



**COMMISSION
AGENDA MEMORANDUM**

Item No.

7b

BRIEFING ITEM

Date of Meeting

May 14, 2019

DATE: April 25, 2019

TO: Stephen P. Metruck, Executive Director

FROM: Stephanie Jones Stebbins, Managing Director Maritime
Joseph Gellings, Senior Planner

SUBJECT: Briefing on the results of the 2019 maritime economic impact analysis

EXECUTIVE SUMMARY

This briefing provides the Commission with a summary of the “2019 Port of Seattle, Port of Tacoma, and The Northwest Seaport Alliance Maritime Economic Impact Analysis.” It is the first such study to be performed since 2014. The study does not cover Aviation, which was the subject of separate study in 2018. The purpose of this study was to develop various metrics that convey the extensiveness of Maritime-related commerce for the three Ports within the overall economy of Central Puget Sound. The study results affirm the fact that port-related jobs are significant in number and can pay relatively high wages.

FINDINGS

The fundamental economic metrics that have been developed for every port line of business are:

- Total number of jobs
- Total labor income
- Total business output (business revenue)
- Total state taxes

For the infographic below, the metrics featured for each line of business include some of the above and also selected metrics that have a special significance for a given line of business. For example, cargo volumes are featured for The Northwest Seaport Alliance (NWSA) and our record-setting number of passengers is featured for the cruise business.



The Northwest Seaport Alliance (2017)

\$12.4 B

Total Business Output

58,400

Total Jobs

\$4.0 B

Total Income

27.6 M

Metric Tons of
Cargo Handled

3.7 M

Twenty-Foot
Equivalent Units (TEUs)

146,900

Autos Transported



Port of Seattle Cruise Ship Industry (2019)

\$893.6 M

Total Business
Output

5,500

Total Jobs

1.2 M

Passengers, 2019

13%

Compound Annual
Growth Rate of
Passengers, 2000-2019



Port of Seattle Commercial Fishing (2017)

\$1.4 B

Total Business
Output

11,300

Total Jobs

300

Fishing Vessels
Utilized Port of
Seattle Facilities

1.3 M

Metric Tons Harvested
by POS Customers in
North Pacific Fisheries



Other Port of Seattle Activities Including Recreational Marinas (2017)

\$1.6 B

Total Business
Output

8,400

Total Jobs

4

Recreational
Marinas

\$2.6 M

Revenues Generated
through Moorage



Other Port of Tacoma Activities (2017)

\$1.6 B

Total Business
Output

5,200

Total Jobs

\$326.9 M

Total Income

2.3 M

Sq Ft of Warehouses,
Offices, Industrial,
and Other Buildings

COMMISSION AGENDA – Briefing Item No. 7b

Meeting Date: May 14, 2019

In the case of commercial fishing, the infographic features the statistic of 1.3 million tons of seafood product being harvested by vessels that homeport at the Port of Seattle in 2017. Statistics about the seafood harvest caught by our vessels represent a completely new type of analysis compared with the studies of past years. This analysis was added to the study scope because the Port of Seattle is unique amongst the nation’s major fishing ports in that it attracts a great deal of homeport activity from vessels that fish in distant waters. Other findings about the seafood harvest include:

- The revenues generated in 2017 by Port of Seattle vessels from fishing in Alaska -- \$455.0 million – represented 44% of all gross earnings from the North Pacific Fisheries.
- An estimated 72% of all commercially caught seafood biomass from the U.S. North Pacific Fisheries by tonnage and value was exported.
- Port of Seattle fishing vessel operator customers harvested catch (Alaska and non-Alaska) are equal to an estimated 13% of total U.S. commercial fisheries, by value, in 2017.

To put the findings in the context of the overall local economy, the table below compares the total jobs figures to the corresponding figures developed in separate studies, including separate Washington industries. This study and the three separate studies were all performed by the same consulting firm.

Scope of industry study	Study Year (1)	Total Jobs
Washington’s aerospace industry	2015	252,800
Washington’s agriculture and food processing	2013	220,600
Washington’s statewide maritime sector	2015	191,100
The combined Ports of Seattle and Tacoma and the Northwest Seaport Alliance(2)	2017	83,600

Notes: 1) Study years are the years of the economic activity that is being featured. In many cases the report is released one or two years after the activity that it features. 2) Excludes the impact of Sea-Tac International Airport

ANALYTICAL APPROACH

For the new 2019 study, the Port used a Seattle-based consulting firm, Community Attributes Inc. Community Attributes is widely acknowledged for their expertise in conducting economic analyses.

The foundational sources of data used in the analysis were the U.S. Bureau of Labor Statistics, the Washington State Employment Security Dept, the Washington State Dept. of Revenue and the Puget Sound Regional Council. A unique component of the commercial fishing analysis was retrieving Alaska Commercial Fishing Entry Commission licensing data using the specific roster of fishing vessels homeported with the Port of Seattle.

COMMISSION AGENDA – Briefing Item No. 7b

Meeting Date: May 14, 2019

A unique component of the cruise analysis was making use of a very extensive survey of cruise passengers and their spending profile in the Seattle area before and after their cruise voyage. That survey report is the “Port of Seattle Cruise Passenger Survey 2017,” November 8, 2017 by The McDowell Group. In the end, Seattle area spending by cruise passengers was the largest component of direct impact for cruise, followed by local procurement of goods and services by the cruise lines, and Seattle area spending by crew members.

With the 2019 study we are continuing a past practice of modeling impacts in a way that allows us to adjust the model for the next season’s number of cruise calls and number of cruise passengers. Specifically, Community Attributes created a model that estimated the 2017 cruise impact based on an extensive data set from multiple sources that included a great deal of actual 2017 spending figures provided by the cruise lines. That model, in-turn, was applied to the recently-finalized 2019 cruise call schedule and passenger estimate.

PORTS AND ECONOMIC IMPACT ANALYSIS

Conducting economic impact studies is a common strategy to build support for an industry. In fact, economic impact analysis is particularly well-suited to some port lines of business considering that the Port, together with NWSA, manages cruise terminals and container terminals in the state. This simplifies the task of tracing economic activity around the state to the terminals that make it all possible.

The findings of the study, such as the number of jobs created by the ports, will be used in countless future public affairs and marketing efforts of the ports. Of course, numbers on their own have limited meaning, so citations of this study will be supplemented by other storytelling materials (videos, blogs, and paid promotions) being prepared by External Relations.

ATTACHMENTS TO THIS BRIEFING

- (1) Presentation slides
- (2) Full report: “2019 Port of Seattle, Port of Tacoma, and The Northwest Seaport Alliance Economic Impact Analysis,” March 2019

PREVIOUS COMMISSION ACTIONS OR BRIEFINGS

None.