

THE ECONOMIC IMPACT OF THE PORT OF SEATTLE, 2013



***A PRESENTATION TO:
Port of Seattle***

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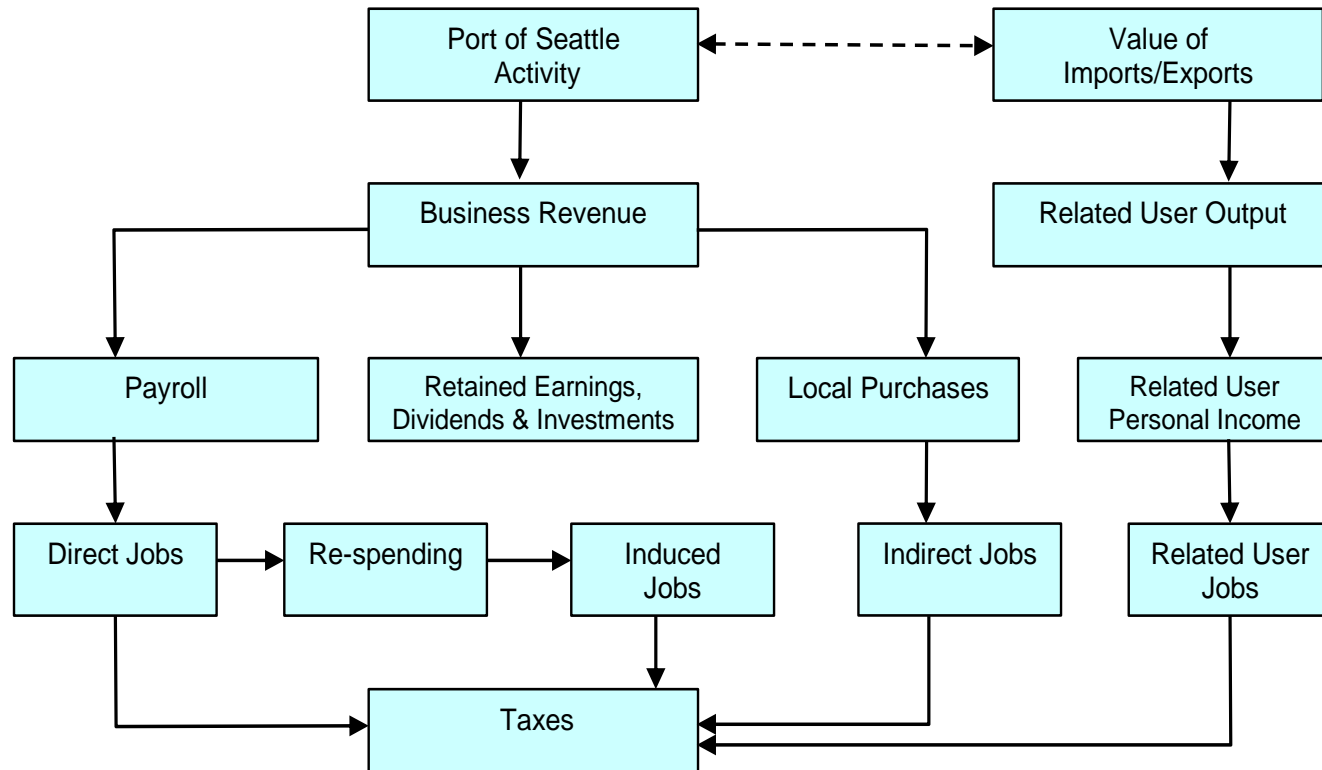
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November 4, 2014

- **Measure the economic impact of the Port of Seattle:**
 - Seattle Seaport:
 - Marine Cargo
 - Waterborne Passenger Activity
 - Fishermen's Terminal/Fishing Vessels Homeporting at POS Terminals
 - Marina Impacts
 - Non-Marine Cargo Real Estate Tenants
 - Sea-Tac International Airport

- **Measure the baseline impacts by operating unit**
- **Develop impact models that can be used for sensitivity analysis**
- **Compare the impacts with the 2007 impact study**
- **Same methodology used by Martin Associates on our POS Impact Studies: 1987,1993,1999, 2003 and 2007**

Flow of Economic Impacts



Impacts Created by Port Activity

- **Jobs:**
 - Direct
 - Induced
 - Indirect
- **Wages/salaries:**
 - Direct
 - Re-spending
 - Indirect
- **Business revenue**
- **Local Purchases**
- **Taxes**

- Interviews with 1,067 Port tenants and service providers
- Formulation of direct impact models from interview data
- Development of Seattle induced and indirect job models
- In-terminal passenger survey (1,400 passengers)
- Cruise passenger survey (600 passengers and crew)

Port of Seattle Economic Impacts 2013

216,271 jobs generated by Port activity

- Direct Jobs: 129,744
- Induced Jobs: 53,148
- Indirect Jobs: 33,379

\$19.8 billion of business revenue

- \$16.2 billion Sea-Tac revenue
- \$3.2 billion seaport activity – marine cargo, fishing, cruise, recreational boating revenue
- \$0.4 billion non-maritime/airport real estate revenue

\$9.6 billion personal income and local consumption

- \$4.2 billion direct wage and salary income
- \$4.3 billion re-spending and local consumption
- \$1.1 billion indirect income

\$0.9 billion of state and local taxes

- \$545.8 million state
- \$348.6 million local

*Totals may not add due to rounding

Sphere of Influence of Port of Seattle in the State of Washington 2013

511,620 total influenced jobs in the State

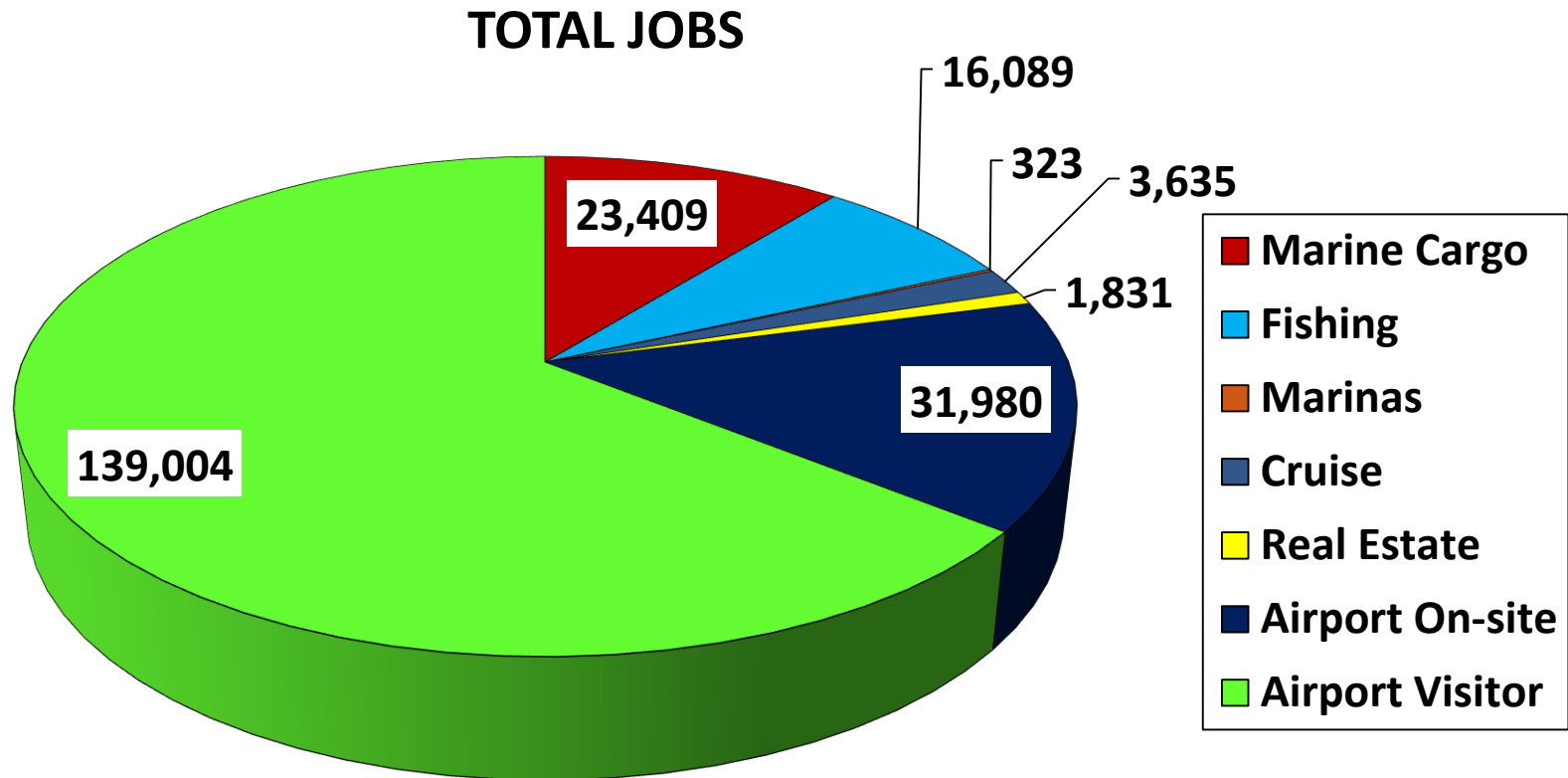
- 216,271 direct, induced, indirect
- 175,664 with importers/exporters using the POS marine terminals
- 119,685 with air cargo shippers using Sea-Tac

\$88.1 billion economic value to the State

- \$19.8 billion direct business revenue
- \$45.6 billion economic value to users of the POS marine cargo terminals
- \$22.7 billion economic value to air cargo users of Sea-Tac

*Totals may not add due to rounding

Distribution of Total Direct, Induced and Indirect Jobs by Line of Business



Impacts of Sea-Tac International Airport



Direct Impacts On-site:

Airlines, concessions, FAA, security, custodial, air cargo, cabs, FBOs, construction, rental cars

Direct Impacts Visitor

Industry: Hotels, restaurants, retail, in-town cabs, entertainment, conferences



Induced Impacts: Food, Shelter, Transportation, Medical, Retail, Apparel

User Impacts:
Air Cargo Shippers

Indirect Impacts:
Goods/Services, M&R, Equipment, Utilities, Fuel, Insurance

Economic Impact of Sea-Tac

171,796 jobs generated by activity
at Sea-Tac

- Direct Jobs: 18,353 airport generated, 91,571 visitors
- Induced Jobs: 8,349 airport generated, 30,109 visitors
- Indirect Jobs: 6,090 airport generated, 17,325 visitors

\$16.4 billion of business revenue

- \$8.0 billion airport direct business revenue
- \$8.4 billion visitors industry revenue
- Includes \$1.3 billion local purchases

\$6.1 billion personal income and
local consumption

- \$2.9 billion direct wage and salary income
- \$2.5 billion re-spending and local consumption
- \$0.7 billion indirect income

\$0.6 billion of state/ local taxes
\$0.5 billion aviation taxes

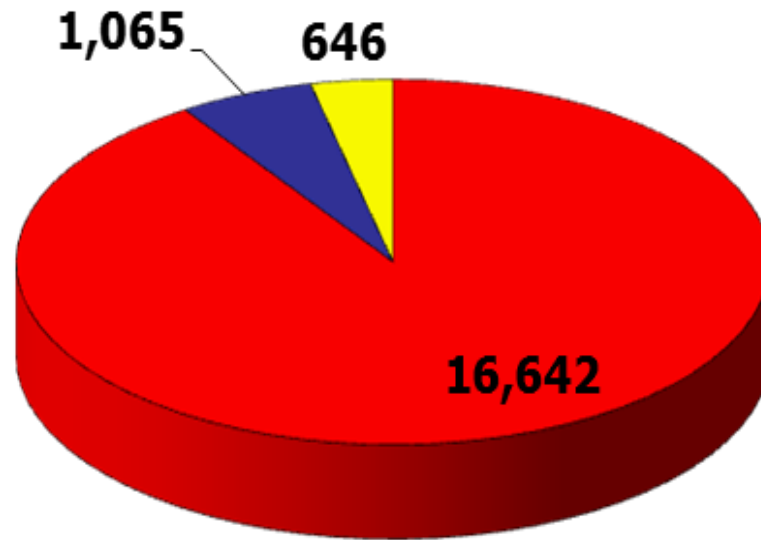
- \$344.9 million state
- \$220.3 million local
- \$547.2 million federal aviation taxes

*Totals may not add due to
rounding

Distribution of Direct Jobs by Category, 2013

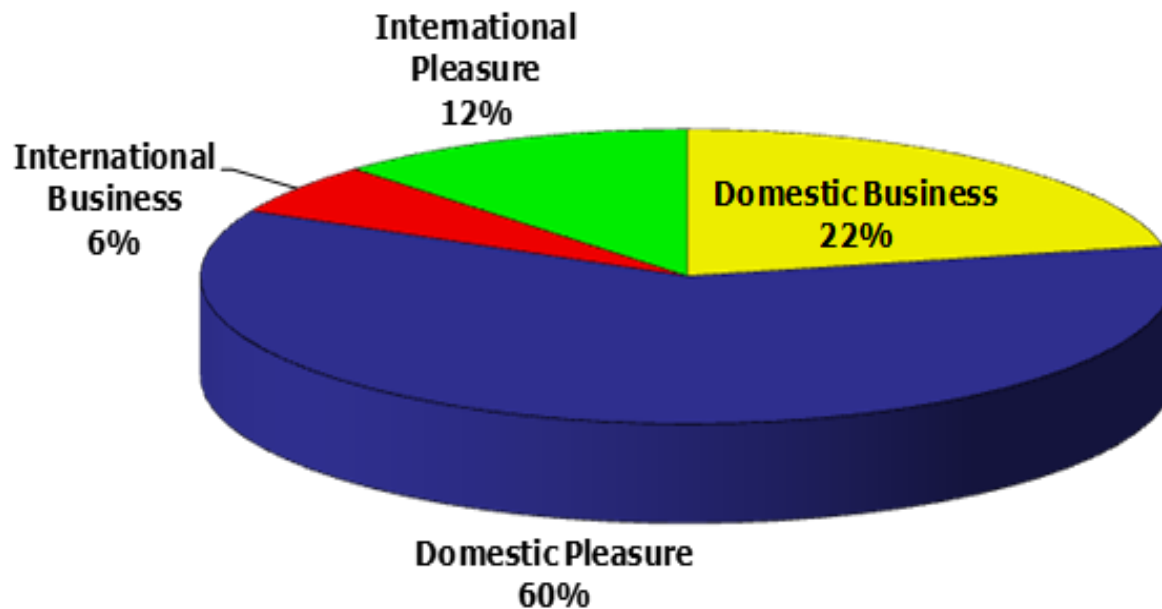
Job Category	Direct Jobs
Airline/Airport Services Sector	
Passenger Airlines	7,933
Catering	635
Skycaps	770
Government Agencies	1,305
Airport Administration	1,473
Retail Concessions	1,456
General Aviation/FBO's	1,305
Custodial	156
Parking	<u>175</u>
Subtotal	15,206
Freight Transportation Sector	
Freight Airlines/Couriers	702
Freight Forwarders	<u>145</u>
Subtotal	847
Passenger Ground Transportation Sector	
Rental Cars	727
Cabs/Buses/Limos/Vans	<u>927</u>
Construction/Consulting	646
Total	18,353

Distribution of Direct Jobs by Type of Activity, 2013

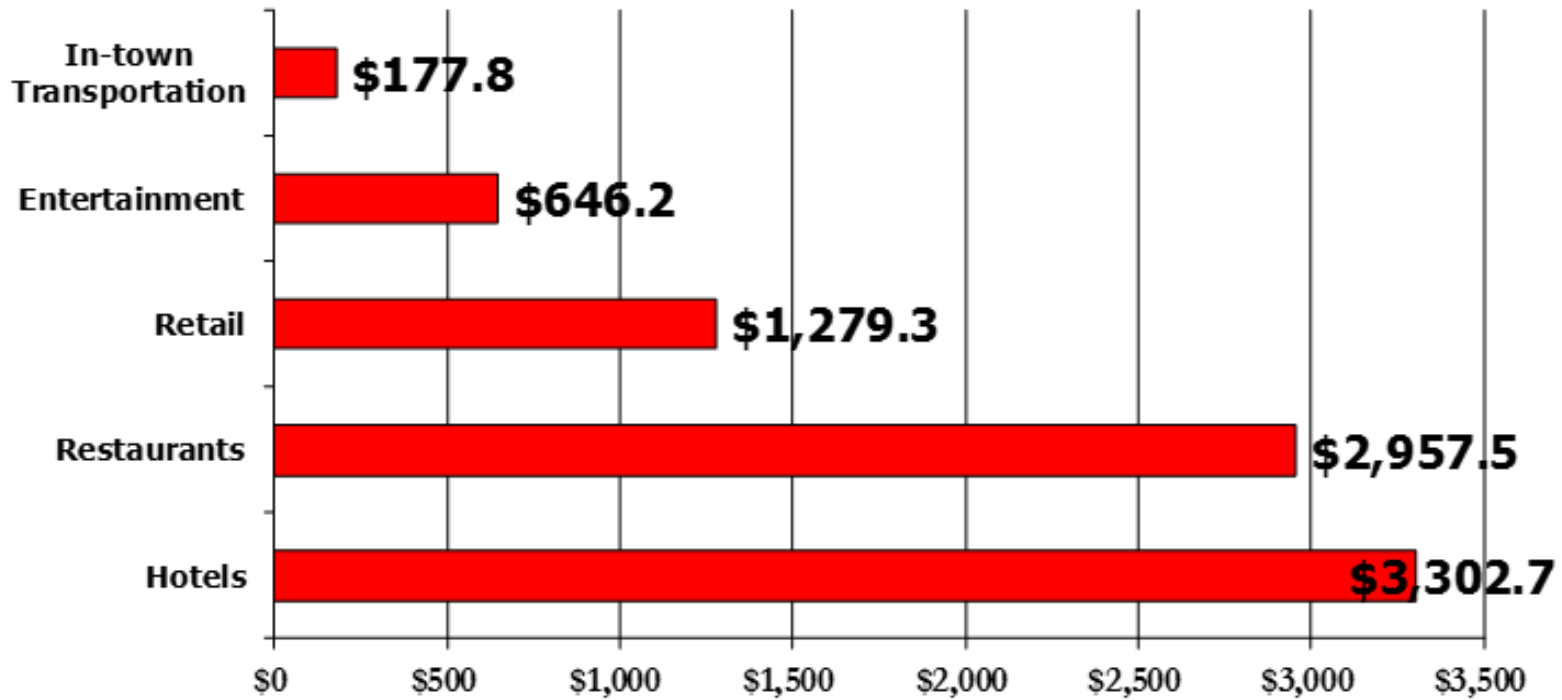


Passenger Activity **Air Freight Activity** **Construction Activity**

9 Million Visitors Used Sea-Tac International Airport in 2013



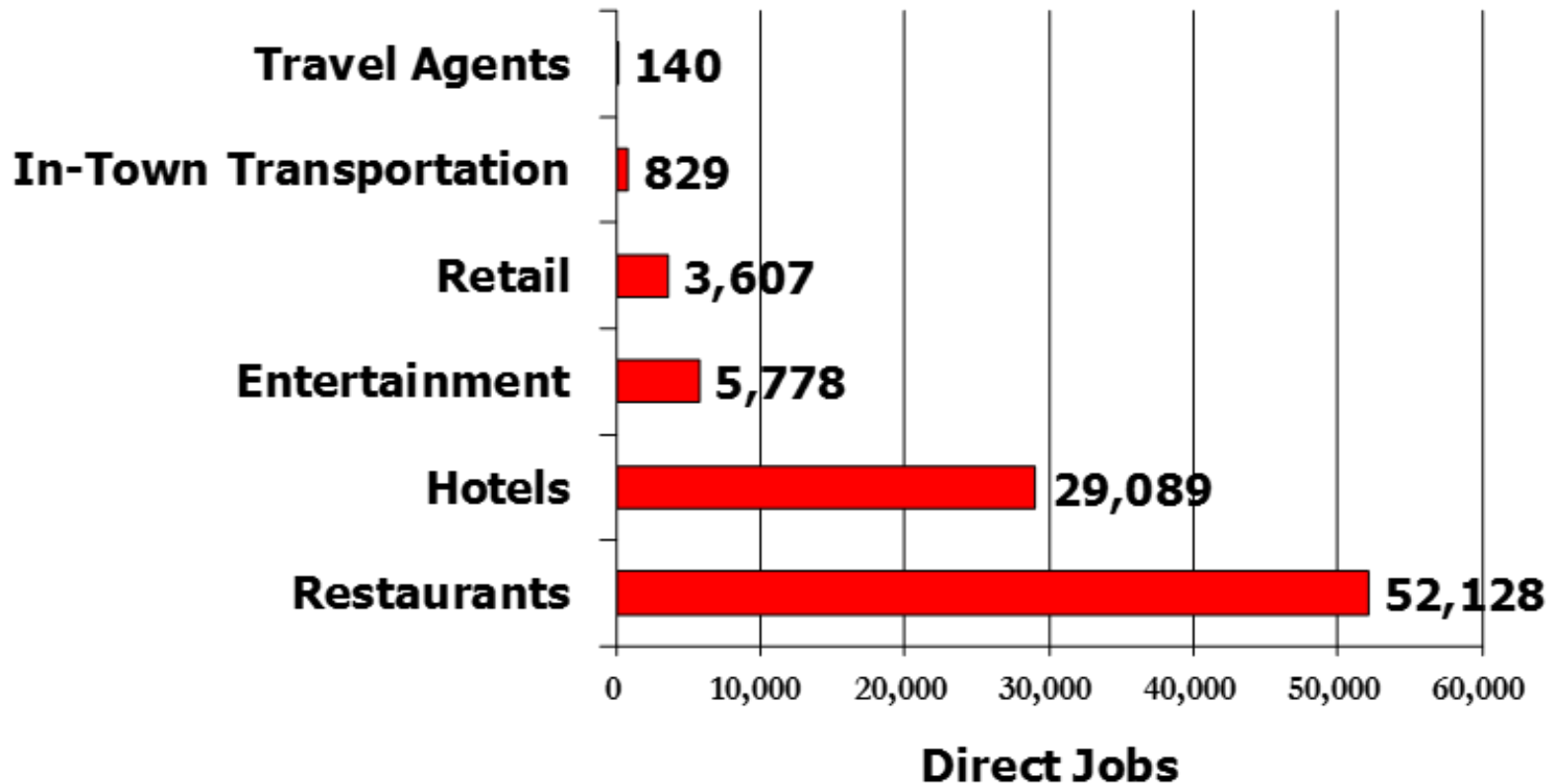
Distribution of Local Visitors' Purchases - \$8.4 Billion



Millions of Dollars

900 passenger survey

Distribution of 91,571 Direct Visitor Industry Jobs

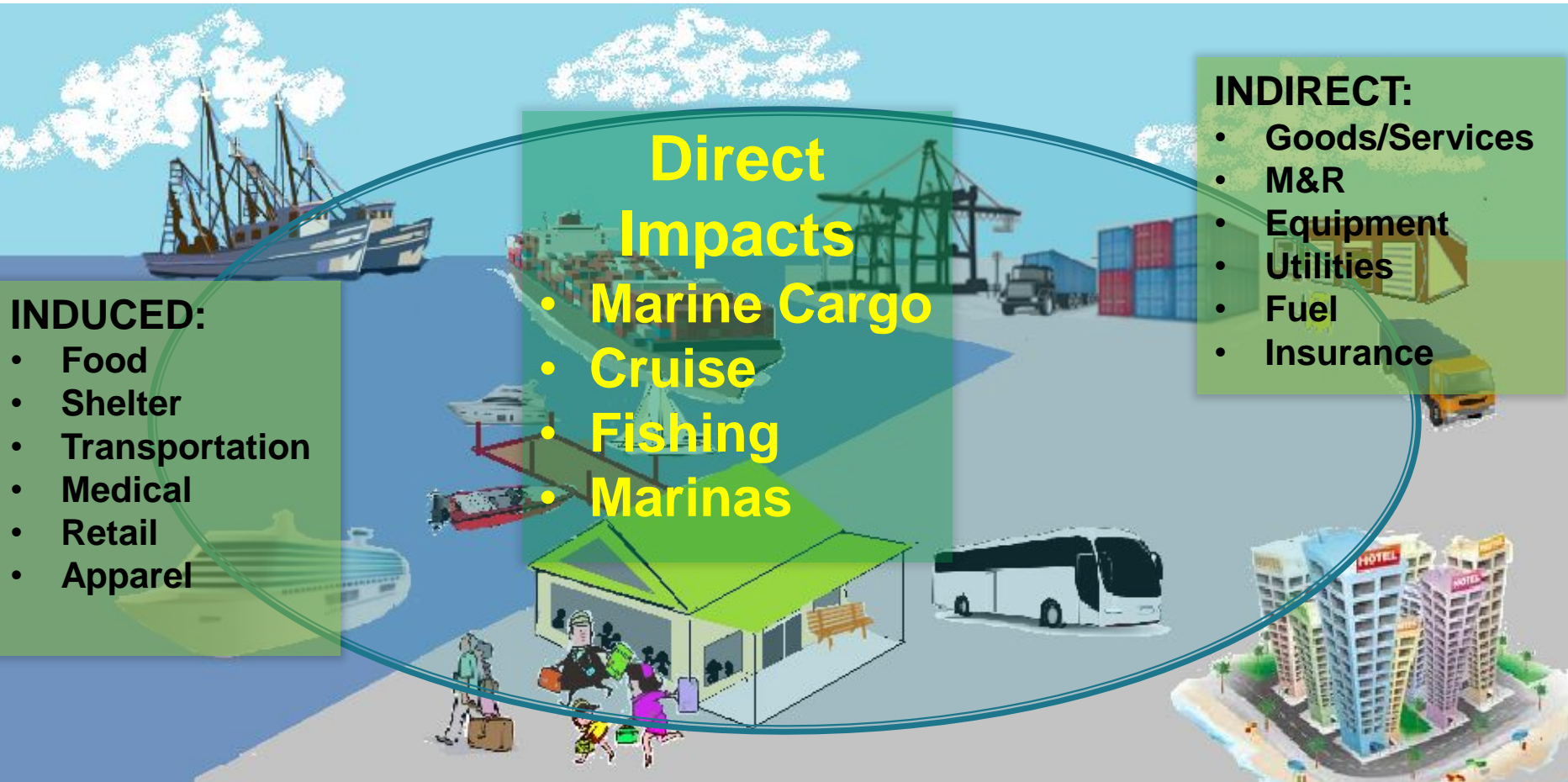


900 passenger survey

Seaport Impacts



Seaport Economic Impacts



Marine Cargo Impacts



Port of Seattle Marine Cargo Economic Impacts 2013

23,409 jobs generated by marine cargo activity

- Direct Jobs: 8,902
- Induced Jobs: 8,644
- Indirect Jobs: 5,863

\$1.8 billion of business revenue

- Direct Business revenue
- Includes \$581.1 million local purchases

\$2.0 billion personal income and local consumption

- \$527.2 million direct wage and salary income
- \$1,158.9 million re-spending and local consumption
- \$289.2 million indirect income

\$0.2 billion of state and local taxes

- \$112.1 million state
- \$71.6 million local

*Totals may not add due to rounding

Distribution of Direct Jobs by Category, POS 2013

Direct Jobs	Port of Seattle Total
Surface Transportation	
Rail	864
Truck	1,579
Maritime Services	
Terminal Employees	678
ILWU/Dockworkers	912
Towing	162
Pilots	18
Agents	90
Surveyors/Chandlers/Misc.Services	326
Forwarders	274
Warehouse	1,039
Government	1,219
Shipyards/Ship Repair/Marine Constr	1,301
Barge/Bunker	352
Port of Seattle	88
Totals	8,902

*Totals may not add due to
rounding

Distribution of Direct Jobs by Commodity, POS 2013

Port of Seattle Commodity	Jobs	1,000 Short Tons	Jobs per 1,000 Tons
Containerized Cargo			
International	3,436	8,955	0.38
Domestic	1,925	5,151	0.37
Grain	88	1,490	0.06
Break Bulk	43	32	1.35
Petroleum	78	869	0.09
Other Dry Bulk	393	1,585	0.25
Other Liquid Bulk	14	53	0.27
<i>Not Allocated</i>	<u>2,924</u>		
Total	8,902	18,136	

*Totals may not add due to rounding

Commercial Fishing at POS Facilities



- **Inventory of vessels moored at each facility, by type, provided by POS:**
 - Fishermen's Terminal
 - Terminal 91
 - Maritime Industrial Center
- **Interviews with tenants (suppliers, boat yards, restaurants, retail, brokers, insurance, lawyers)**
- **Jobs to sales ratios and salaries developed from survey of suppliers, ship/boat yards, haul-out services, banking/insurance, equipment M&R**
- **Combined with total expenditures, by type, at each terminal**

Port of Seattle Commercial Fishing Economic Impacts 2013

16,089 jobs generated by
commercial fishing at POS facilities

- Direct Jobs: 8,253
- Induced Jobs: 4,735
- Indirect Jobs: 3,102

\$0.9 billion of business revenue

- Direct business revenue, excluding value of catch
- Includes \$244.8 million local purchases

\$1.3 billion personal income and
local consumption

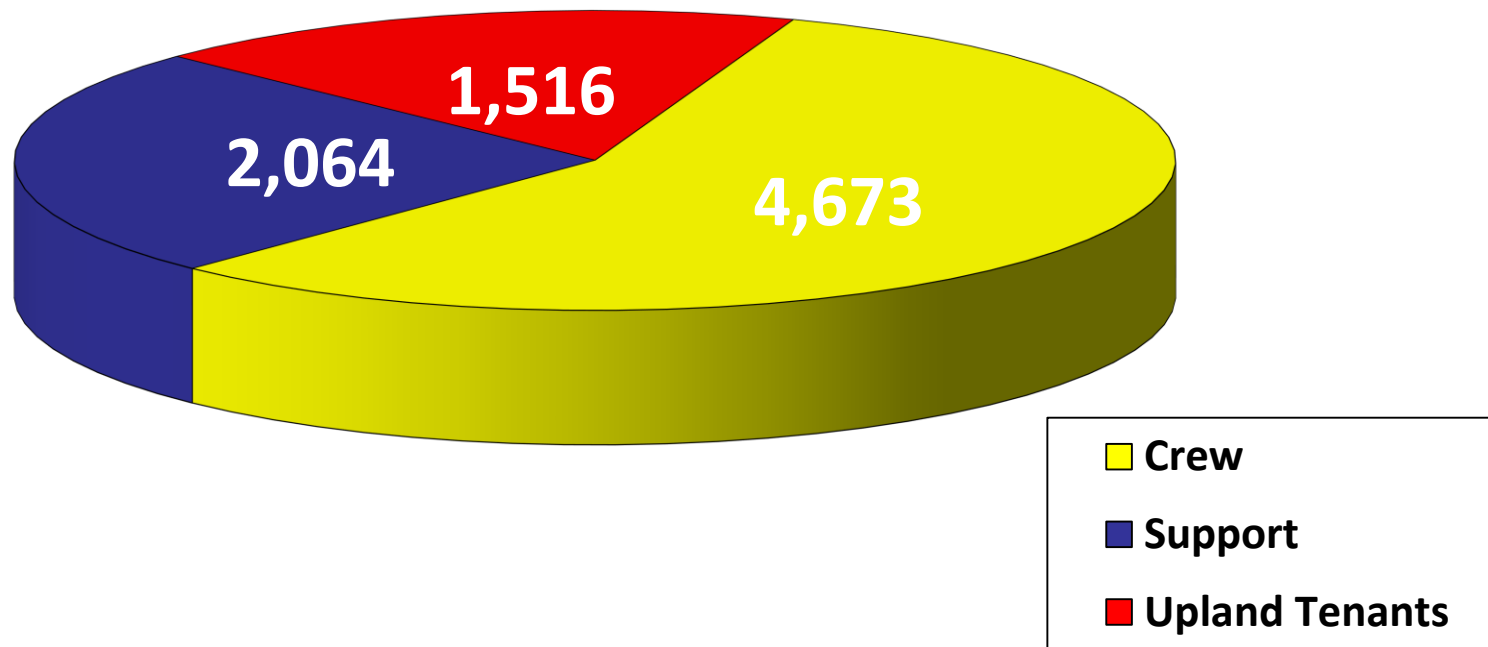
- \$674.8 million direct wage and salary income
- \$483.0 million re-spending and local consumption
- \$156.2 million indirect income

\$0.1 billion of state and local taxes

- \$73.0 million state
- \$46.6 million local

*Totals may not add due to
rounding

Direct Job Distribution - Fishing



Recreational Boating at POS Facilities



- **Inventory of boats, by size and type at each POS marina, moored and transient:**
 - Shilshole
 - Bell Harbor
 - Fishermen's Terminal
 - Harbor Island
- **Interviews with tenants (yacht clubs, schools, restaurants, retail, etc.)**
- **Development of typical annual expenditures by type and for transient**
- **Development of jobs to sales ratios, revenue and income for suppliers of services from surveys**

Port of Seattle Recreational Boating Economic Impacts 2013

323 jobs generated by recreational boating

- Direct Jobs: 140
- Induced Jobs: 94
- Indirect Jobs: 89

\$21.6 million of business revenue

- Direct business revenue
- Includes \$7.5 million local purchases

\$19.3 million personal income and local consumption

- \$5.0 million direct wage and salary income
- \$10.7 million re-spending and local consumption
- \$3.6 million indirect income

\$1.8 million of state and local taxes

- \$1.1 million state
- \$0.7 million local

*Totals may not add due to rounding

Cruise Operations at the Port of Seattle



- **Number of vessel calls**
- **Size of vessel**
- **Type and length of cruise:**
 - Homeport vs. Port of call
- **Passenger levels**
- **Passenger characteristics:**
 - Local purchases
 - Local residents vs. out-of-town
 - Pre and post cruise behavior

- **Two sectors of the economy impacted:**

- Maritime Sector:

- Services provided to vessels
- Interviews with cruise operators:
 - Princess Cruises
 - Holland America Line
 - Norwegian Cruise Line

- Visitors Industry Sector:

- Services provided to passengers:
 - 600 passenger and crew surveys
 - Crew survey
 - Consistent with Martin Associates' Seattle-Tacoma model

Economic Impact of 800,000 Passengers, 169 Homeport Calls, 6 Ports of Call, 3 Day Sails

3,404 jobs generated by cruise activity

- Direct Jobs: 1,741
- Induced Jobs: 852
- Indirect Jobs: 812

\$407.8 million of business revenue

- Direct business revenue, excludes price of cruise
- Includes \$40.7 million local purchases

\$176.2 million personal income and local consumption

- \$70.0 million direct wage and salary income
- \$83.9 million re-spending and local consumption
- \$22.3 million indirect income

\$16.1 million of state and local taxes

- \$9.8 million state
- \$6.3 million local

*Totals may not add due to rounding

Economic Impact of Harbor Cruises, 2013

231 jobs generated by harbor cruises

- Direct Jobs: 122
- Induced Jobs: 52
- Indirect Jobs: 57

\$18.3 million of business revenue

- Direct business revenue
- Includes \$6.8 million local purchases

\$12.5 million personal income and local consumption

- \$5.3 million direct wage and salary income
- \$4.0 million re-spending and local consumption
- \$3.1 million indirect income

\$1.2 million of state and local taxes

- \$.73 million state
- \$.47 million local

*Totals may not add due to rounding

Non-Maritime/Aviation Real Estate



- **Consists of Port of Seattle Seaport tenants that are not included in cargo, fishing, recreational boating, or cruise analysis**
- **Based on a survey of 106 tenants not included in other types of seaport or airport activity**
- **Development of sensitivity model to assess future land uses**
- **Additive with other seaport types of business**

Economic Impact of Real Estate, 2013

1,831 jobs generated by real estate tenants

- Direct Jobs: 1,044
- Induced Jobs: 486
- Indirect Jobs: 300

\$434.9 million of business revenue

- Direct business revenue
- Includes \$48.0 million local purchases

\$118.3 million personal income and local consumption

- \$54.5 million direct wage and salary income
- \$41.3 million re-spending and local consumption
- \$22.4 million indirect income

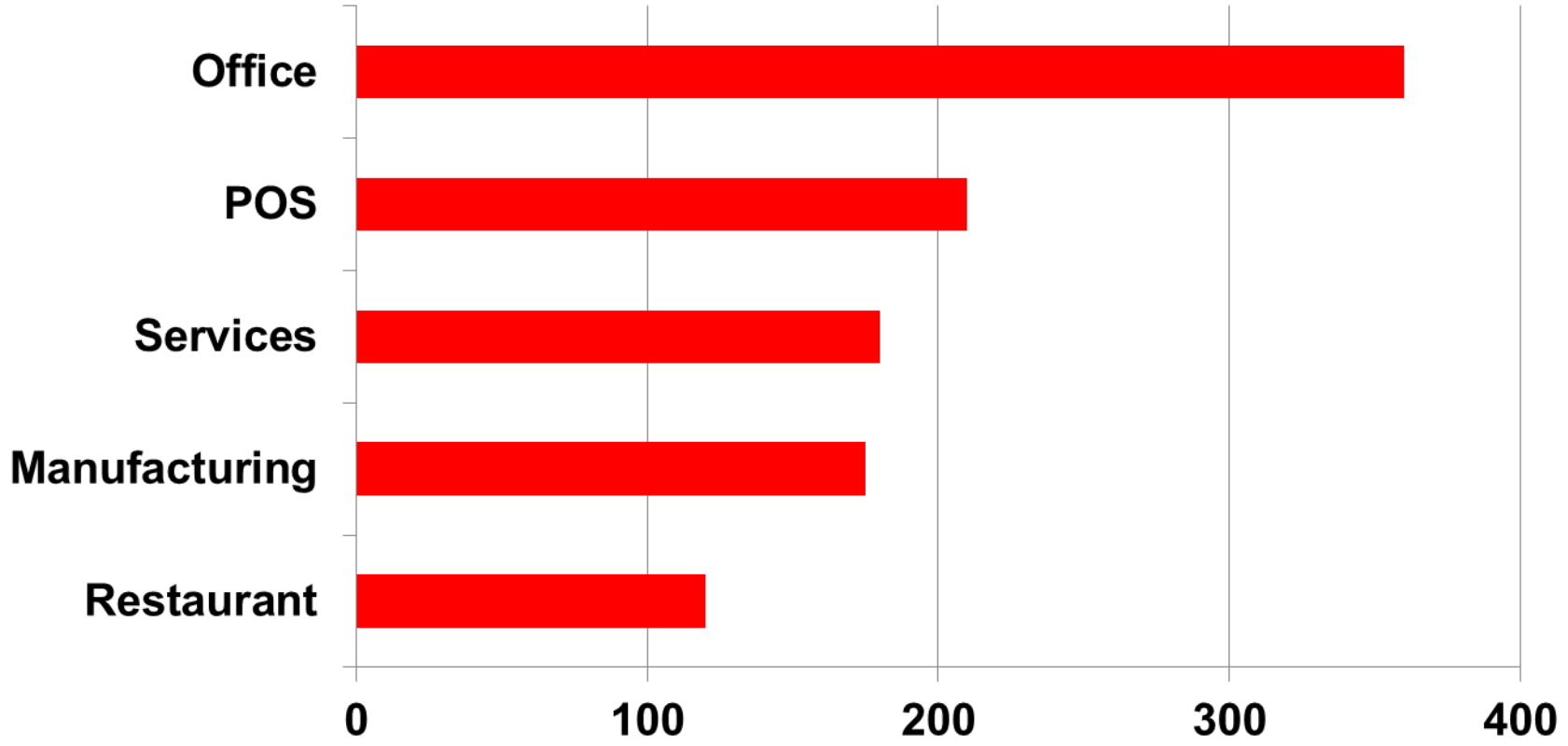
\$11.0 million of state and local taxes

- \$6.7 million state
- \$4.3 million local

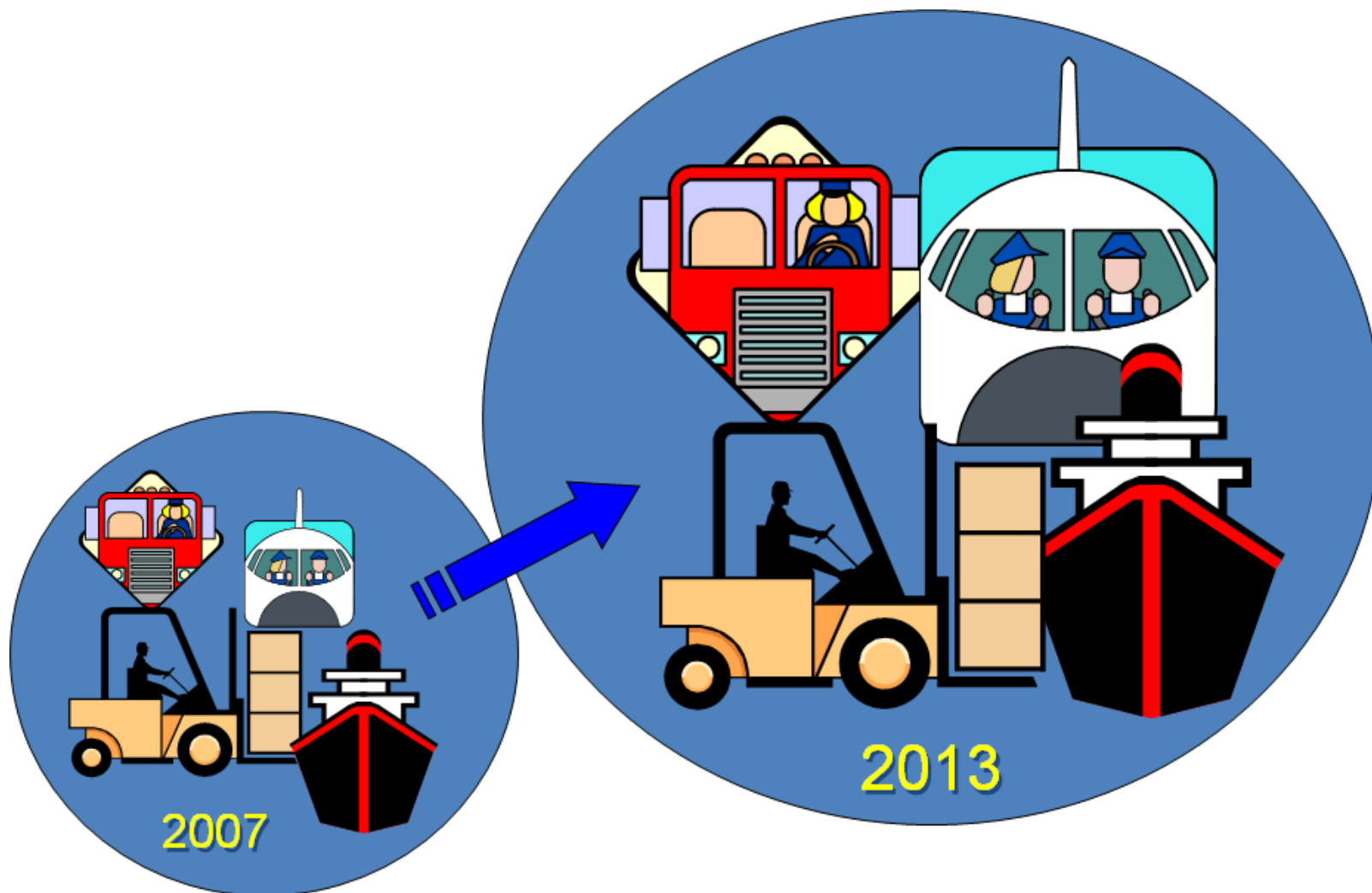
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Direct Jobs by Type of Real Estate Tenant Activity

Direct Jobs



Changes in Impacts Since 2007



- **Personal Earnings Multiplier:**

- Increased savings rate since recession, lower income multiplier
- Results in lower induced jobs and re-spending impact

- **Growth in overall U.S. productivity -- more output per job**

- Overall jobs to sales ratios have fallen for indirect jobs
- Results in lower indirect and induced jobs per dollar of expenditure

Key Operational Changes From 2007

- **Sea-Tac:**

- Growth in passenger activity:
 - 31.3 million in 2007
 - 34.8 million in 2013
- International passengers grew from 2.2 to 3.6 million
- Growth in visitors using Sea-Tac:
 - 7.6 million in 2007
 - 9.0 million in 2013

- **Seaport Activity:**

- Marine cargo declined by more than 6 million tons
 - International containers
 - Grain
- Fishing vessels at POS facilities increased from 311-591 vessels
- Cruise ship calls fell from 187 to 178 calls, passenger levels constant
- Recreational boats at POS marinas increased from 1,579 to 1,777

- **Real Estate Tenants Declined**

Changes Since 2007

	2013	2007	Change
Jobs			
Direct	129,744	113,317	16,427
Induced	53,148	62,128	-8,980
Indirect	<u>33,379</u>	<u>20,540</u>	<u>12,839</u>
Total Jobs	216,271	195,986	20,285
Personal Income (millions)			
Direct	\$4,179	\$3,762	\$418
Re-spending and Local Consumption	\$4,319	\$5,066	-\$748
Indirect	<u>\$1,126</u>	<u>\$700</u>	<u>\$426</u>
Total	\$9,624	\$9,528	\$96
Business Revenue (millions)	\$19,813	\$17,559	\$2,254
Local Purchases (millions)	\$2,268	\$1,439	\$829
State and Local Taxes (millions)	\$894	\$867	\$27

Totals may not add due to rounding

Operational Changes – Sea-Tac

- **Growth in passenger activity:**
 - 31.3 million in 2007
 - 34.8 million in 2013
 - International passengers grew from 2.2 to 3.6 million
- **Growth in visitors using Sea-Tac:**
 - 7.6 million in 2007
 - 9.0 million in 2013
- **Air cargo fell:**
 - 319,013 tons in 2007
 - 292,709 tons in 2013
- **Reduced construction expenditures as airport projects completed**

Comparison of Sea-Tac Economic Impacts (On-Site)

	Sea-Tac On-Site 2013	Sea-Tac On-Site 2007	Change
Jobs			
Direct	18,353	18,773	-420
Induced	8,349	11,538	-3,189
Indirect	<u>6,090</u>	<u>4,723</u>	<u>1,367</u>
Total	32,791	35,034	-2,243
Personal Income (\$1,000)			
Direct	\$1,002,911	\$778,150	\$224,761
Re-Spending	\$949,957	\$1,124,504	-\$174,547
Indirect	<u>\$196,789</u>	<u>\$210,203</u>	<u>-\$13,415</u>
Total	\$2,149,656	\$2,112,858	\$36,799
Business Revenue (\$1,000)	\$7,983,023	\$7,596,875	\$386,149
State/Local Taxes (\$1,000)	\$518,552	\$439,320	\$79,232
State/Local Taxes (\$1,000)	\$199,918	\$192,270	\$7,648
Aviation Taxes (\$1,000)	\$547,189	\$439,372	\$107,817

Totals may not add due to rounding

Comparison of Direct On-Site Jobs by Category

Job Category	Direct Jobs 2013	Direct Jobs 2007	Change
Airline/Airport Services Sector			
Passenger Airlines	7,933	7,175	758
Catering	635	608	27
Skycaps	770	564	206
Government Agencies	1,305	1,256	49
Airport Administration	1,473	1,137	336
Retail Concessions	1,456	1,525	-69
General Aviation/FBO's	1,305	1,403	-98
Custodial	156	179	-24
Parking	175	146	29
Subtotal	15,206	13,993	1,213
Freight Transportation Sector			
Freight Airlines/Couriers	702	912	-210
Freight Forwarders	145	247	-102
Subtotal	847	1,159	-312
Passenger Ground Transportation Sector			
Rental Cars	727	821	-94
Cabs/Buses/Limos/Vans	927	1,205	-278
Subtotal	1,654	2,026	-371
Construction/Consulting	646	1,595	-950
Total	18,353	18,773	-420

Totals may not add due to rounding

Comparison of Sea-Tac Economic Impacts (Visitor Industry)

	Visitors Industry 2013	Visitors Industry 2007	Change
Jobs			
Direct	91,571	71,129	20,442
Induced	30,109	24,046	6,062
Indirect	<u>17,325</u>	<u>8,161</u>	<u>9,164</u>
Total	139,004	103,336	35,668
Personal Income (\$1,000)			
Direct	\$1,859,863	\$1,380,523	\$479,340
Re-Spending	\$1,591,020	\$858,685	\$732,334
Indirect	<u>\$476,520</u>	<u>\$179,990</u>	<u>\$296,530</u>
Total	\$3,927,403	\$2,419,199	\$1,508,204
Business Revenue (\$1,000)	\$8,363,347	\$5,541,631	\$2,821,716
Local Purchases (\$1,000)	\$831,043	\$345,272	\$485,771
State/Local Taxes (\$1,000)	\$365,248	\$192,270	\$172,978

Totals may not add due to rounding

Changes in Seaport Cargo Tonnage

COMMODITY	2013 1,000 TONS	2007 1,000 TONS	CHANGE 1,000 TONS
Containerized Cargo			
International	8,955	14,708	-5,752
Domestic	5,151	2,094	3,057
Grain	1,490	5,878	-4,388
Break Bulk	32	129	-96
Petroleum	869	1,368	-498
Other Dry Bulk	1,585	NA	NA
Other Liquid Bulk	<u>53</u>	<u>51</u>	<u>2</u>
TOTAL	18,136	24,227	-6,092

Totals may not add due to rounding

Changes in POS Cargo Driven Impacts

Port of Seattle Marine Cargo	2013	2007	Change
Jobs			
Direct	8,902	12,428	-3,526
Induced	8,644	16,639	-7,995
Indirect	<u>5,863</u>	<u>4,224</u>	<u>1,639</u>
Total Jobs	23,409	33,291	-9,882
Personal Income (\$1,000)			
Direct	\$527,232	\$637,375	-\$110,143
Re-spending/Local Consumption	\$1,158,857	\$1,972,676	-\$813,819
Indirect	<u>\$289,158</u>	<u>\$186,731</u>	<u>\$102,427</u>
Total	\$1,975,247	\$2,796,782	-\$821,535
Business Revenue (\$1,000)	\$1,832,303	\$3,060,440	-\$1,228,137
Local Purchases (\$1,000)	\$581,098	\$438,823	\$142,275
State and Local Taxes (\$1,000)	\$183,698	\$254,507	-\$70,809

Totals may not add due to rounding

Changes in Direct Jobs by Commodity Type

COMMODITY	2013 DIRECT JOBS	2007 DIRECT JOBS	CHANGE DIRECT JOBS
Containerized Cargo			
International	3,436	5,703	-2,266
Domestic	1,925	1,332	594
Grain	88	468	-381
Break Bulk	43	490	-447
Petroleum	78	269	-191
Other Dry Bulk	393	NA	NA
Other Liquid Bulk	14	26	-12
Not Allocated	<u>2,924</u>	<u>4,141</u>	<u>-1,217</u>
Total	8,902	12,428	-3,526

Totals may not add due to rounding

Changes in Cruise Industry Impacts

- **Decline in number of cruise calls:**
 - 187 calls in 2008
 - 178 calls in 2014
- **Passengers remain nearly the same – 800,000**
- **Vessels are larger**

Comparison of POS Cruise Activity

	Cruise Impacts 2014	Cruise Impacts 2008	Change
Jobs			
Direct	1,741	1,955	-214
Induced	852	1,125	-273
Indirect	<u>812</u>	<u>701</u>	<u>111</u>
Total	3,404	3,781	377
Personal Income (\$1,000)			
Direct	\$70,010	\$64,147	\$5,863
Re-Spending/Local Consumption	\$83,893	\$92,763	-\$8,870
Indirect	<u>\$22,299</u>	<u>\$20,052</u>	<u>\$2,247</u>
Total	\$176,202	\$176,962	-\$760
Business Revenue (\$1,000)	\$407,790	\$312,497	\$95,293
Local Purchases (\$1,000)	\$40,714	\$31,220	\$9,494
State and Local Taxes (\$1,000)	\$16,123	\$16,104	\$19

Totals may not add due to rounding

Changes in Fishing Impacts

- **Growth in fishing fleet at POS facilities:**
 - 311 ships in 2007
 - 591 ships in 2013
- **Growth in factory trawlers and processors:**
 - 37 vessels in 2007
 - 43 vessels in 2013
- **Decline in income multiplier since 2007 – induced jobs and re-spending impact declined**

Comparison of POS Fishing Impacts

	Fishing Impacts 2013	Fishing Impacts 2007	Change
Jobs			
Direct	8,253	5,607	2,646
Induced	4,735	8,026	-3,291
Indirect	<u>3,102</u>	<u>1,337</u>	<u>1,765</u>
Total Jobs	16,089	14,970	1,119
Personal Income (\$1,000)			
Direct	\$674,825	\$823,477	-\$148,652
Re-spending/Local Consumption	\$483,040	\$966,679	-\$483,639
Indirect	<u>\$156,163</u>	<u>\$51,845</u>	<u>\$104,318</u>
Total	\$1,314,028	\$1,842,001	-\$527,973
Business Revenue (\$1,000)	\$915,370	\$814,364	\$101,006
Local Purchases (\$1,000)	\$244,750	\$104,163	\$140,587
State and Local Taxes (\$1,000)	\$119,577	\$167,622	-\$48,045

Totals may not add due to rounding

- **Increase in vessels moored at POS marinas since 2007:**
 - 1,579 in 2007
 - 1,777 in 2013
- **Decline in income multipliers**

Comparison of POS Marina Activity

	Marina Impacts 2013	Marina Impacts 2007	Change
Jobs			
Direct	140	123	17
Induced	94	129	-35
Indirect	<u>89</u>	<u>100</u>	<u>-11</u>
Total Jobs	323	352	-29
Personal Income (\$1,000)			
Direct	\$4,984	\$4,575	\$409
Re-spending/Local Consumption	\$10,738	\$14,161	-\$3,423
Indirect	<u>\$3,563</u>	<u>\$3,887</u>	<u>-\$324</u>
Total	\$19,286	\$22,623	-\$3,337
Business Revenue (\$1,000)	\$21,574	\$13,831	\$7,743
Local Purchases (\$1,000)	\$7,530	\$7,845	-\$315
State and Local Taxes (\$1,000)	\$1,794	\$2,059	-\$265

Totals may not add due to rounding

THANK YOU!