

# Port of Olympia Economic Impact Study

Summary of Port Commissioners Interviews | May 14, 2026

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## Introduction

BERK facilitated one-on-one virtual conversations with each of the five Port of Olympia commissioners to understand their expectations for the upcoming economic impact study. The findings in this document aggregate these conversations to help inform revisions to the economic impact study scope of work.

## Desired Study Objectives and Outcomes

The interviews with the five Port of Olympia commissioners reveal a diverse set of study objectives and desired outcomes, ranging from measuring traditional job creation to analyzing alternative land use scenarios for Port property. The commissioners want the study to provide factual, data-driven answers to the following:

- **Job Quantification and Categorization:** Several commissioners noted that they want a clearer definition than the previous study provided regarding what represents a direct versus indirect job and a deep dive into job categories and occupations that the Port supports. Beyond just counting jobs, the study must be transparent about the good family wages supported by Port activities.
- **Multiplier Methodology:** Multiple commissioners mentioned the study should explain the methodology behind economic multipliers, how they are calculated, and how Port activity supports broader growth and development. For example, the public should be able to "understand and believe" how the marine terminal creates a ripple effect of jobs beyond just the longshoremen on the docks.
- **Tax Revenue and Geographic Equity:** One commissioner (representing a rural-focused district) specifically requested an analysis of how tax revenues supported through Port activity are distributed across Thurston County, questioning if certain municipalities like Lacey receive fewer benefits than Olympia or Tumwater. They also asked which specific school districts receive Port-related tax funding.

- **Tourism and Downtown Impact:** One commissioner requested that the study explicitly captures how the Marina drives a flow of tourism dollars into downtown Olympia and other surrounding communities.
- **True Costs and Financial Transparency:** Multiple commissioners expressed a need for a rendering of costs versus revenue. One commissioner noted that the Port often promotes benefits without accounting for operational costs and environmental trade-offs.
- **Opportunity Cost and Alternative Uses:** Commissioners are divided on the future of the marine terminal and have differing opinions on what the study should analyze when looking at the Marine Terminal. However, one commissioner warned that a full cost-benefit analysis of "infinite" what-if scenarios could be prohibitively expensive.
  - **Smaller Scale Operations:** One commissioner suggested redefining the terminal away from deep water shipping toward smaller-scale, localized shipments of local products (referencing the Port of Shelton).
  - **Alternative Land Uses:** Some commissioners want to compare the marine terminal's value against alternative uses like a public park (referencing Spokane's Riverfront Park), particularly given the risks of sea-level rise and liquefaction on the peninsula.
- **Environmental Trade-offs:** One commissioner emphasized that the study must account for environmental costs, such as the impact on the food chain, "dead zones" in East Bay due to low dissolved oxygen, and the loss of estuary benefits like flood mitigation.
- **Value of the Port Beyond the Jobs and Business Revenues:** Several commissioners mentioned they would like to be able to tell the full story of the Port's contributions, such as events the Port sponsors or organizes, or the value to the public from having access to the parks and other infrastructure funded by the Port.
- **Port Peninsula Master Plan Economic Impact.** One commissioner suggested the study's focus should be narrowed down to addressing the economic value that can be unlocked through the Port's Port Peninsula Master Plan, which focuses on the Marine Terminal, the waterfront, the Swantown Marina and Boatworks, and other buildings and developable land on the Port Peninsula. This way the study would help shape a strategic conversation about the Port's potential future trajectory rather than be used purely as a communication or marketing tool.

## Other Considerations

**Public Education and Transparency.** Commissioners identified both the process of conducting the economic impact study and the final report as an opportunity to help better inform community members about the following:

- How the Port spends its revenues and what the Port provides to the public with those revenues.
- How the businesses that operate on Port property generate jobs, revenues, labor income, and fiscal benefits for all communities and the county.
- The infrastructure, assets, and amenities provided by the Port and the benefit they provide.
- The Port's potential trajectory over the next 20 years and what that growth means for the region.

**Land Use Efficiency and Job Density.** One commissioner expressed concern that the Port is not using its land properly, specifically noting that a log yard does not create a high volume of jobs.

**Equity of Amenities.** While many commissioners support the marina, one commissioner noted they are "not a huge fan" because they believe it primarily impacts only a specific, narrow group of people.

**Land Scarcity for Industry:** One commissioner noted that while commercial office space is abundant in the area, the study should highlight that manufacturing and industrial businesses cannot easily find land elsewhere; the Port provides a unique home for these sectors.

## Identified Study Process Challenges

Numerous commissioners identified expected challenges with the community's trust and adoption of a new economic impact study. Community skepticism that has been brought up by commissioners includes:

- Community members have been skeptical of the direct and indirect economic impact and job numbers provided in the previous study. Critics contend that the Port of Olympia's reported job figures are misleading because they include private-sector employees who happen to work on leased Port land, such as office tenants who would simply relocate within the region if the Port did not exist. These skeptics argue that the Port's actual impact is limited to its direct staff, as marine cargo and general business activity would naturally shift to neighboring ports or private operators without the need for public tax subsidies.
- Some community members believe the Port is hiding financial losses and using tax revenues to cover those losses.
- Community members also felt that the previous report felt "promotional" and did not authentically represent the costs associated with operating the Port. One commissioner emphasized that if the final report shows everything as perfect without any criticism, it will not be viewed as a credible product.

To combat this and help regain trust with the public, some of the commissioners noted that public engagement and public education should be a part of this upcoming economic impact study process. More specifically, commissioners noted a desire for:

- Better public communication about the economic impact study process and findings.
- More clarity in the definitions, assumptions, data sources, and methods used to estimate economic impact. One commissioner said the study should provide "rock solid factual information" and clearly show how conclusions were reached to avoid it becoming "a debate about opinions". The report should build on publicly available data sources and a transparent, analytical methodology that clearly conveys how the Port supports the economy of Thurston County.
- Forming a technical advisory committee of local economic experts from Evergreen State College, St. Martin's University, and South Puget Sound Community College to help validate BERK's methodology. One commissioner suggested that the consultant team could facilitate a meeting with this technical advisory committee and the Planning Commission to review the draft scope of work before it is approved. This strategy would hopefully convey the "local expertise" engrained in the economic impact study and lead to it being better accepted by skeptical community members.
- A joint commissioner and consultant "town hall" or other public engagement format that collects public opinion. One commissioner suggested that this public engagement opportunity should

describe the study's methodology, convey the study's objective nature, and provide an opportunity to answer questions.

# Identified Economic Development Opportunities and Challenges for the Port

Port Commissioners were asked to identify what are future economic development opportunities and challenges the port is facing in the next few years.

Potential opportunities identified by commissioners during the interviews include:

- **Marine Terminal Expansion.** One commissioner mentioned there are opportunities to grow vessel traffic and import-export activity at the Marine Terminal, though this would likely require capital investments such as building additional warehouse space and activating the currently underutilized rail line. The commissioner highlighted that while the Port's location at the far southern end of the Puget Sound means ships must pass other terminals to reach it, this can be leveraged as a unique advantage for regional producers. Specifically, it serves as the most accessible "first point on the water" for products originating from Southwest Washington, providing a more efficient logistical path for those local goods.
- **Real Estate and Industry Investment.** Two commissioners identified significant development potential across the Port's property portfolio, provided certain regulatory and logistical hurdles are cleared. A large amount of real estate in Tumwater and around the Olympia Regional Airport is currently on hold. Securing and implementing a Habitat Conservation Plan (HCP) approved by the state (Fish and Wildlife) is viewed as the essential key to unlocking these development opportunities.
- **Strategic Industry Targeting.** Real estate assets should be used to attract employers offering "good family wage jobs". Specific industries of interest include:
  - **Aviation & Energy:** Infrastructure for hydrogen and electric-powered aircraft and utilizing open airport land for solar energy production.
  - **Wood Products:** Expanding the regional forest product industry into mass timber and manufactured homes to help lower regional housing construction costs.
  - **Waterfront Amenities:** Exploring a potential hotel and marine center at Swantown Marina to drive tourism and downtown economic flow.
- **Converting the Marine Terminal to a Park.** One commissioner is interested in exploring whether there are sufficient economic benefits associated with tourism and the environmental restoration to sustain converting the marine terminal into a public park.
- **Renewed Lease Management.** If any long-term land leases are coming to an end, the Port should carefully evaluate market rates for new and renewed land leases. One commissioner noted that current Cost of Living (COLI) adjustments in leases do not account for the actual increase in land value; the Port should look at how to better put land to use as an income generator.

- **Capital Reinvestment from Expiring Debt.** One commissioner highlighted that the Port has three bonds set to expire soon: one next year (2025), one in 2028, and one in 2029. The commissioner views this as a unique financial window where debt service decreases, potentially freeing up capacity for large-scale projects and new initiatives that break from the Port's activities of the last 15 years. A distinct opportunity mentioned is moving beyond traditional job-centric metrics to invest in projects that support regional quality of life, such as a new theater or a new community pool.
- **A High-Speed Electric Ferry.** Commissioners were interested in exploring the viability and economic impact of a high-speed electric ferry facilitating both tourism and regular transit travel from the Port of Olympia to SeaTac or the Seattle area.

Potential challenges identified by commissioners during the interviews include:

- **Public Opposition to Development.** Commissioners noted that there are influential community members who oppose further development. This has challenged the Port's ability to expand economic opportunities in the past.
- **Local Marine Terminal Competition.** One commissioner noted that for ships coming into the Puget Sound region, the Port of Olympia is often farther than other local marine terminals due to its location at the very south of the Puget Sound.
- **Environmental Concerns.** One commissioner has highlighted several environmental challenges for the Port, including:
  - East Bay is described as a "dead zone" because there is zero dissolved oxygen in the water. The Port has had to install aerators at the marina to address this lack of oxygen.
  - The Port's activities are negatively affecting the base of the marine food chain.
  - The historical development of the area resulted in the loss of a natural estuary, which previously provided critical services such as flood mitigation for city streets. The loss of the estuary removed the transition zone where returning salmon adjust their breathing from saltwater to freshwater before spawning.
  - The marina and peninsula are highly susceptible to sea-level rise and liquefaction. The commissioner noted that sea-level rise may occur much sooner and be more severe than currently predicted.
  - There is "legacy pollution" on Port real estate, which creates high costs for any future development or restoration efforts.