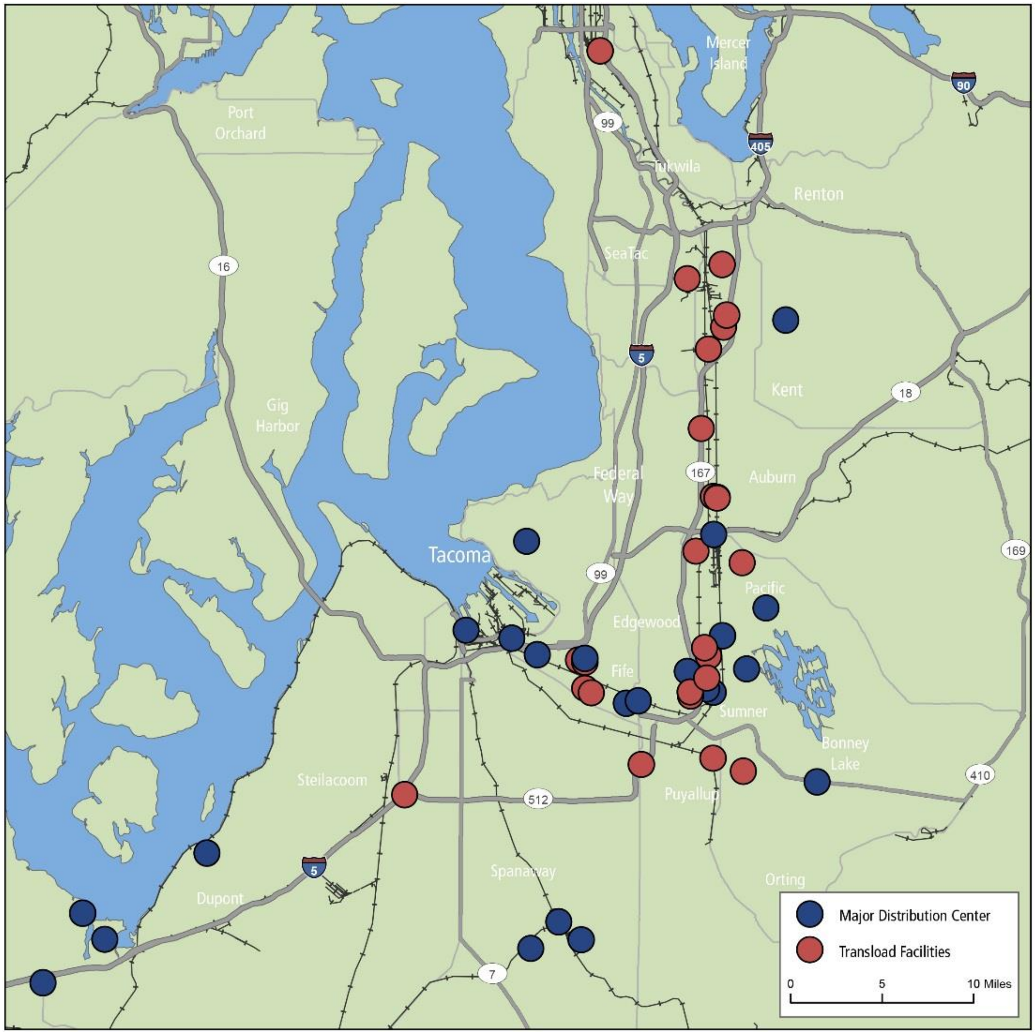
Port Importance
Employment Impacts
Revenue Impacts
Income Impacts
Tax Impacts

How is the Port of Tacoma Important?

Port of Tacoma

- Is a Gateway through the Pacific Northwest for exports and imports
- Shares waterways, roads, railways and warehousing facilities to distribute goods and thereby drives regional infrastructure investments
- Influences major sectors of Washington's economy, including manufacturing, warehousing, transport and others

Port Importance



Ports are gateways for exports and imports with shared waterways, roads, railways and warehousing facilities to distribute goods.

Port of Tacoma's Seaport Activity

Port of Tacoma ranked 10th among North American ports by total TEUs.

20.8 million

short tons of cargo moved through the port

(2013)

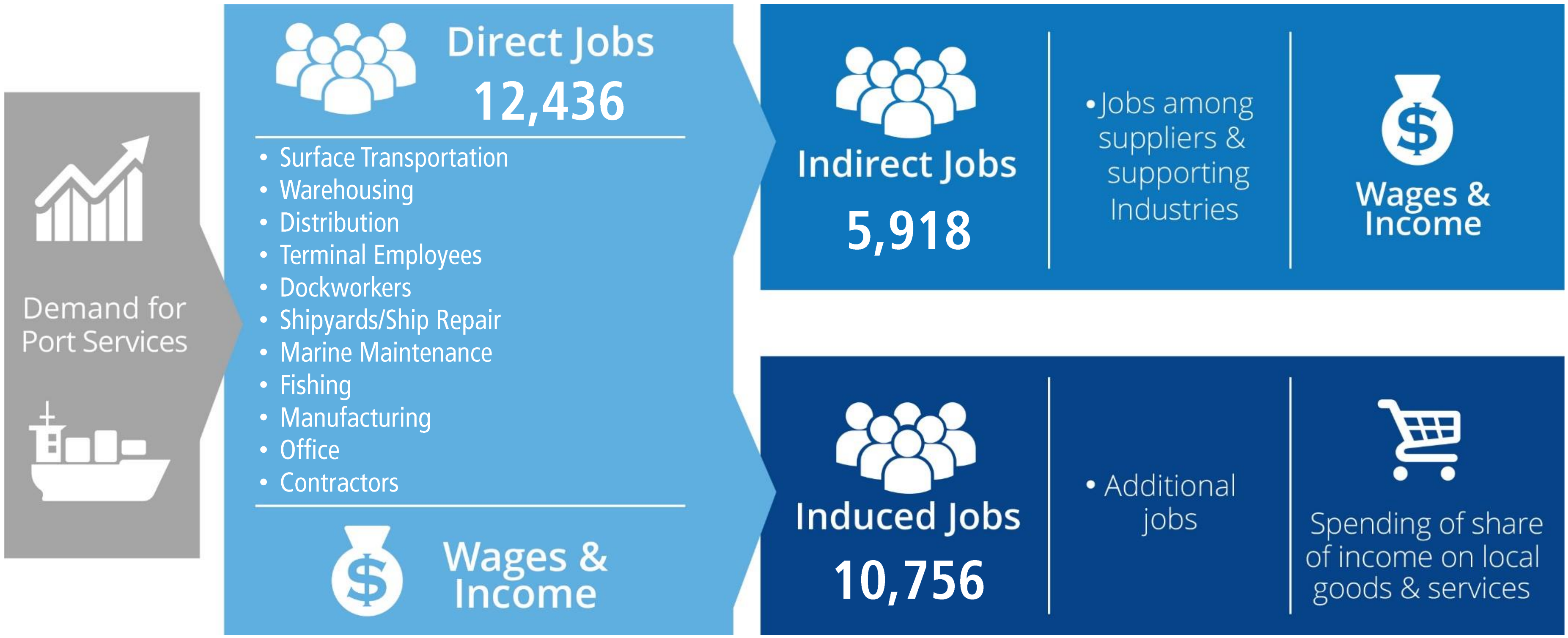
Top ten ports ranked by container TEUs, 2013

Rank	Port	TEUs
1	Los Angeles	7,868,572
2	Long Beach	6,730,573
3	New York/New Jersey	5,467,345
4	Savannah	3,034,010
5	Metro Port Vancouver (BC)	2,825,475
6	Oakland	2,346,460
7	Hampton Roads	2,223,532
8	Manzanillo	2,136,157
9	Houston	1,950,071
10	Tacoma	1,886,678

Twenty-foot Equivalent Unit (TEU) = Standard unit for describing a ship's cargo carrying capacity

Source: AAPA Container Traffic

Employment Impacts



29,110

total jobs impact

(2013)

Source: Martin Associates.

Direct Jobs Marine Cargo

9,984

direct jobs from marine cargo activity

Surface Transport: **3,078 Jobs**

Truck
(2,111)

Rail
(967)

Terminal & Distribution Activities: **5,259 Jobs**

Warehouse
(1,145)

Distribution Centers
(1,834)

ILWU/ Dockworkers
(1,157)

Terminal
(1,123)

Marine Cargo Services: **1,647 Jobs**

Shipyards/ Ship Repair
(391)

Port Authority & Government
(564)

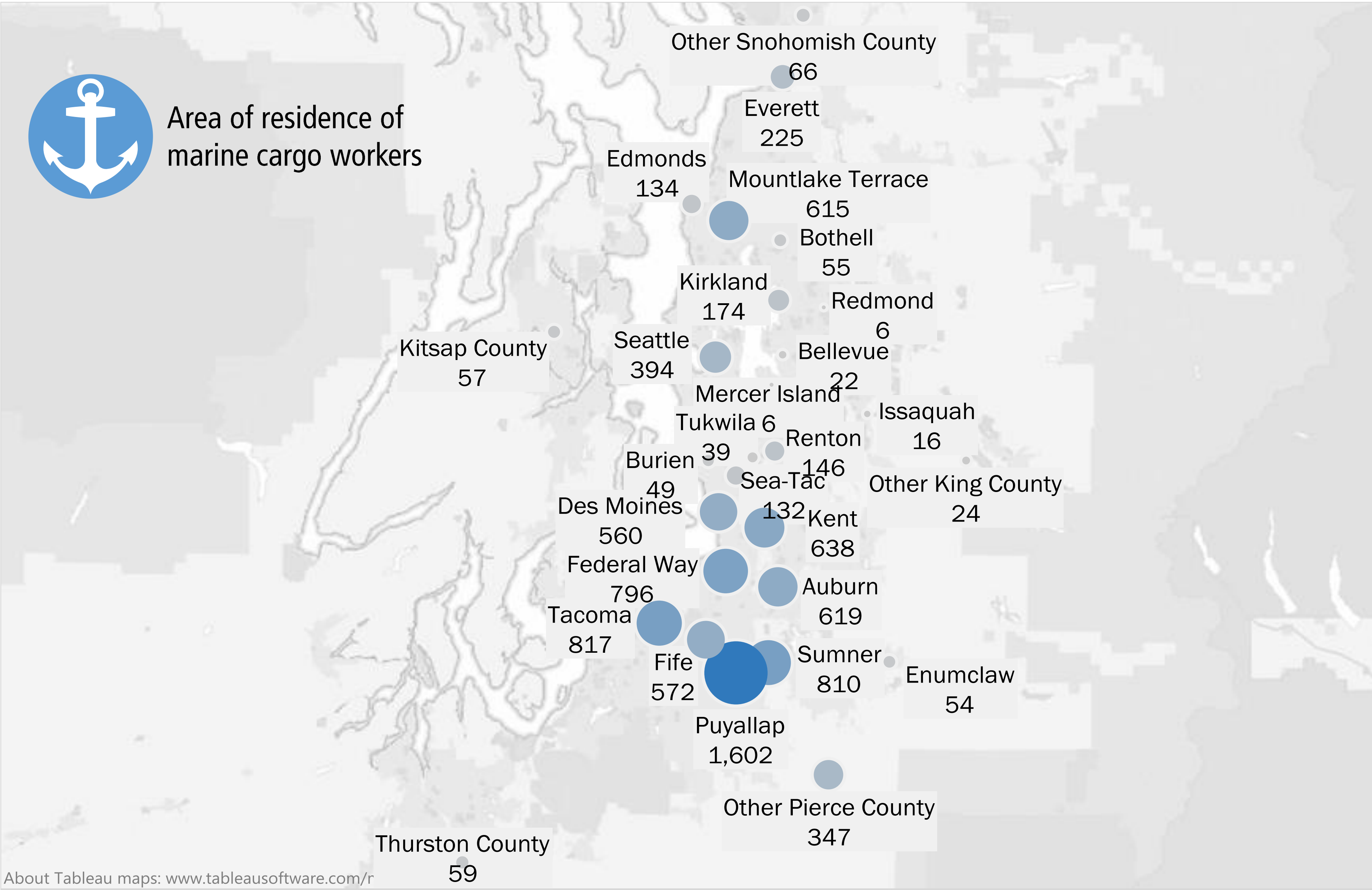
Agents & Forwarders
(377)

Towing & Pilots
(99)

Surveyors/Chandlers /Misc. Services
(216)

Source: Martin Associates.

Direct Jobs Marine Cargo



Direct Jobs Industrial Lease

2,452

direct jobs from industrial lease tenants (2013)

The Port leases land to non-maritime related tenants. Property is leased for manufacturing, office, warehouse and distribution, equipment maintenance and repair, construction contractors and equipment storage, fish processing, and office space.

Manufacturing **(939)**

Warehousing & Distribution **(341)**

Marine Construction & Manufacturing **(140)**

Misc. **(77)**

Fishing **(646)**

Contractors **(158)**

Equip. Maintenance & Repair **(125)**

Office **(28)**

Source: Martin Associates.

Indirect Jobs

5,274
indirect jobs from marine cargo
(2013)

644
indirect jobs from industrial lease tenants
(2013)

Types of Indirect Spending

- Parts & Equipment Suppliers
- Business Services
- Office Equipment
- Maintenance & Repair
- Fuel
- Communications & Utilities

Source: Martin Associates.

Induced Impact

9,467

induced jobs from marine cargo

(2013)

1,288

induced jobs from industrial lease tenants

(2013)

Types of Induced Spending

- Housing
- Food
- Transportation
- Restaurants
- Home Furnishings
- Health Care
- Entertainment

Source: Martin Associates.

Total Revenue Impact

$2.5 b
business revenue from marine cargo
(2013)

+

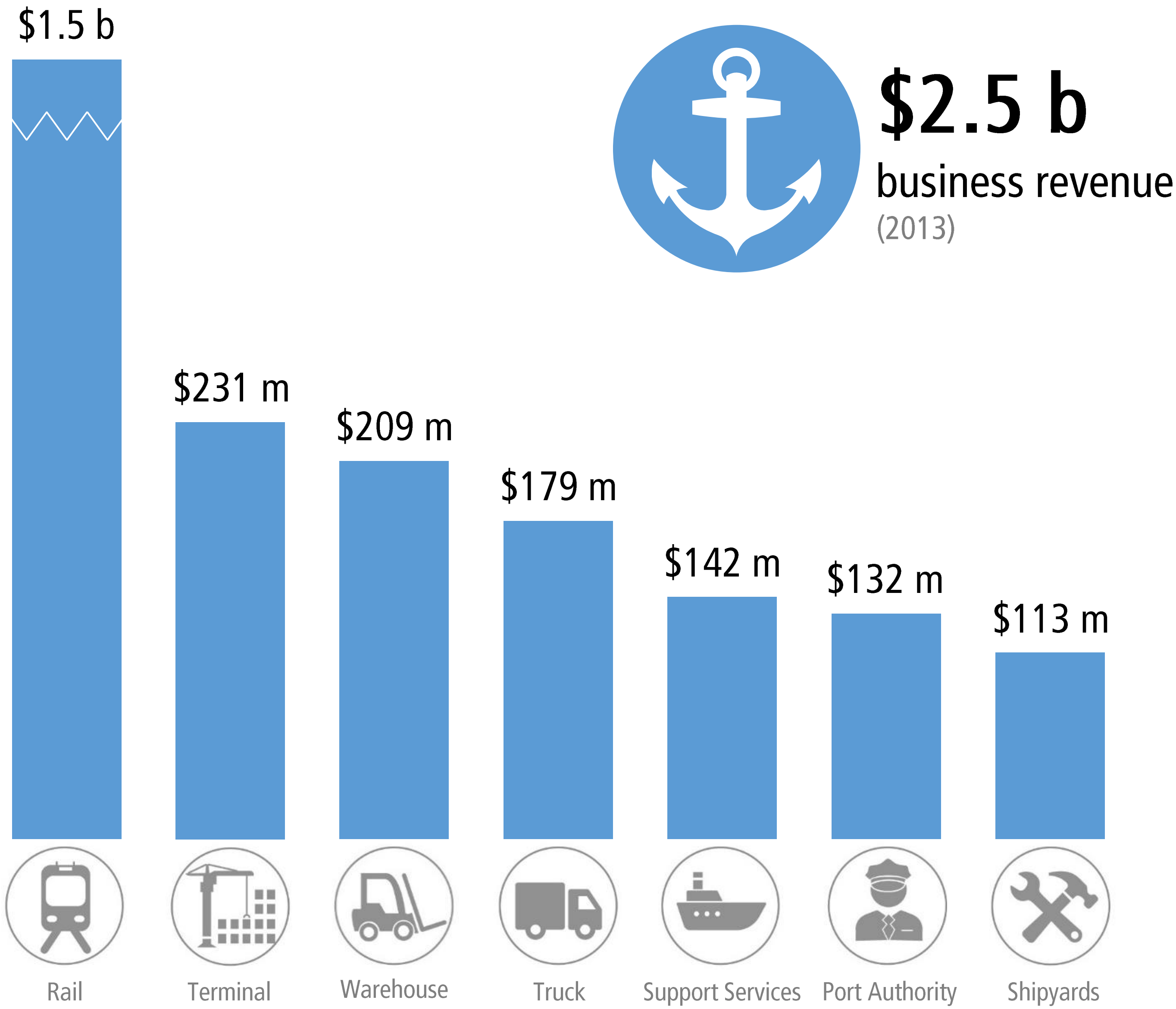
$561 m
business revenue from industrial lease tenants
(2013)

=

$3 billion
business revenue
(2013)

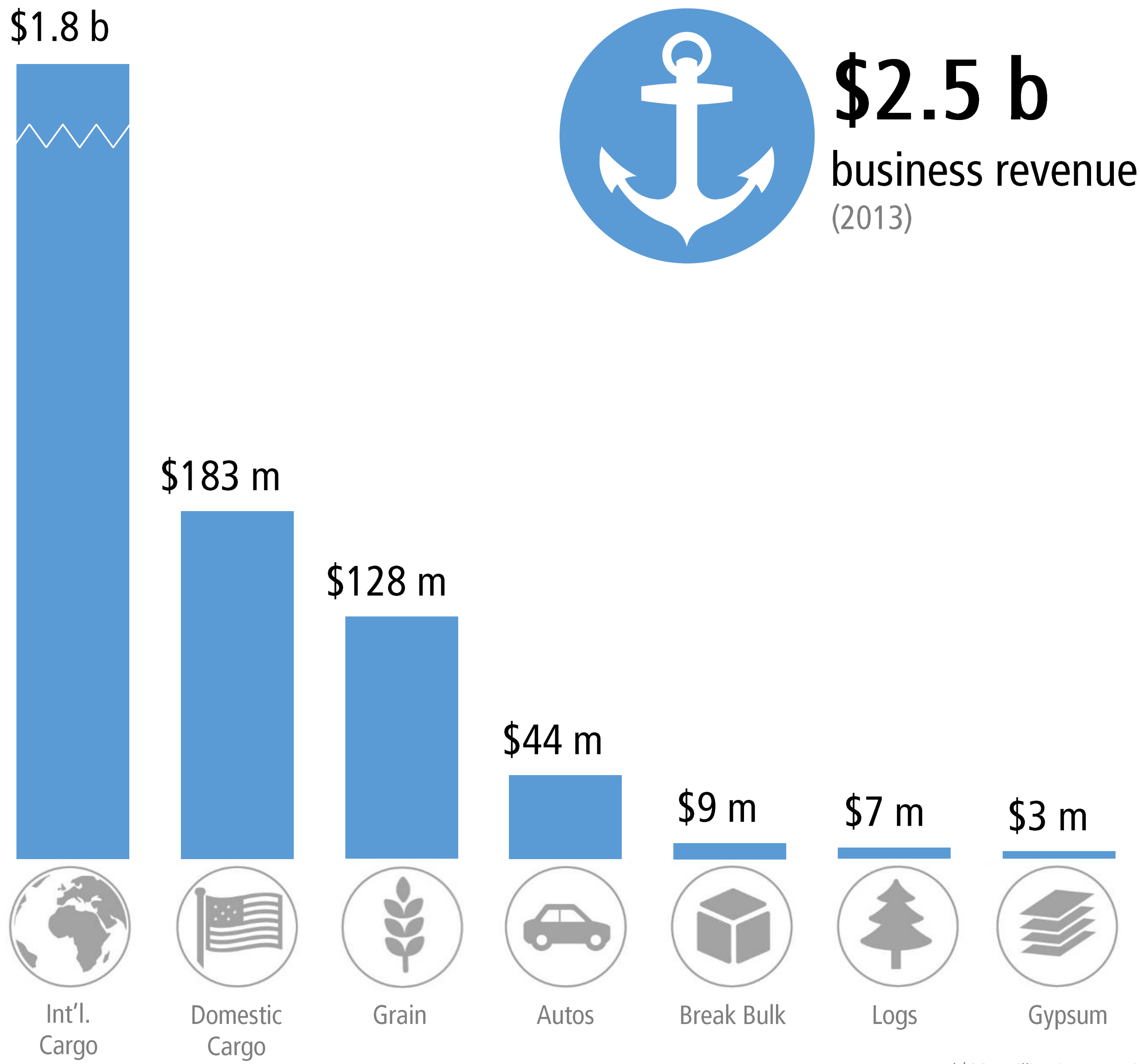
Sources: Martin Associates; Washington State Dept. of Revenue, 2014.

Business Revenues by Major Category



Source: Martin Associates

Business Revenues by Major Commodity



*$281 million is categorized as "not allocated"

Source: Martin Associates

Local Purchases

$543 m
local purchases from marine cargo
(2013)

+

$88 m
local purchases from industrial lease tenants
(2013)

=

$631 million
local purchases
(2013)

Source: Martin Associates

Personal Income Impacts

$573 m direct income + **$265 m** indirect income + **$1.3 b** induced income =

$2.1 b
total income
marine cargo
(2013)

$142 m direct income + **$41 m** indirect income + **$122 m** induced income =

$306 m
total income
industrial lease tenants
(2013)

$2.4 billion

combined total income
(2013)

Source: Martin Associates

Tax Impacts

$195 m
state & local taxes
marine cargo
(2013)

+

$28 m
state & local taxes
industrial lease tenants
(2013)

=

$223 million
state & local taxes
(2013)

Source: Martin Associates

Port of Tacoma

3. Comparison to 2004

Direct Jobs

1,803

increase in marine cargo direct jobs

since 2004

1,263

increase in industrial lease direct jobs

since 2004

3,066

increase in total direct jobs increase

since 2004

Source: Martin Associates

Direct Jobs

Marine Cargo

1,803

increase in direct jobs

since 2004

Surface Transport:
(2014 / 2004)

Truck
(2,111 / 1,912)

Rail
(967 / 586)

Terminal & Distribution
(2014 / 2004)

Warehouse
(1,145 / 847)

Distribution Centers
(1,834 / 1,136)

ILWU/ Dockworkers
(1,157 / 1,080)

Terminal
(1,123 / 600)

Marine Cargo
(2014 / 2004)

Shipyards/ Ship Repair
(391 / 1,203)

Port Authority & Government
(564 / 289)

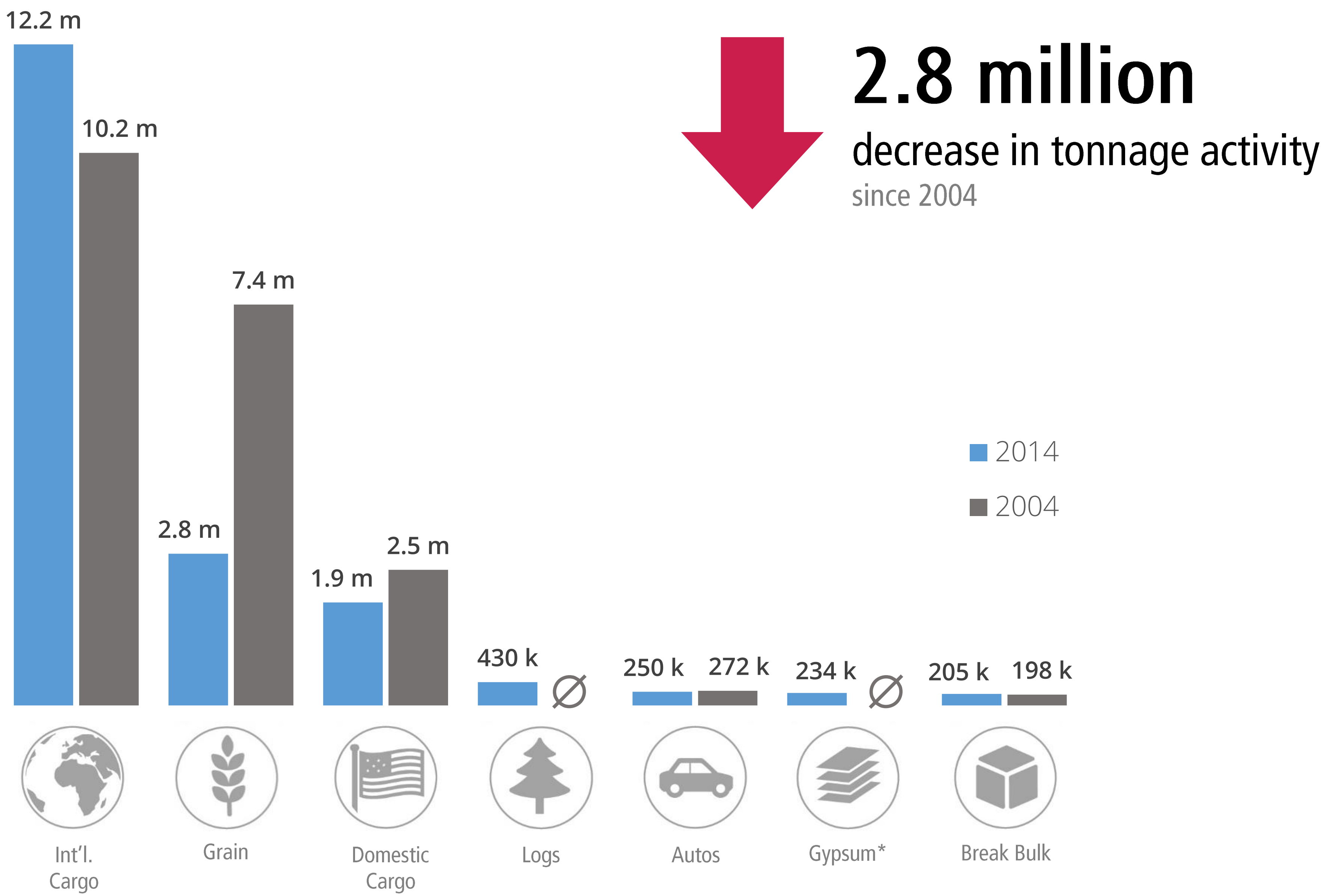
Agents & Forwarders
(377 / 357)

Towing & Pilots
(99 / 66)

Surveyors/Chandlers /Misc. Services
(216 / 105)

Source: Martin Associates

Tonnage Activity



*Gypsum tonnage was included with private terminals in 2004
Source: Martin Associates

Business Revenue, Local Purchases, State & Local Taxes

$715 million

increase in business revenue

in marine cargo from 2004

$295 million

increase in local purchases

in marine cargo from 2004

$92 million

increase in state & local taxes

in marine cargo from 2004

Despite a 2.8 million tonnage decrease in marine cargo, business revenue, local purchases and tax impacts increased since 2004.

Amounts updated based on 2013 dollars

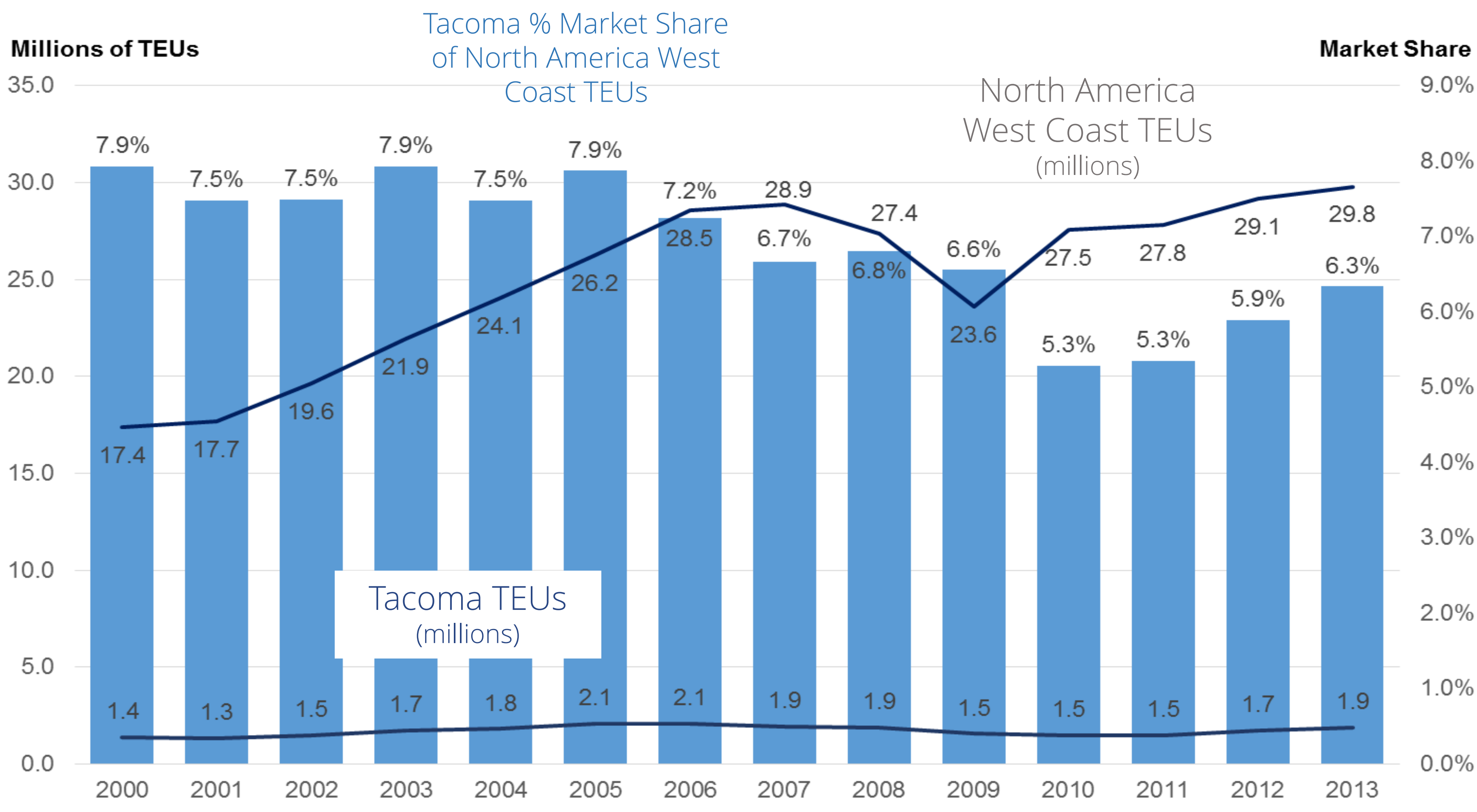
Industrial lease economic and fiscal impact comparisons not included in Martin Associates report

4. External Threats & Opportunities

Declining Market Share
Industry Changing to Larger Ships
Global Infrastructure Expansions
Opportunities

Market Share Challenges

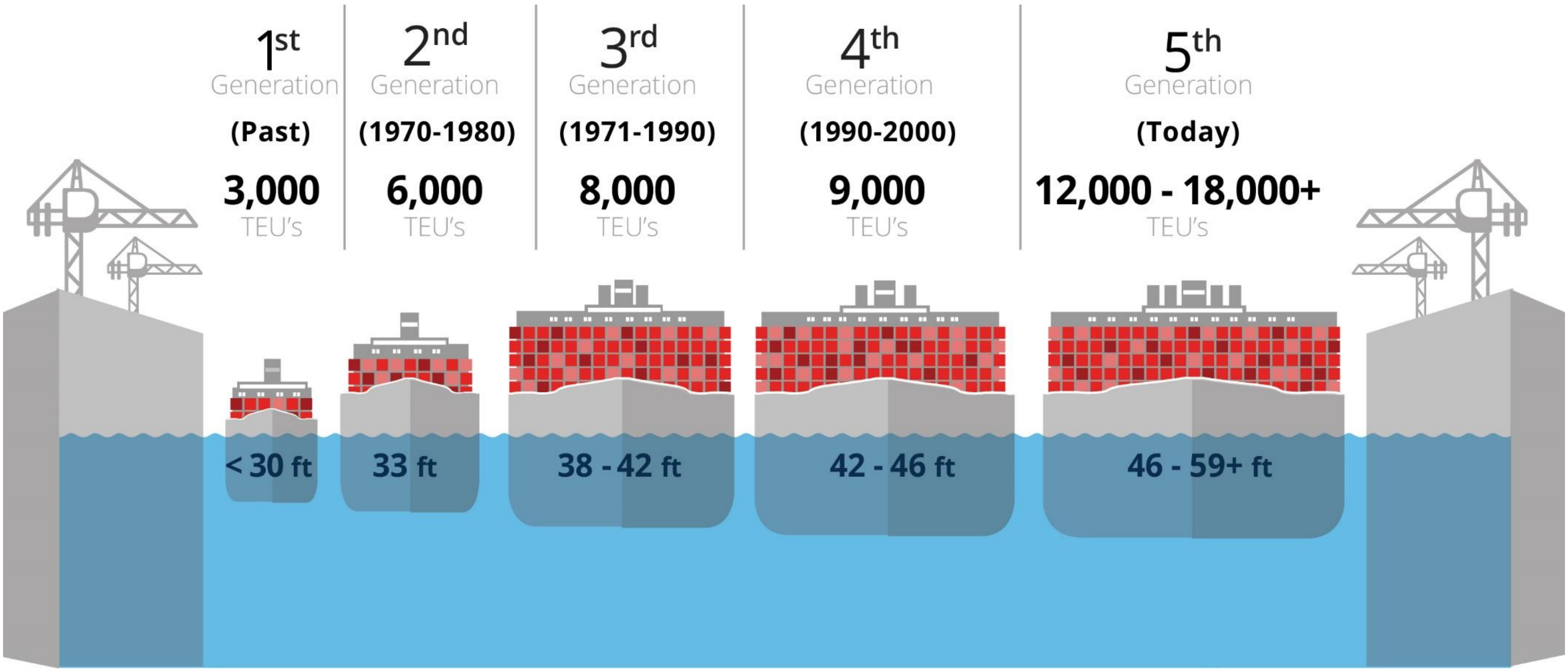
Container volumes on North America's West Coast have increased more than Tacoma's share



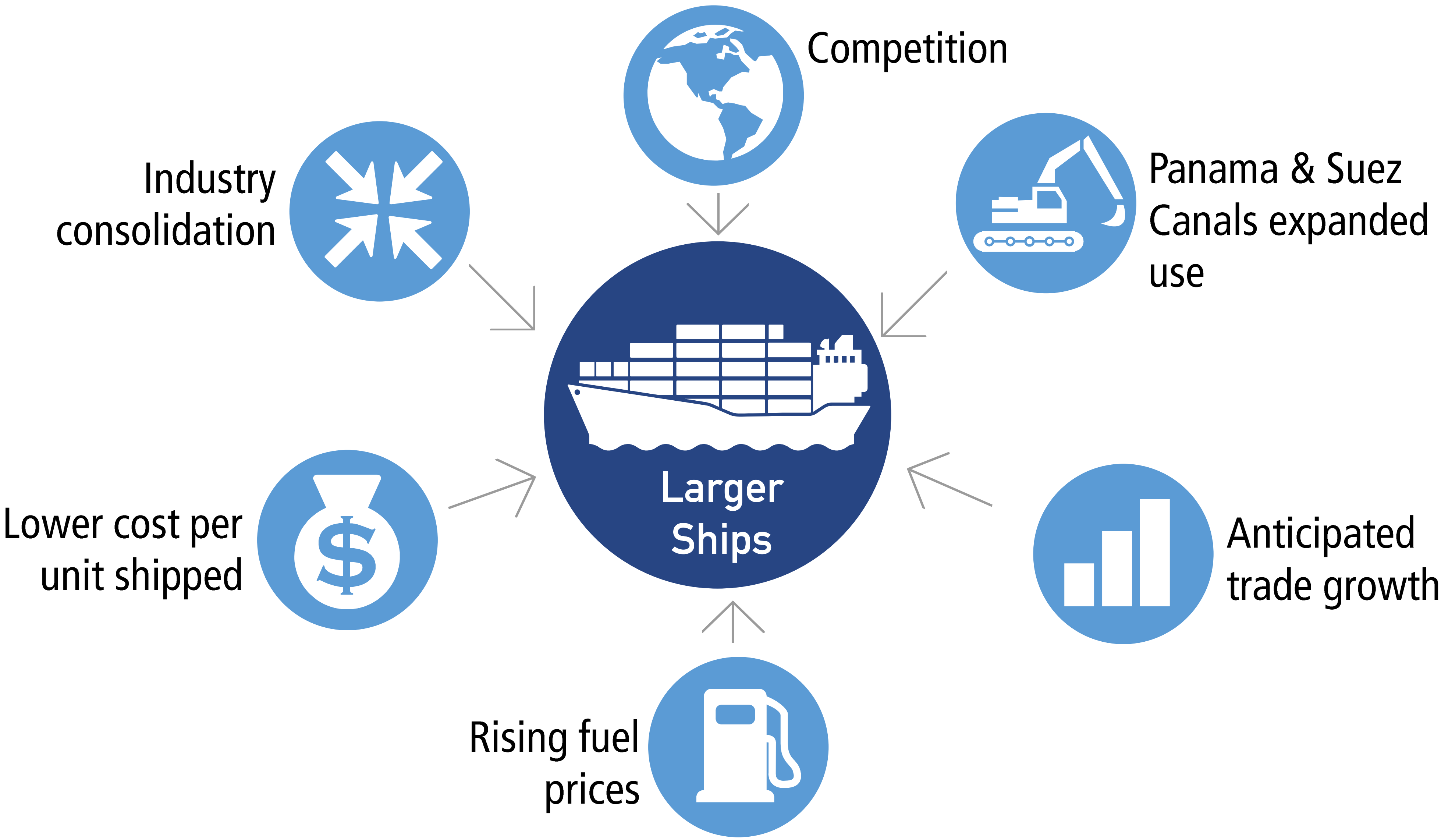
Source: AAPA, 2014

Ships are Getting Bigger

Ultra Large Container Ships (ULCS) require major investments at ports



Why the Big Ships



External Threats

Other ports’ big ship infrastructure investments

- LA / Long Beach
- Prince Rupert & Vancouver
- East Coast & Gulf Ports

Regional and local transportation infrastructure needs are critical for the ports and the regional economy

Expanded use of the **Panama & Suez canals** add to competitive pressures

Opportunities

Port of Tacoma

Invest in regional infrastructure projects to improve freight mobility: **SR 167 & SR 509**

Promote the **Seaport Alliance**–a collaboration of marine cargo operations between Port of Tacoma and Port of Seattle–as the **third-largest** gateway in North America

Facilitate goods flow to and from the **Midwest** (U.S.) and Canadian destinations

> **73% of port cargo** flows to the Midwest states

> Ports cargo reaches at least **41 U.S. states**

Foster growth in Asia markets, Washington exports and manufacturing