

# The Economic Benefits of the Port of Olympia



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## EXECUTIVE SUMMARY

The Washington State Ports have been given a specific economic development mission as part of the Revised Code of Washington. Since the Port of Olympia's charter in 1922, the Port has acted in concert with this state directive to stimulate economic development and provide the economic catalyst to grow jobs and economic activity. The Port of Olympia provided capital investment in marine terminal infrastructure necessary to handle marine cargo and ocean-going vessels; the Port invested in airport infrastructure to provide runway and hangar space to general aviation aircraft operations and provided infrastructure for the future development of commercial aviation service; and also invested in commercial marina development ensuring mooring space for the area's recreational boating community. In addition to these transportation infrastructure investments, the Port also engaged in the development of infrastructure that promotes economic development in Thurston County and the City of Olympia. The Port's Peninsula Properties, Lacey Commerce Business Center and the NewMarket Industrial Campus provide real estate sites with developed road and utility infrastructure for companies seeking a Pacific Northwest presence. With the location of industry and real estate tenants, the Port's infrastructure investment through municipal non-taxable bonds along with state and federal grants, provides an important economic development role within Thurston County. It is the purpose of this study to quantify the economic activity that occurs on Port-owned property.

The Port of Olympia retained Martin Associates to measure the local and regional economic impacts occurring at the Port of Olympia properties. The Port of Olympia operates five specific business units:

- The Marine Terminal which handles a variety of marine cargo including logs, cattle, locomotives and construction equipment.
- Swantown Marina and Boatworks includes the Port owned and operated marina and the Boatworks operation for repair and maintenance of watercraft.
- Olympia Regional Airport and NewMarket Industrial Campus. The Olympia Regional Airport is a general aviation facility offering runway and hangar space to corporate aviation tenants as well as private aircraft owners. The NewMarket Industrial Campus in Tumwater and contiguous to the airport serves as the location of numerous Port tenants, ranging from warehousing and distribution, light industrial tenants, office space and restaurants.
- Peninsula Properties is home to numerous Port tenants that includes restaurants and offices as well as retail stores. There is also a city run farmers market on Port property.
- Lacey Commerce Business Center was purchased by the Port of Olympia in 2017 and primarily includes office and retail tenants.

## The Economic Benefits of the Port of Olympia

Martin Associates estimated the economic impacts for the marine cargo, marina, aviation and commercial/industrial activity within the Port's five lines of businesses. It is important to stress that the impacts measured in this study are the current jobs, income and taxes generated by tenants of the Port's properties, as well as the commercial maritime cargo activity at the Port of Olympia's marine terminal. It is recognized that these are not necessarily net economic impacts in the sense that if the Port were to disappear, these jobs would be lost from the economy. For the marine terminal impacts, these impacts could be lost to the region as the commercial marine cargo activity would be relocated to another port, either in Washington State or perhaps in Oregon or Northern California. **With respect to the real estate tenants, the Port's investment in highway and utility infrastructure on Port property provided site-ready, easily accessible options for commercial and light industrial tenants that may have located elsewhere had such infrastructure development not been provided by the Port. Since the Port has access to lower financing costs than commercial developers, it is likely, but not provable, that some local businesses may not have started as privately sponsored development as they might not have been profitable with higher financing costs.**

The methodology used in this analysis has been used by Martin Associates to estimate the economic impacts of seaport activity at more than 500 United States and Canadian ports. Table E-1 shows the economic impacts generated by the marine cargo and marina activity, airport activity and real estate tenants of the Port in calendar year 2020.

**Table E-1**  
**Summary of the Economic Impacts of the Port of Olympia**

	MARITIME	SWANTOWN MARINA & BOATWORKS	OLYMPIA AIRPORT	PENINSULA PROPERTIES	LACEY	TOTAL
JOB						
DIRECT	212	82	1,645	630	41	2,609
INDUCED	205	62	786	281	19	1,354
INDIRECT	45	62	753	202	6	1,067
TOTAL	461	206	3,184	1,112	66	5,030
PERSONAL INCOME (MILLIONS)						
DIRECT	\$14.3	\$4.1	\$84.0	\$27.6	\$2.1	\$132.0
RE-SPENDING/LOCAL CONSUMPTION	\$29.3	\$8.3	\$67.4	\$22.1	\$1.7	\$128.8
INDIRECT	\$2.4	\$2.3	\$34.7	\$7.8	\$0.3	\$47.5
TOTAL	\$46.1	\$14.6	\$186.0	\$57.5	\$4.1	\$308.3
BUSINESS REVENUE (MILLIONS)	\$20.8	\$9.7	\$348.9	\$62.6	\$5.9	\$447.9
LOCAL PURCHASES (MILLIONS)	\$5.6	\$4.7	\$97.7	\$15.5	\$0.8	\$124.4
STATE/LOCAL TAXES (MILLIONS)	\$3.5	\$1.4	\$18.9	\$4.5	\$0.3	\$28.6
FEDERAL TAX REVENUE (MILLIONS)	\$5.7	\$1.9	\$31.1	\$8.3	\$0.6	\$47.7

Notes: Totals may not add due to rounding.

\* Olympia Regional Airport includes the NewMarket Industrial Campus

In 2020, marine cargo, marina, general aviation activity and commercial and industrial real estate tenants at the Port of Olympia were responsible for the following economic impacts.

***2,609 direct jobs are supported by activity at the Port of Olympia and its real estate tenants.*** In addition to the 2,609 direct jobs, 1,354 induced jobs and 1,067 indirect jobs were supported by Port activity. As a result of \$124.4 million in purchases of local supplies and services by firms providing direct services to the Port's marine terminal operations or Port real estate tenants, an additional 1,067 indirect jobs are supported. 5,030 total jobs are supported by activity at the Port of Olympia

***\$132.0 million in direct wages and salaries are supported in the local and regional economy by the activity at the Port of Olympia marine terminal, marina, general aviation activity and the Port's real estate tenants.*** The direct job holders received an average salary of about \$50,604. As the result of local purchases made by the directly employed individuals, an additional \$128.8 million of local consumption expenditures and induced wages and salaries were created. The 1,067 indirect job holders received \$47.5 million of wages and salaries.

***\$447.9 million in revenue was generated by local businesses.*** This revenue is generated from providing services for the cargo and vessel activity at the Port's marine terminal, in support of general aviation activity and marina operations. The revenue also includes the business sales activity of the tenants located on Port of Olympia land.

***\$124.4 million in local purchases were made by Port tenants, the Port of Olympia and those firms providing services at the marine terminal, airport and marina. These local purchases supported the 1,067 indirect jobs.***

***\$28.6 million of state and local tax revenue was generated in 2020 by the Port of Olympia marine cargo, marina, and airport activity and the business activity of the Port's real estate tenants.*** The state of Washington received about \$17.4 million of this tax revenue, with the local governments receiving the balance. The breakdown of this tax revenue by type of tax is presented in Table E-2.

**Table E-2**  
**Distribution of State and Local Tax Impact by Type of Tax**

TYPE OF TAX	STATE REVENUE (MILLIONS)	LOCAL REVENUE (MILLIONS)
PROPERTY	\$2.1	\$6.0
SALES	\$13.3	\$4.3
MOTOR VEHICLE	\$0.5	\$0.1
OTHER/MISCELLANEOUS	\$1.5	\$0.8
<b>TOTAL</b>	<b>\$17.4</b>	<b>\$11.2</b>

Note: Distribution of State and Local Taxes Based on U.S. Bureau of Census, State and Local Government Finance

*\$47.7 million of federal tax revenue was generated in 2020 by the Port of Olympia marine cargo, marina, and airport activity and the business activity of the Port’s real estate tenants.*

*Roughly 81 percent of the direct jobs are held by residents of Thurston County.* Table E-3 shows the residency of the 2,609 direct job holders. This distribution of the direct jobs by place of residency is based on data supplied by the individual firms interviewed by Martin Associates as part of the study.

**Table E-3**  
**Place of Residency of the Direct Jobs**

RESIDENCY	PERCENT	DIRECT JOBS
OLYMPIA	34.3%	896
LACEY	19.2%	502
TUMWATER	8.5%	222
OTHER THURSTON CO.	18.8%	491
OTHER WA	19.1%	499
<b>TOTAL</b>	<b>100%</b>	<b>2,609</b>

Note: “Other Washington” consists primarily of Tacoma and Seattle places of residency

## I. OVERVIEW OF THE ANALYSIS AND SUMMARY OF METHODOLOGY

The Port of Olympia retained Martin Associates to measure the local and regional economic impacts supported by maritime (marine cargo) activity at the Port, marina activity at the Port's Marina and Swantown Boatworks, general aviation activity and real estate activity at the Olympia Regional Airport, the Port's Peninsula Properties and Lacey Commerce Business Center. The impacts are estimated for calendar year 2020.

The purpose of the study, measurement of economic impacts, includes measuring contributions to the local and regional economies from individual employment and personal income, local and state government tax revenue generation, and business revenue creation. A realistic assessment of the impacts associated with the Port of Olympia's five lines of business was the study's major emphasis. A realistic assessment combines proper economic theory, and sound survey techniques with a clear, concise explanation.

During the study, Martin Associates conducted 144 interviews with firms providing services to the Port of Olympia marine terminal operations, marina activity, general aviation activity as well as the Port's real estate tenants. The 144 interviews conducted by Martin Associates constitute 93 percent coverage of the firms in the Port of Olympia seaport community and real estate tenants. The data collected included employment, payroll, revenue and purchasing information. Thus, the impacts calculated can be traced back to the collected company level detail.

Once collected, Martin Associates used the data collected to develop operational models for the Port's cargo operations, the marina and Boatworks activity, and the Port's real estate tenants. In addition to the baseline impact estimates, sensitivity impact models have been developed for each of the Port's lines of business – marine terminal, marina, and real estate. These sensitivity models allow future analysis of marine terminal changes in tonnage, labor productivity, labor work rules, commodity mix, inland origins/destinations of commodities and vessel size. The model can also evaluate the impacts of new terminal development and be used for annual updates, as well as changes in the Port's non-maritime tenant base. The marina model tests impacts resulting from changes in the number of sailboats and power boats moored at the Port's facilities, as well as transient operations. The real estate model can be used to assess the potential impacts of new tenants and to compare alternative uses of port owned real estate in terms of potential economic impact to the local and regional economy.

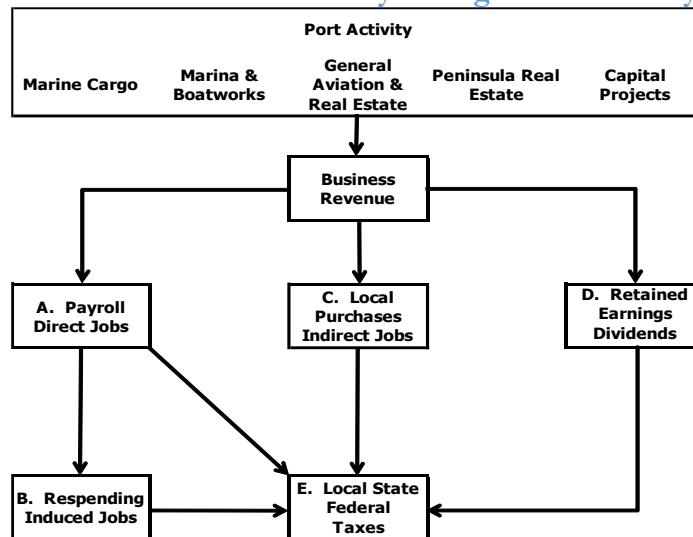
### 1. ECONOMIC IMPACT STRUCTURE

The marine cargo, marina, general aviation, and real estate tenant activity contributes to the local, regional, and national economies by providing employment and income to individuals, tax revenues to local, state, and federal governments, and revenue to businesses engaged in handling, shipping, and receiving cargo via the port. Exhibit I-1 illustrates the flows of economic

impacts throughout the economy. As this exhibit shows, the marine cargo, marina, and general aviation activity, as well as the commercial and industrial activity of the Port's real estate tenants initially create business revenue to the firms providing the services in support of these activities. This revenue is in turn used for several purposes:

- A. To hire employees to provide services or manufacture products;
- B. To buy personal goods and services (employee re-spending);
- C. To buy goods or services from other firms (local purchases);
- D. To pay stockholders dividends, retire debt, and invest; and
- E. To pay local, state and federal taxes.

**Exhibit I-1**  
**Flows of Economic Activity through the Economy**



The hiring of employees generates personal income. This personal income is spent throughout the state, local and national economies to purchase goods and services. This re-spending of income is known as the multiplier effect, which in turn creates induced jobs throughout the economy to the firms providing the goods and services to those directly employed. The firms providing the services to handle the marine cargo moving via the Port's marine terminal, and the general aviation activity at the airport, as well as activity of the recreational boating tenants of the Port's Swantown Marina and Boatworks, purchase local services and goods to support the direct activity. Similarly, the real estate tenants purchase goods and services from local vendors to support the services and products produced by the commercial and industrial tenants located on the Port-owned real estate. These purchases by the directly dependent firms and the Port's real estate tenants generate the indirect jobs. Finally, state,



local and federal taxes are paid by those directly employed due to port activity and those employed as a result of the in-state purchases of goods and services by those individuals directly employed and the individual real estate tenants.

As can be seen from Exhibit I-1, and the previous discussion, the flow of economic impacts throughout an economy creates four separate and non-additive types of impacts.

These four types of impacts are:

- Employment Impact - the number of full-time equivalent jobs supported by activity at each the of the Port's primary business units. These impacts consist of jobs directly supported by port activity as well as induced jobs, or jobs created in-state due to the purchase of goods and services by those individuals directly dependent upon port activity. In addition to the direct and induced jobs, indirect jobs, or those jobs supported in the local economy due to the local purchases of goods and services by firms directly dependent upon maritime/marina/boatworks activity at the Port of Olympia, and the non-maritime tenants and general aviation activity are also measured as part of the employment impact.
- Personal Income Impact/Local Consumption Impact - the level of earnings associated with the jobs supported by port activity and associated with the real estate tenants of the Port. Part of the personal income impact is the re-spending of the direct income and adjusted to reflect re-spending throughout the economy. Also included in the personal income impact/local consumption impact is the value of the local purchases by the directly employed job holders. These purchases include purchases for food, apparel, transportation services, housing and medical services. The value of the local expenditures for these purchases includes the value of the goods and services, as well as the personal income received by those individuals (the induced job holders) providing the goods and services to those directly employed. Thus, the personal income and local consumption impacts include the direct personal income earned by those directly employed due to port activity or by Port real estate tenants, plus the value of the local purchases and the portion of the value of the services paid to the induced job holders.
- Revenue Impact - the sales generated by firms engaged in handling and transporting cargo through the Port of Olympia's marine terminal and servicing the recreational boating activity at the Port's Swantown Marina and Boatworks, and the service providers to the general aviation activity at the Olympia Regional Airport are counted as business revenue. In addition, the value of the sales by the Port's real estate

tenants at NewMarket Industrial Campus and the Peninsula Properties are included as business revenue. This impact includes national as well as local and state revenue.

- Tax Impacts - the local, state and federal tax revenues generated by port activity. These are taxes paid by individuals and firms directly dependent upon the maritime activity, marina activity and general aviation activity, and by the real estate tenants at the Olympia Regional Airport (including NewMarket Industrial Campus), Lacey Commerce Business Center, and the Peninsula Properties.

## 2. DATA COLLECTION

The Port of Olympia Economic Impact Study is based on telephone interviews with customers and tenants involved in the four lines of businesses operated at the Port. The Port tenants and the non-tenant service providers to the marine terminal operations and general aviation activity at the airport were identified from local directories of aviation and maritime services. Port real estate tenants were identified by the Port of Olympia tenant list. The sub tenants of the Port of Olympia real estate tenants were identified from the interviews with the Port's tenants conducted by Martin Associates. In addition to data collected from the sources noted above, Martin Associates used other published data including:

- Census of Wholesale Trade;
- Census of Retail Trade;
- Census of Construction;
- Census of Service Industries; and
- Annual Survey of Manufacturers.

Additionally, Martin Associates obtained other published data from the U.S. Census Bureau, County Business Patterns; U.S. Bureau of Economic Analysis, Regional Input-Output Modeling System; and U.S. Bureau of Labor Statistics, "Consumer Expenditure Survey," for the Seattle/Olympia/Tacoma Metropolitan Statistical Area.

## 3. DIRECT IMPACTS

Direct impacts are estimated from the results of the surveys. The *direct job impacts* are essentially a census of employment, earnings, and revenue by firm, and then aggregated by Port-operated line of business. For example, for the marine terminal operations, the count of employees with the terminal operator and tenants of the marine terminal are counted as direct employees. Similarly, the jobs with each real estate tenant and sub tenant are also counted and included as direct jobs with real estate tenants and aggregated by line of business -- Olympia

Regional Airport (including NewMarket Industrial Campus), Lacey Commerce Business Center, Peninsula Properties and the Swantown Marina and Boatworks.

In addition to the census of the direct jobs from the telephone interviews with 93 percent of the Port's tenants, direct jobs are also estimated for non-tenant service providers, including truckers moving cargo to and from the marine terminal, freight forwarders, steamship agents, chandlers, tugboat operators, etc. The firms providing these services are identified from the maritime directories used by Martin Associates at other Washington State ports, and interviews conducted with these service providers to determine the number of directly employed individuals supported by marine cargo activity at the Port of Olympia. For the direct truck impacts, the average distance of the cargo moved to and from the marine terminal is based on interviews with the terminal operator at the marine terminal, and the transport distance combines with tonnage per truck to estimate full time truck drivers associated with moving the marine cargo to and from the Port.

The *direct personal income* is derived directly from the interview process and estimates an average wage rate for the direct job holders, by industry sector. This average wage by sector or job category is then multiplied by the direct jobs.

The *direct business revenue* is also derived directly from the interview process.

#### 4. INDUCED IMPACTS

The induced impacts are based on an income multiplier for each line of business operated by the Port of Olympia. The concept of the income multiplier results from successive rounds of spending a portion of the direct wages and salaries (personal income) for goods and services. Specific to the Port of Olympia, the U.S. Bureau of Economic Analysis develops a final demand income multiplier for waterborne cargo operations, various types of real estate development, and for recreational boating and its components. The re-spending of income within the state of Washington is measured by a local income multiplier. The size of the multiplier for each line of business operated by the Port varies depending on the proportion of goods and services purchased locally by individuals as well as by the size of the state. The higher the proportion of locally purchased goods and services, the lower is the income leakage out of the region/state. The size of the multiplier also depends on the supplying firm's location, which can influence the share of goods purchased in-state, as well as the level of direct income per employee.

For example, a final demand income multiplier of 4 indicates that for every \$1.00 of direct income, about \$0.75 is spent in the defined geographic region, while the other \$0.25 is either saved or spent out of the defined geographic area. The full income multiplier effect results from successive rounds of re-spending. In the initial round, \$1.00 is earned; of that \$1.00, \$0.75 is used to purchase goods and services; of that \$0.75 received, another 75 percent, or \$0.5625, will be

used for the next round of purchases of goods and services; of this \$0.5625, again 75 percent, or about \$0.4219, will be used for further regional purchases. These successive re-spending rounds continue until an additional \$3.00 of spending in the regional economy is generated for every dollar of direct earned income. At each stage of the re-spending, additional jobs and income are created, as are consumption expenditures.

Local purchases are allocated to local service/goods suppliers based on the current expenditure profile of residents in the Olympia area, as estimated by the U.S. Bureau of Labor Statistics, "Consumer Expenditure Survey". This survey indicates the distribution of consumer expenditures over key consumption categories for Olympia area residents. The consumption categories are:

- Housing;
- Food at Restaurants;
- Food at Home;
- Entertainment;
- Health Care;
- Home Furnishings; and
- Transportation Equipment and Services.

The estimated consumption expenditures generated as a result of the re-spending impact is distributed across these consumption categories. Associated with each consumption category is the relevant retail and wholesale industry. Jobs to sales ratios in each industry are then computed for the Olympia-Tumwater Metropolitan Statistical Area from the U.S. Census Bureau's 2017 Economic Census, and induced jobs are estimated for the relevant consumption categories. It is to be emphasized that induced jobs are only estimated at the retail and wholesale level, since these jobs are most likely generated within the state of Washington. Further levels of induced jobs are not estimated since it is not possible to defensibly identify geographically where the subsequent rounds of purchasing occur.

"The Consumer Expenditure Survey" does not include information to estimate the job impact with supporting business services, legal, social services and educational services. To estimate this induced impact, a ratio of state of Washington employment in these key service industries to total state of Washington employment is developed. This ratio is then used with the direct and induced consumption jobs to estimate induced jobs with business/financial services, legal, educational and other social services, not directly estimated from the consumption effect. This ratio is then used with the direct and induced jobs to estimate induced jobs with business/financial services, legal, educational and other social services. For every direct and consumption induced job, there are 0.257 jobs with state and local government, education, financial services, and other social services.

The re-spending impact includes not only the wage and salary income received by those employed to provide the goods and services to the direct job holders, but also the value of the purchases. Therefore, the re-spending/local consumption impact cannot be divided by the induced jobs to estimate the induced income, as this would overestimate the induced personal wage/salary impact per induced job.

### 5. INDIRECT IMPACTS

The *firms* employing directly generated jobs also make local purchases for goods and services from the revenue received in providing the direct services or producing the goods and services. To estimate these indirect impacts, actual local expenditures by directly dependent firms or real estate tenants were estimated from the 144 firms interviewed by telephone by Martin Associates staff. To estimate the indirect jobs, the local expenditures were used as inputs into a regional input-output model developed for the state of Washington for Martin Associates by the U.S. Bureau of Economic Analysis, Regional Input-Output Modeling System. The local purchases by type of purchase (i.e., goods, office supplies, contract business services, fuel, utilities, insurance, maintenance and repair, capital expenditures, etc.) were multiplied by the specific employment multipliers and income multipliers for the relevant goods and services providing industry sectors to estimate the indirect job and income impacts by each line of business operated by the Port.

The local purchases are the sum of the local expenditures by firm within each line of business.

### 6. LOCAL, STATE AND FEDERAL TAX IMPACTS

It is important to emphasize that the economic impact study is not a financial impact study and does not include a firm-by-firm tax calculation. Instead, Martin Associates uses a local, state, and federal tax burden based on a percentage of income generated. The Tax Foundation publishes the local, state, and federal tax burdens (as a percent of income) for each state. This burden is applied to the total personal income impact and re-spending impact for each Port operated line of business. The local, state, and federal share of the tax impact is then estimated from the U.S. Bureau of Census State and Local Government Finance. This Census source provides tax collections by state for the local, state, and federal portions as well as by specific type of tax.

## II. ECONOMIC IMPACTS OF MARINE CARGO ACTIVITY AT THE PORT OF OLYMPIA MARINE TERMINAL

In this chapter, the economic impacts generated by maritime cargo activity at the Port of Olympia are documented. In 2020, the port handled export logs, cattle and locomotives and imported construction equipment.

### 1. OVERVIEW OF THE SEAPORT IMPACT STRUCTURE

Shipments and receipts of cargo through the marine terminals at the Port of Olympia support economic activity in various business sectors of the state and local economy. Specifically, the following economic sectors are involved in providing cargo and vessel handling services at the Port of Olympia's Marine Terminal. These are the:

- Surface Transportation Sector;
- Maritime Service Sector;
- Dependent Shippers/Consignees; and
- Port of Olympia Administration dedicated to seaport activity.

Within each sector, various participants are involved. Separate impacts are estimated for each of the participants. A discussion of each of the economic impact sectors is provided below, including a description of the major participants in each sector.

#### 1.1 THE SURFACE TRANSPORTATION SECTOR

The surface transportation sector consists of both the railroad and trucking industries. These sectors are responsible for moving the various cargoes between the Port and their inland origins and destinations.

Many local and national trucking firms serve the marine terminals at the Port of Olympia. The trucking industry's major involvement is in moving logs from local logging operations. Export cattle are trucked from Schorno Farms in Yelm to the port to be loaded onto vessels. Imported construction equipment is also trucked from the Port of Olympia. Locomotives are railed to the Port for export.

#### 1.2 THE MARITIME SERVICE SECTOR

This sector consists of numerous firms and participants performing functions related to the following maritime services:

- Cargo Marine Transportation;

- Vessel Operations;
- Cargo Handling; and
- Federal, State, and Local Government Agencies.

A brief description of the major participants in each of the main categories is provided below:

- Cargo Marine Transportation - Participants in this category are involved in arranging for inland and water transportation for the export or import of freight through the Port of Olympia. The freight forwarder/customhouse broker is the major participant in this category. The freight forwarder/customhouse broker arranges for the freight to be delivered between the marine terminals and inland destinations, as well as the ocean transportation. This function performed by freight forwarders and customhouse brokers is most prevalent for general cargo commodities. For bulk cargo, arrangements are often made by the shipper/receiver.
- Vessel Operations - This category consists of several participants providing vessel services including:
  - Steamship agents - provide a number of services for the vessel as soon as it enters the Port; including arranging for pilot, tug assist services, for medical and dental care of the crew, and for ship supplies. Agents are also responsible for vessel documentation;
  - Pilots – provide navigation services to ensure safe transit of vessels through the Puget Sound and between the harbor entrance and docks;
  - Chandlers - supply the vessels with ship supplies (food, clothing, nautical equipment, etc.);
  - Towing firms - provide the tug service to guide the vessel to and from berth;
  - Bunkering firms - provide fuel to the vessels;
  - Marine surveyors - inspect the vessels and the cargo;
  - Launch services - provide transportation for the crew between land and vessel;
  - Shipyards/ship repair firms - provide repairs, either emergency or scheduled;

- Cargo Handling - This category involves the physical handling of the cargo at the Port between the land and the vessel. Included in this category are the following participants:
  - Longshoremen - are members of the International Longshore and Warehouse Union (ILWU), and are involved in the loading and unloading of cargo from the vessels, as well as handling the cargo prior to loading and after unloading;
  - Stevedoring firms - manage the longshoremen and cargo-handling activities;
  - Terminal operators - are often stevedoring firms who operate the maritime terminals where cargo is loaded and off-loaded.
- Government Agencies - This service category involves federal, state and local government agencies that perform services related to cargo handling and vessel operations at the Port. U.S. Customs and Border Protection, U.S. Department of Labor, U.S. Department of Agriculture, and U.S. Department of Commerce employees are involved. In addition, both civilian and military personnel with the U.S. Coast Guard and the U.S. Army Corps of Engineers have been included. USDA inspects cattle prior to export.
- Consultants/Architects – This category includes engineers, architects and consultants who provide a wide spectrum of services to the maritime industry, including terminal design, naval architect services, and planning services.
- Miscellaneous - This category includes a wide range of service providers, including environmental firms, security firms, and firms providing fumigation services.
- Banking/Insurance/Law - This service sector is not directly involved in cargo or ship operations, it nonetheless does provide services such as financing export/import transactions and insuring cargo and vessels. Also included in this sector are legal firms specializing in maritime law.

### 1.3 NON-MARITIME TENANTS

The Port also leases land to tenants not directly engaged in cargo activity. These tenants do not export and import via the marine terminals but in some cases these tenants provide services to the maritime community. These non-marine cargo tenants include restaurants, hotels, light manufacturing, and transportation/distribution activity. The impacts of these tenants are described in Chapter IV.



## 1.4 PORT OF OLYMPIA

The Port of Olympia includes those individuals employed by the Port whose purpose it is to oversee port activity, including cargo, marina and real estate activity.

## 2. COMMODITIES INCLUDED IN THE ANALYSIS

A major use of an economic impact analysis is to provide a tool for port development planning. As a port grows, available land and other resources for port facilities become scarce, and decisions must be made as how to develop the land and utilize the resources in the most efficient manner. Various types of facility configurations are associated with different commodities. For example, cement requires covered storage, while containerized cargo requires container cranes, open storage and on-, or near-dock rail. Covered storage is needed for break bulk cargo such as steel and lumber, while high and heavy equipment requires outside storage.

An understanding of the commodity's relative economic value in terms of employment and income to the local community, the cost of providing the facilities, and the relative demand for the different commodities is essential in making future port development plans. Because of this need for understanding relative commodity impacts, economic impacts are estimated for the following commodities handled via the facilities at the Port of Olympia:

- Logs
- General Cargo (cattle, locomotives, and construction equipment)

It should be emphasized that commodity-specific impacts are not estimated for each of the economic sectors described in the last section. Specific impacts could not be allocated to individual commodities with any degree of accuracy for the marine construction and the government category.

## 3. ECONOMIC IMPACTS GENERATED BY CARGO ACTIVITY AT THE PORT OF OLYMPIA MARINE TERMINALS

The economic impacts generated by marine cargo handled at the Port of Olympia marine terminals are summarized in Table II-1.

**Table II-1**  
**Economic Impacts of Cargo Activity at the Port of Olympia**

	<b>MARITIME</b>
<b>JOBS</b>	
DIRECT	212
INDUCED	205
INDIRECT	<u>45</u>
TOTAL	461
<b>PERSONAL INCOME (MILLIONS)</b>	
DIRECT	\$14.3
RE-SPENDING/LOCAL CONSUMPTION	\$29.3
INDIRECT	<u>\$2.4</u>
TOTAL	\$46.1
<b>BUSINESS REVENUE (MILLIONS)</b>	\$20.8
<b>LOCAL PURCHASES (MILLIONS)</b>	\$5.6
<b>STATE/LOCAL TAXES (MILLIONS)</b>	\$3.5
<b>FEDERAL TAX REVENUE (MILLIONS)</b>	\$5.7

Totals may not add due to rounding

As this table indicates, maritime activity (cargo and vessel activity) at the Port of Olympia Marine Terminal supported the following economic impacts:

- 212 direct jobs;
- 205 induced jobs were supported by the purchases of the 212 directly employed individuals;
- 45 indirect jobs were generated as a result of \$5.6 million of local purchases by firms directly dependent upon seaport activity at the Port of Olympia marine cargo facilities;
- The 212 direct employees earned \$14.3 million of wages and salaries, for an average salary of \$67,640 per year.

- Businesses providing services to the cargo activity received \$20.8 million of business revenue; this is direct revenue from the provision of services and does not include the value of the cargo moved via the marine terminal. The value of the cargo is determined by the demand for the cargo, not the specific port used.
- A total of \$3.5 million of state and local taxes were generated by seaport activity; in addition, a total of \$5.7 million of total federal taxes were collected.
- 1,903 jobs in the state of Washington were *related* to the cargo moving via the Port of Olympia, the majority of which are related to the logs handled at the Port. The 1,903 related job holders received \$66.0 million of total personal income. The related impacts include land preparation, maturing of the trees over the life cycle, purchases of supplies and equipment to harvest the trees, and the actual harvesting of the trees. This related measure quantifies the total value of the logs handled at the Port of Olympia, based on the tonnage moved at the Port. The value per ton of the logs is estimated from the USA Trade OnLine, which provides export commodity values per ton. The value of the logs handled at the port (dollar value multiplied by the tonnage handled at the Port) is then combined with the jobs per million dollars of output coefficient developed from the U.S. Bureau of Economic Analysis to estimate the jobs associated with this level of dollar output in the logging industry. The direct, induced and indirect jobs associated with logs at the Port of Olympia are then subtracted from the total related jobs impact to avoid double counting.

The logging operation created \$265.8 million of revenue and created \$6.2 million in state and local tax revenue. It is to be emphasized that these related impacts are not as directly dependent upon the Port of Olympia as the direct, induced and indirect impacts, since these logs could move via other Pacific Northwest Ports, although at higher transportation costs. If maritime cargo operations were to cease at the Port of Olympia, the related impacts with those involved in the logging operations would not be discontinued as would the direct, induced and indirect impacts, (although they would be reduced due to higher transportation costs.)

The next section details the employment impacts generated by the cargo activity.

#### 4. EMPLOYMENT IMPACTS

First, the total employment that is in some way related to the cargo activity at the Port of Olympia is estimated. Second, the subset of total employment that is judged to be totally dependent on maritime cargo activity is analyzed in the following ways. Direct jobs are estimated in terms of key job categories (e.g., trucking jobs, terminal operators, and towing). Induced and

indirect jobs generated by local purchases made by those directly employed as a result of cargo activity are then described.

### 4.1 TOTAL CARGO RELATED JOBS

It is estimated that 461 jobs in the Olympia regional economy are in some way supported by cargo and vessel activity at the Port of Olympia

- 212 direct jobs are supported by cargo activity at the Port of Olympia. These jobs are classified as direct jobs and if activity at the Port of Olympia were to cease, these jobs would be discontinued over the short term.
- 205 are employed by providing goods and services to the 212 individuals directly involved with port activity. Consequently, employment in this group is as directly supported by port activity as the first group.
- Firms directly dependent on the Port of Olympia made \$5.6 million of local purchases for office supplies, parts and equipment, maintenance and repair services, business services, utilities, communications services and fuel. These purchases supported 45 indirect jobs in the local economy.
- In addition to the direct, induced and indirect jobs supported by cargo activity, 1,903 jobs are related to the cargo activity at the Port, but not directly dependent on the Port as are the direct, induced and indirect jobs. These jobs are with the logging industry producing the logs exported and handled at the Port, and these jobs are dependent on the demand for the logs, not the use of the Port of Olympia.

## 4.2 DIRECT JOB IMPACTS

As a result of port activity, 212 full-time jobs were directly supported by cargo activity at the Port of Olympia<sup>1</sup>. Table II-2 presents the distribution of the 212 direct jobs by type of job. As this table shows, a large job impact is with surface transportation, followed by employment with terminals and the ILWU. Eighty-six truckers are employed by moving cargo to and from the terminals, while 38 full time equivalent members of the ILWU are employed by cargo activity at Olympia. In addition, another 34 jobs are directly supported with terminal operators. The largest impact is with truck drivers.

**Table II-2**  
**Direct Employment Impacts by Job Category**

IMPACT CATEGORIES	DIRECT JOBS
<b>SURFACE TRANSPORTATION</b>	
RAIL	0.3
TRUCK	<u>86</u>
<b>SUBTOTAL</b>	<b>86</b>
<b>MARITIME SERVICES SECTOR</b>	
TERMINAL EMPLOYEES	34
ILWU	38
SHIP ASSIST	5
PILOTS	1
MARITIME SERVICES/FORWARDERS/AGENTS	10
MARINE CONSTRUCTION/SHIP REPAIR	8
GOVERNMENT	<u>15</u>
<b>SUBTOTAL</b>	<b>111</b>
<b>PORT OF OLYMPIA</b>	<b>14</b>
<b>TOTAL</b>	<b>212</b>

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<sup>1</sup> Jobs are measured in terms of full-time equivalent workers working 2,080 hours per year. If a worker is employed only 50% of the year, the job is reported as 0.5 direct jobs.

### 4.3 INDUCED JOBS

The regional purchases by the 212 direct jobholders with the direct income earned from port activity create additional jobs throughout the regional economy. In calendar year 2020, \$14.3 million in wages (\$67,640 average annual wages) was received by those 212 directly employed by cargo activity at the Port of Olympia. As the result, re-spending of this income for purchases in the state of Washington supported an additional 205 induced jobs.

### 4.4 INDIRECT JOBS

The firms directly dependent upon the vessel and cargo activity at the Port of Olympia made \$5.6 million of purchases from local (in-state) suppliers of parts and equipment, business services, maintenance and repair services, communications and utilities, office equipment, and fuel. The purchases supported 45 local indirect jobs. These are purchases by the firms directly dependent on providing services to the Port. The purchases are adjusted by the degree of dependency of each firm on the cargo activity at the Port, as are the employees and revenue.

If maritime activity at the Port of Olympia were to cease, these indirect jobs would also be lost. To estimate these indirect jobs, actual local expenditures by port-dependent firms were estimated from the telephone surveys. To estimate the indirect jobs, the local expenditures were used as inputs into a regional input-output model developed for Washington State for Martin Associates by the U.S. Bureau of Economic Analysis, Regional Input-Output Modeling System.

### 4.5 RELATED JOBS

In addition to the direct, induced, and indirect jobs, Martin Associates developed an estimate of jobs related to cargo moving via the Port. It's estimated that 1,903 jobs with the regional logging operations are related to log cargo moving via the Port of Olympia's marine cargo terminal and also processed and handled at the Port. As noted earlier in this chapter, it must be emphasized that these jobs are only related jobs, not jobs solely dependent upon the Port of Olympia.

## 5. REVENUE, INCOME AND TAX IMPACTS

The maritime activity at the Port of Olympia marine terminal generates revenue for the directly dependent firms providing services to the vessels and cargo calling the Port. For example, revenue is received by surface transportation firms (local trucking firms) as a result of moving export cargo to the marine terminal and then distributing the imported commodities inland after receipt at the terminals. The firms in the maritime service sector receive revenue from arranging for transportation services, cargo handling, and providing services to vessels in

port. Marine construction firms receive revenue by providing new construction and repair work at the marine terminals. The Port of Olympia receives revenue from leases at the terminal it owns. In addition, revenue is received by shippers/consignees from the sales of cargo shipped or received via Olympia marine cargo facilities and from the sales of products made with raw materials received through the Port. Since this chapter is concerned with the revenue generated from providing maritime services, the shipper/consignee revenue (i.e., the value of the cargo shipped or received through the Port) will be excluded from the remaining discussion. Similarly, steamship lines' revenue from the ocean line haul portion of the cargo movements is excluded from the revenue impact, since very few vessels calling the Port are American flag vessels, and it is not likely that a large portion of the revenue from ocean transportation remains in the local or even national economy.

The revenue generated by port activity consists of many components. For example, gross revenue is used to pay employee salaries and taxes, it is distributed to stockholders, and it is used for the purchases of equipment and maintenance services. Of these components, only three can be isolated geographically with any degree of accuracy. The personal income component of revenue can be traced to geographic locations based on the residence of those receiving the income. The local purchases by firms dependent upon maritime activity at the Port of Olympia terminals are identified through the interviews and used to estimate the indirect job impacts. Finally, state and local taxes paid by individuals and businesses can be traced to a geographic location based on the residency of the individuals directly employed and the location of the firms dependent on maritime activity. The balance of the revenue is distributed in the form of non-local payments to firms providing goods and services, for the distribution of company profits to shareholders and to payment of federal taxes. Many of these firms and owners are located outside of Washington State, and, thus, it is difficult to trace the ultimate location of the distributed revenue (other than personal income, taxes and local purchases).

### 5.1 REVENUE IMPACT

The revenue impact is a measure of the *total economic activity* in the state that is generated by the cargo moving via the Port. In 2020, marine cargo activity at the Port generated a total of \$20.8 million of total economic activity in the region. The \$20.8 million is the direct business revenue received by the firms directly dependent upon the Port and providing maritime services and inland transportation services to the cargo handled at the marine terminals and the vessels calling the port.

The balance of the discussion focuses on the \$20.8 million of direct business revenue generated from the provision of services to the cargo and vessels handled at the Port. This does not include the value of cargo moved via the Port by the dependent shippers/consignees and key users. However, the local expenditures of these firms are included since if these firms were to leave the area, the local purchases would cease, and the revenue generated by the lines of business

that are dependent upon the use of the Port of Olympia would be lost.

Table II-3 presents the revenue received by impact category due to providing services to the cargo and vessels using the Port of Olympia.

**Table II-3**  
**Total Revenue Generated by Port Activity**

<b>IMPACT CATEGORIES</b>	<b>REVENUE (MILLIONS)</b>
<b>SURFACE TRANSPORTATION</b>	
RAIL	\$0.1
TRUCK	<u>\$8.7</u>
<b>SUBTOTAL</b>	<b>\$8.9</b>
<b>MARITIME SERVICES SECTOR</b>	
TERMINAL	\$3.1
ILWU	NA
SHIP ASSIST	\$0.6
PILOTS	\$0.5
MARITIME SERVICES/FORWARDERS/AGENTS	\$1.6
MARINE CONSTRUCTION/SHIP REPAIR	\$2.6
GOVERNMENT	<u>NA</u>
<b>SUBTOTAL</b>	<b>\$8.5</b>
<b>PORT OF OLYMPIA</b>	<b>\$3.5</b>
<b>TOTAL</b>	<b>\$20.8</b>

Note: Totals may not add due to rounding. Revenue for ILWU/dockworkers is included in terminal operator revenue

Firms in the surface transportation sector received \$8.9 million of revenue. The revenue generated by the surface transportation sector is based on the relevant modal (truck or rail) rate for a commodity multiplied by the tonnage of that commodity moved to and from the Port by the specified mode. The terminal operations at the Port received \$3.1 million from the handling of logs and general cargo.



### 5.2 PERSONAL INCOME AND CONSUMPTION IMPACT

As described earlier, the personal income received by those directly dependent upon port activity is one of the components of revenue that can be traced to the Olympia area. The direct income impact is estimated by multiplying the average annual earnings of each port participant, i.e., truckers, steamship agents, longshoremen etc., by the corresponding number of jobs in each category. The individual annual earnings in each category multiplied by the corresponding job impact resulted in \$14.3 million in personal income. This equates to an average annual salary of about \$67,640.

Based on data developed by the U.S. Bureau of Economic Analysis<sup>2</sup>, it is estimated that for every one dollar earned by Olympia area residents as a result of jobs directly generated by waterborne cargo activity, an additional \$2.04 of income would be created as a result of re-spending the direct income for purchases of goods and services in the state of Washington. This equates to a total of \$3.04 in personal income for each one dollar spent by those directly employed by providing transportation services to waterborne cargo transportation. Using a 3.04 personal income multiplier and direct personal income of \$14.3 million yields a total income and re-spending impact of about \$43.7 million. The difference between the \$43.7 million total income and local consumption impact and the \$14.3 million direct personal income impact is \$29.3 million. This \$29.3 million of re-spending and local consumption expenditures cannot be divided by the 205 induced jobs to estimate induced income, since the \$29.3 million re-spending impact also includes local consumption purchases by the individuals, and the division would overstate the induced salary. By adding the \$29.3 million of re-spending impact to the \$14.3 million of direct personal income impact, the total direct and induced/local consumption impact is estimated at \$43.7 million. This reflects the personal income multiplier of 3.04 for waterborne cargo transportation.

The indirect jobholders received \$2.4 million of personal wages and salaries. Combining the direct, induced and indirect income impacts and the local consumption expenditures impact, maritime cargo activity and non-maritime tenants at the Port of Olympia marine terminal supported nearly \$46.1 million of total direct, induced, indirect wages and salaries and consumption expenditures in the state of Washington.

### 5.3 LOCAL PURCHASES

The firms directly dependent upon the maritime activity at the Port of Olympia made \$5.6 million of purchases in the state of Washington. These purchases were directly dependent on the activity levels of the firms as they relate to the Port of Olympia marine cargo activity. These purchases were for maintenance and repair services, utilities, communications services,

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<sup>2</sup> U.S. Department of Commerce, Bureau of Economic Analysis, RIMSII, 2018.

office products, parts and equipment, fuel, etc. The \$5.6 million of purchases supported the 45 indirect jobs described in the previous chapter.

### 5.4 TAX IMPACTS

State and local tax impacts are based on state and local tax burdens for the state of Washington, which are developed from data provided by the Tax Foundation<sup>3</sup>. Maritime activity at Port of Olympia supported \$3.5 million of state and local taxes, of which about \$2.2 million was collected at the state level, and the balance at the local level.

In addition, \$5.7 million of federal taxes were supported by cargo activity at the Port of Olympia. This estimate is based on tax indices developed by the Tax Foundation.

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<sup>3</sup> The Tax Foundation is an educational organization formed in 1937 to provide American citizens with a better understanding of the tax system and the effects of tax policy ([www.taxfoundation.org](http://www.taxfoundation.org)).

### III. THE ECONOMIC IMPACT OF RECREATIONAL BOATING AT THE PORT OF OLYMPIA

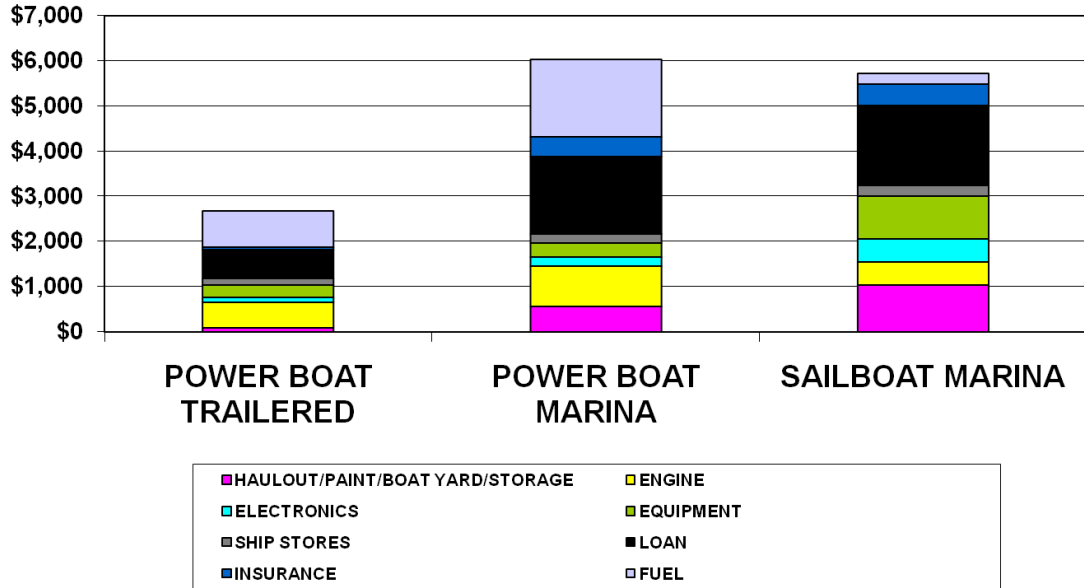
The Port of Olympia owns and operates a 650 permanent slip and 70 guest slip marina, which creates substantial economic impacts in the Olympia regional economy. The impacts created by the recreational boating activity include the impacts generated by the vessels moored at the marina, as well as the impacts of transient boats that temporarily use the marina. To estimate the impacts, Martin Associates developed a profile and inventory of recreational boats, by type moored, at the Swantown Marina. In 2020, Swantown Marina averaged an 83 percent occupancy rate, or approximately 540 recreational boats moored at the Port of Olympia Swantown Marina. An additional 62 boats were trailered and stored on Port property.

To develop the impact data, Martin Associates conducted interviews with tenants at the marina and Boatworks. The results of these surveys were used directly in estimating marina tenant impacts. Next, typical annual expenditures by type of moored boat were developed from published sources, including:

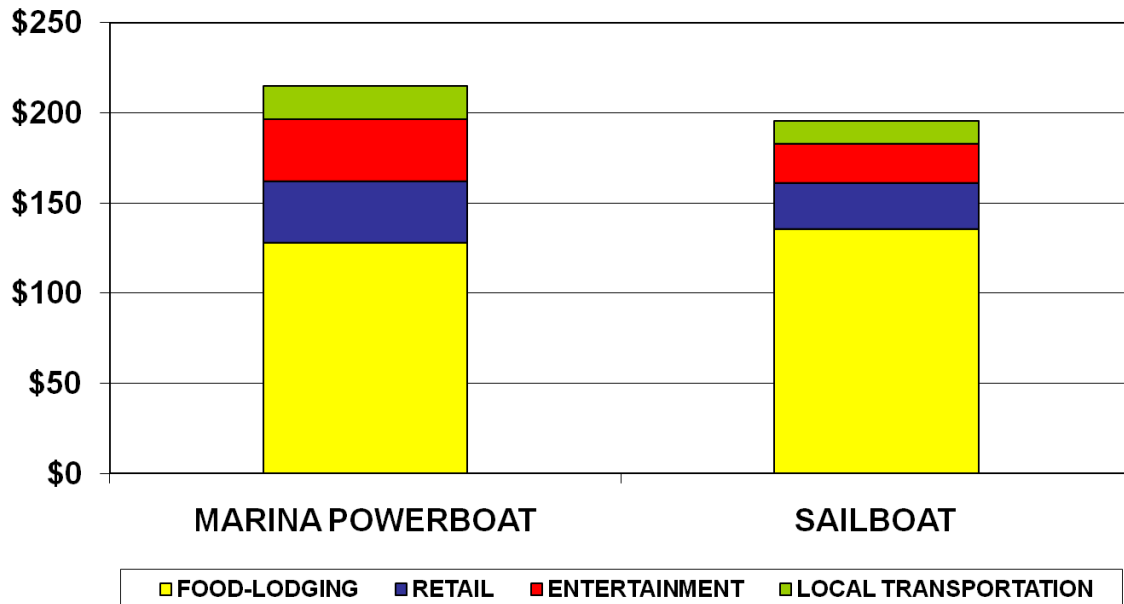
- Boating 2000: A Survey of Boater Spending In Maryland, University of Maryland Sea Grant Program;
- Measuring the Values of Marinas, 2004, Recreational Marine Research Center, Michigan State University;
- Interviews with Northwest Marine Trade Association;
- Marine Manufacturers Association;
- The Economic Impact of Michigan’s Recreational Boating Industry, Michigan State University, Ed Mahoney;
- Marine Operators Association of America; and
- Clean Vessel Act, Michigan Boating Survey, 1994-1995.

Table III-1 shows the breakdown of annual purchases by type of boat as developed from the “Boating 2000: A Survey of Boater Spending in Maryland”, Maryland Sea Grant Program, University of Maryland and “Measuring the Value of Marinas”, 2004. Table III-2 shows the breakdown for local spending by transient boat operations and adjusted for inflation.

**Table III-1**  
Annual Purchases by Recreational Boats Moored at the Port of Olympia Marina



**Table III-2**  
Local Spending per Trip for Transient Boats



## The Economic Benefits of the Port of Olympia

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These annual purchases per boat are multiplied by the number of boats in each category at the marina. The annual purchases by type of boat at the Port's marina are then converted into direct jobs using survey data from suppliers and marina support services firms interviewed by Martin Associates.

The local purchases per trip for transient calls at each marina are converted into jobs, income and revenue impacts using a visitor's industry model developed for Olympia-Tumwater MSA. Indirect impacts are developed from local purchases data supplied by support services providers including equipment suppliers and repair firms.

Table III-3 shows the impacts of the Port of Olympia's Swanton Marina.

**Table III-3**  
**Economic Impact of Recreational Boating at the Port of Olympia Swantown Marina and Boatworks, 2020**

<b>SWANTOWN MARINA AND BOATWORKS</b>	
<b>JOBS</b>	
DIRECT	82
INDUCED	62
INDIRECT	<u>62</u>
TOTAL	206
<b>PERSONAL INCOME (MILLIONS)</b>	
DIRECT	\$4.1
RE-SPENDING/LOCAL CONSUMPTION	\$8.3
INDIRECT	<u>\$2.3</u>
TOTAL	\$14.6
BUSINESS REVENUE (MILLIONS)	\$9.7
LOCAL PURCHASES (MILLIONS)	\$4.7
STATE/LOCAL TAXES (MILLIONS)	\$1.4
FEDERAL TAX REVENUE (MILLIONS)	\$1.9

In 2020, the recreational boating activity at the Port of Olympia Swantown Marina generated the following economic impacts.

## The Economic Benefits of the Port of Olympia

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- 82 direct jobs were created by recreational boating activity at the Port of Olympia marina.
- As a result of purchases by these 82 direct jobs, 62 induced jobs were supported in the local economy.
- As the result of \$4.7 million of local purchases by the firms dependent upon recreational boating activity at the Port of Olympia marina, 62 indirect jobs were supported in the local economy.
- The 82 direct jobs holders received \$4.1 million of direct wages and salaries. As the result of the re-spending impact, an additional \$8.3 million of personal income and local consumption expenditures were supported. The indirect jobholders received \$2.3 million of indirect wages and salaries.
- The marina operations generated \$9.7 million of business revenue excluding the sale of boats.
- \$1.4 million of state and local taxes were generated by the Port of Olympia marina activity.
- \$1.9 million of federal taxes were also generated by Port of Olympia marina activity.

## **IV. ECONOMIC IMPACT OF THE PORT OF OLYMPIA REAL ESTATE HOLDINGS – Olympia Regional Airport, Peninsula Properties, Lacey Commerce Business Center**

The Port’s real estate holdings include three separate lines of business – the Olympia Regional Airport (including the NewMarket Industrial Campus (NMIC)), Peninsula Properties, and the Lacey Commerce Business Center. Each line of business is discussed separately.

With respect to the real estate analysis, the impacts created with the real estate tenants of Port of Olympia are supported by the demand for the goods and services produced by the tenants, and not by activity specific to transportation services provided by the Port of Olympia. As a result, the impacts supported by tenants of the Port’s real estate holdings are not as directly dependent upon the Port of Olympia as are the seaport and airport impacts. Some of these companies are located on Port-owned property as a direct result of efforts by the Port of Olympia to recruit them and would likely not have located in Olympia otherwise. Other firms would likely have located in Olympia regardless of the Port’s efforts and infrastructure investment. Therefore, the economic impacts of the real estate activity should be viewed as impacts at a point in time by tenants located on Port property, and further these impacts are the result of the tenants that have chosen to locate on Port of Olympia property. This location choice may reflect the desire of these tenants to locate on prime real estate property on which the Port has, through investment developed the necessary infrastructure, including road and utility access. This infrastructure investment by the Port has occurred in a stagnant economy, and at the risk of the Port in undertaking infrastructure investment with municipal non-taxable bonds and grants, secured at lower interest costs than would be the case otherwise. Thus, the Port of Olympia’s investment at lower infrastructure and development financing costs allows businesses to form and or operate in the region when private developers may not otherwise be able. This type of investing and business support fulfills one of the Port of Olympia’s primary purposes, that of economic development within Thurston County.

The impact analysis of the real estate tenants are based on a survey of 130 tenants and sub-tenants. Martin Associates developed a separate real estate impact model to estimate the impacts of these tenants on the Olympia economy. In addition, the impact model can be used to assess the impacts of potential uses of Port-owned property, including, office, restaurant, retail, and industrial uses.

### **1. PORT OF OLYMPIA REGIONAL AIRPORT (INCLUDING NEWMARKET INDUSTRIAL CAMPUS)**

The Olympia Regional Airport is a vital part of the national airspace system, as well as an integral component of the southern Seattle-Tacoma Metropolitan Area transportation infrastructure within Thurston County. The Airport, which is designated a general aviation (GA)

facility by the FAA's national Plan of Integrated Airport Systems (NPIAS), represents a significant regional economic asset and supports numerous aviation-related businesses and facilities. General Aviation includes all aspects of aviation except commercial passenger service and military tenancy. The primary use of the property is by the Port's real estate tenants, whose business activities include fixed base operations, restaurants, light manufacturing, and government and commercial offices. The economic impacts of the NewMarket Industrial Campus are also included in the Olympia Regional Airport line of business to reflect the current accounting/financial reporting practices of the Port of Olympia.

Within this line of business, the Olympia Regional Airport (including the NewMarket Industrial Campus,) the Port of Olympia leases land to tenants for office and commercial space, retail space, restaurants, and light industrial activity. In addition to leasing land, the Port of Olympia has developed the necessary infrastructure to attract businesses to the City of Olympia, Thurston County, and the state of Washington. Essentially these are tenants of the Port of Olympia that are not included in the marine cargo or marina divisions.

The Olympia Area Regional Airport site consists of Fixed Base Operators (FBOs) servicing general aviation flights in and out of Olympia Regional Airport, a Federal Aviation Administration (FAA) Control Tower and numerous state aviation components including Washington State Department of Transportation, Washington State Patrol, and Washington Department of Natural Resources Aviation Fire Fighting Division. Other tenants operate aircraft maintenance and repair, avionics, a flight museum and recreational activities such as a golf course, trampolining, and batting cages. Several offices, restaurants and retail stores are also located on the Port of Olympia's Airport property. NewMarket Industrial Campus is part of the Olympia Area Regional Airport. Tenants at the NewMarket Industrial Campus include offices, Tumwater School District, hotels, warehousing and distribution tenants and a public library. The NewMarket Industrial Campus tenants benefit from proximity and access to I-5.

Table IV-1 summarizes the economic impacts of the Port of Olympia Regional Airport and NewMarket Industrial Campus.



**Table IV-1**  
**Economic Impacts of the Port of Olympia Regional Airport (Including NewMarket Industrial Campus)**

	NEW MARKET CAMPUS	OLYMPIA REGIONAL AIRPORT	TOTAL
<b>JOBS</b>			
DIRECT	1,426	219	1,645
INDUCED	681	105	786
INDIRECT	<u>645</u>	<u>108</u>	<u>753</u>
TOTAL	2,752	432	3,184
<b>PERSONAL INCOME (MILLIONS)</b>			
DIRECT	\$72.7	\$11.2	\$84.0
RE-SPENDING/LOCAL CONSUMPTION	\$58.3	\$9.0	\$67.4
INDIRECT	<u>\$29.3</u>	<u>\$5.4</u>	<u>\$34.7</u>
TOTAL	\$160.4	\$25.6	\$186.0
<b>BUSINESS REVENUE (MILLIONS)</b>			
	\$314.5	\$34.4	\$348.9
<b>LOCAL PURCHASES (MILLIONS)</b>			
	\$87.8	\$9.9	\$97.7
<b>STATE/LOCAL TAXES (MILLIONS)</b>			
	\$16.7	\$2.3	\$18.9
<b>FEDERAL TAX REVENUE (MILLIONS)</b>			
	\$27.2	\$3.9	\$31.1

Note: Totals may not add due to rounding

As summarized in Table IV-1, the Port of Olympia Regional Airport (including NewMarket Industrial Campus) tenants create the following economic impacts due to the level of business activity of these tenants in 2020:

- 1,645 direct jobs are with these real estate tenants, and as the result of local purchases by these direct employees; another 786 induced jobs are supported in the Olympia regional economy. These tenants made \$97.7 million of local purchases, supporting 753 indirect jobs. This indirect impact reflects the dependency on the local economy supply infrastructure for port tenants such as business offices, industrial firms, etc.
- The 1,645 direct employees of the Port’s real estate tenants received \$84.0 million of wages and salaries. As the result of the local purchases by these employees, another \$67.4 million of income and local consumption expenditures were generated, resulting in the

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induced job impact. The 753 indirect jobholders received \$34.7 million of indirect wages and salaries for a total personal income and local consumption impact of \$186.0 million

- The Port tenants of Olympia Regional Airport and NewMarket Industrial Campus received \$348.9 million of revenue, of which \$97.7 million was used for local purchases, as identified from the surveys of these tenants. These local purchases supported the 753 local indirect jobs.
- The Port of Olympia tenants supported \$18.9 million of state and local taxes, and \$31.1 million of federal taxes

Table IV-2 shows the composition of the tenants of the Olympia Regional Airport and the NewMarket Industrial Campus. As this table indicates, the majority of the real estate tenant impacts occur at the NewMarket Industrial Campus. This reflects not only the number of tenants located within the NewMarket Industrial Campus, but also the composition of the tenants, as a larger share of these tenants are involved in office and distribution activity.

**Table IV-2**  
**Composition and Economic Impact of Tenants of the Olympia Regional Airport and NewMarket Industrial Campus**

	DIRECT JOBS	INDUCED JOBS	INDIRECT JOBS	TOTAL JOBS	DIRECT INCOME (Millions)	RESPENDING LOCAL CONSUMPTION (Millions)	INDIRECT INCOME (Millions)	TOTAL INCOME (Millions)	REVENUE (Millions)	LOCAL PURCHASES (Millions)	TAXES (Millions)	
<b>NEW MARKET INDUSTRIAL CAMPUS</b>												
OFFICE	413	224	102	739	\$27.18		\$21.81	\$4.79	\$53.78	\$47.32	\$9.02	\$3.77
MANUFACTURING	192	82	102	376	\$7.51		\$6.02	\$4.36	\$17.89	\$75.10	\$9.96	\$1.85
EDUCATION/LIBRARY/CHILDCARE	227	123	41	391	\$14.96		\$14.88		\$28.86	\$21.02	\$6.58	\$2.20
WAREHOUSE/DISTRIBUTION STORAGE	255	105	34	394	\$9.21		\$7.39		\$18.71	\$48.24	\$5.06	\$1.48
LIGHT INDUSTRIAL	286	127	350	763	\$12.32		\$9.89	\$15.39	\$37.59	\$118.98	\$55.33	\$6.99
HOTEL/RESTAURANT	41	16	16	73	\$1.19		\$0.96	\$0.75	\$2.91	\$3.13	\$1.73	\$0.31
RECREATION	12	4	1	17	\$0.33		\$0.26	\$0.03	\$0.62	\$0.74	\$0.07	\$0.04
SUBTOTAL	1,426	681	645	2,752	\$72.70		\$58.34	\$29.31	\$160.35	\$314.52	\$87.75	\$16.66
<b>OLYMPIA REGIONAL AIRPORT</b>												
LIGHT INDUSTRIAL	39	18	16	73	\$1.85		\$1.49	\$0.90	\$4.24	\$6.75	\$1.39	\$0.35
FBO	79	41	22	142	\$4.77		\$3.82	\$1.00	\$9.59	\$10.69	\$1.98	\$0.70
HANGARS/STORAGE	22	8	3	33	\$0.48		\$0.39	\$0.15	\$1.02	\$6.60	\$0.39	\$0.09
GOVT/TOWER	30	16	3	49	\$2.02		\$1.62	\$0.15	\$3.80	\$0.00	\$0.44	\$0.25
FARMING	19	8	60	87	\$0.62		\$0.50	\$2.97	\$4.09	\$6.18	\$5.37	\$0.67
OFFICE	17	8	2	28	\$0.89		\$0.71	\$0.13	\$1.72	\$2.40	\$0.22	\$0.11
RESTAURANT	8	3	1	11	\$0.16		\$0.13	\$0.04	\$0.32	\$0.38	\$0.11	\$0.03
RETAIL	5	3	0	9	\$0.45		\$0.36	\$0.01	\$0.82	\$1.35	\$0.06	\$0.05
RECREATION/MUSEUM	1	0	0	1	\$0.02		\$0.01	\$0.00	\$0.03	\$0.05	\$0.01	\$0.00
SUBTOTAL	219	105	108	432	\$11.25		\$9.02	\$5.35	\$25.63	\$34.38	\$9.94	\$2.26
<b>TOTAL</b>	<b>1,645</b>	<b>786</b>	<b>753</b>	<b>3,184</b>	<b>\$83.95</b>		<b>\$67.36</b>	<b>\$34.67</b>	<b>\$185.98</b>	<b>\$348.90</b>	<b>\$97.70</b>	<b>\$18.92</b>

## 2. PENINSULA PROPERTIES

In downtown Olympia, the Port of Olympia developed Peninsula Properties. Many retail stores and offices are located downtown Olympia in Market Centre and Market Place Buildings. Several restaurants, a radio station, and a coffee roasting company are also located on Peninsula Properties. Peninsula Properties is also home to the Olympia Farmer's Market Table IV-3 summarizes the impacts for the Peninsula Properties.

**Table IV-3**  
**Economic Impacts of the Peninsula Properties**

	<b>PENINSULA PROPERTIES</b>
<b>JOBS</b>	
DIRECT	630
INDUCED	281
INDIRECT	<u>202</u>
TOTAL	1,112
<b>PERSONAL INCOME (MILLIONS)</b>	
DIRECT	\$27.6
RE-SPENDING/LOCAL CONSUMPTION	\$22.1
INDIRECT	<u>\$7.8</u>
TOTAL	\$57.5
<b>BUSINESS REVENUE (MILLIONS)</b>	\$62.6
<b>LOCAL PURCHASES (MILLIONS)</b>	\$15.5
<b>STATE/LOCAL TAXES (MILLIONS)</b>	\$4.5
<b>FEDERAL TAX REVENUE (MILLIONS)</b>	\$8.3

As summarized in Table IV-3, due to the level of business activity of these tenants in 2020 the Port of Olympia Peninsula Properties tenants create the following economic impacts.

In calendar year 2020, the Peninsula Properties tenants of the Port of Olympia had the following economic impact.

- 630 direct jobs are employed by these tenants, and as the result of local purchases by these direct employees; another 281 induced jobs are supported in the Olympia regional economy. These tenants made \$15.5 million of local purchases, supporting 202 indirect jobs. This indirect impact reflects the dependency on the local economy supply infrastructure for port tenants such as business offices, industrial firms, retail outlets, etc.
- The 630 directly employed workers received \$27.6 million of wages and salaries. As the result of the local purchases by these employees, another \$22.1 million of income and

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local consumption expenditures were supported, resulting in the induced job impact. The 202 indirect jobholders received \$7.8 million of indirect wages and salaries for a total personal income and local consumption impact of \$57.5 million.

- The Port tenants of the Peninsula Properties received \$62.6 million of direct revenue, and made \$15.5 million of local purchases, as identified from the surveys of these tenants. These local purchases supported the 202 local indirect jobs
- The Port of Olympia tenants of the Peninsula Properties supported \$4.5 million of state and local taxes, and \$8.3 million of federal taxes.

The breakdown of the Peninsula Properties by type of tenants is shown in Table IV-4. As this table shows, office space creates the largest economic impact by the tenants of the Peninsula Properties, followed by retail, farmers market, recreation, and restaurants.

**Table IV-4**  
**Economic Impact of Peninsula Properties by Type of Tenant**

	DIRECT JOBS	INDUCED JOBS	INDIRECT JOBS	TOTAL JOBS	DIRECT INCOME (Millions)	RESPENDING LOCAL CONSUMPTION (Millions)	INDIRECT INCOME (Millions)	TOTAL INCOME (Millions)	REVENUE (Millions)	LOCAL PURCHASES (Millions)	TAXES (Millions)
<b>PENINSULA PROPERTIES</b>											
OFFICE	301	152	72	525	\$17.27		\$13.85	\$34.52	\$34.46	\$6.43	\$2.48
RETAIL/FARMERS MARKET/RECREATION	177	63	74	313	\$3.96		\$3.18	\$9.32	\$11.98	\$4.47	\$0.90
RESTAURANT	89	34	29	152	\$2.68		\$2.15	\$5.58	\$5.16	\$1.33	\$0.42
LIGHT INDUSTRIAL	50	24	6	79	\$2.52		\$2.03	\$0.29	\$4.84	\$6.41	\$0.70
PORT OF OLYMPIA	14	9	20	43	\$1.16		\$0.93	\$3.25	\$4.57	\$2.59	\$0.40
<b>TOTAL</b>	<b>630</b>	<b>281</b>	<b>202</b>	<b>1,112</b>	<b>\$27.58</b>		<b>\$22.13</b>	<b>\$57.50</b>	<b>\$62.58</b>	<b>\$15.52</b>	<b>\$4.53</b>

### 3. LACEY COMMERCE BUSINESS CENTER

The Port of Olympia purchased the Lacey Commerce Business Center in 2017. This is the Port's first property investment in the city of Lacey. Lacey Commerce Business Center consists of three industrial flex space buildings located in the Meridian Campus area of Lacey. The buildings are home to a number of tenants, primarily office and retail tenants. Several light industrial and commercial businesses are also tenants in Lacey. Additional space is currently available for lease. Table IV-5 summarizes the impacts for the Lacey Commerce Business Center.

**Table IV-5**  
**Economic Impacts of the Lacey Commerce Business Center**

	<b>LACEY COMMERCE BUSINESS CENTER</b>
<b>JOBS</b>	
DIRECT	41
INDUCED	19
INDIRECT	<u>6</u>
<b>TOTAL</b>	<b>66</b>
<b>PERSONAL INCOME (MILLIONS)</b>	
DIRECT	\$2.1
RE-SPENDING/LOCAL CONSUMPTION	\$1.7
INDIRECT	<u>\$0.3</u>
<b>TOTAL</b>	<b>\$4.1</b>
<b>BUSINESS REVENUE (MILLIONS)</b>	<b>\$5.9</b>
<b>LOCAL PURCHASES (MILLIONS)</b>	<b>\$0.8</b>
<b>STATE/LOCAL TAXES (MILLIONS)</b>	<b>\$0.3</b>
<b>FEDERAL TAX REVENUE (MILLIONS)</b>	<b>\$0.6</b>

As summarized in Table IV-5, tenants located at the Lacey Commerce Business Center create the following economic impacts in calendar year 2020.

- 41 direct jobs are employed by these tenants, and as the result of local purchases by these direct employees; another 19 induced jobs are supported in the Olympia regional economy. These tenants made \$0.8 million of local purchases, supporting 6 indirect jobs. This indirect impact reflects the dependency on the local economy supply infrastructure for port tenants such as business offices, industrial firms, retail outlets, etc.
- The 41 directly employed workers received \$2.1 million of wages and salaries. As the result of the local purchases by these employees, another \$1.7 million of income and local consumption expenditures were supported, resulting in the induced job impact. The 6 indirect jobholders received \$0.3 million of indirect wages and salaries for a total personal income and local consumption impact of \$4.1 million.

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- The Port tenants of the Peninsula Properties received \$5.9 million of direct revenue, and made \$0.8 million of local purchases, as identified from the surveys of these tenants. These local purchases supported the 6 local indirect jobs.
- The Port of Olympia tenants of the Peninsula Properties supported \$0.3 million of state and local taxes, and \$0.6 million of federal taxes.

The breakdown of the Lacey Commerce Business Center by type of tenants is shown in Table IV-6. As this table shows, office space creates the largest economic impact by the tenants of the Lacey Commerce Business Center Properties, followed by retail.

**Table IV-6**  
**Economic Impact of Lacey Commerce Business Center by Type of Tenant**

	DIRECT JOBS	INDUCED JOBS	INDIRECT JOBS	TOTAL JOBS	DIRECT INCOME (Millions)	RESPENDING LOCAL CONSUMPTION (Millions)	INDIRECT INCOME (Millions)	TOTAL INCOME (Millions)	REVENUE (Millions)	LOCAL PURCHASES (Millions)	TAXES (Millions)	
<b>LACEY COMMERCE BUSINESS CENTER</b>												
COMMERCIAL	7	3	4	14	\$0.31		\$0.25	\$0.21	\$0.76	\$1.17	\$0.39	\$0.08
LIGHT INDUSTRIAL	2	1	2	5	\$0.09		\$0.07	\$0.09	\$0.24	\$0.43	\$0.29	\$0.04
OFFICE	23	11	0.2	34	\$1.22		\$0.98	\$0.01	\$2.21	\$2.58	\$0.04	\$0.13
RETAIL	9	4	0.4	14	\$0.48		\$0.39	\$0.02	\$0.88	\$1.76	\$0.11	\$0.06
<b>TOTAL</b>	<b>41</b>	<b>19</b>	<b>6</b>	<b>66</b>	<b>\$2.10</b>		<b>\$1.68</b>	<b>\$0.32</b>	<b>\$4.10</b>	<b>\$5.93</b>	<b>\$0.83</b>	<b>\$0.30</b>

## V. COMPARISON TO 2015 IMPACTS

### 1. TOTAL CHANGES 2015-2020

Martin Associates conducted the Port of Olympia Economic Impact Study in 2015 using a similar methodology as in this current study. Therefore, the level of impacts supported by port activities can be compared over time. Table V-1 shows the total Port of Olympia impacts in both 2015 and 2020.

**Table V-1**  
**Summary of the Total Economic Impacts from the Port of Olympia, 2015 and 2020**

	2015	2020	CHANGE
<b>JOBS</b>			
DIRECT	2,400	2,609	209
INDUCED	1,168	1,354	187
INDIRECT	<u>830</u>	<u>1,067</u>	<u>237</u>
TOTAL	4,397	5,030	633
<b>PERSONAL INCOME (MILLIONS)</b>			
DIRECT	\$106.1	\$132.0	\$26.0
RE-SPENDING/LOCAL CONSUMPTION	\$96.0	\$128.8	\$32.8
INDIRECT	<u>\$34.0</u>	<u>\$47.5</u>	<u>\$13.5</u>
TOTAL	\$236.1	\$308.3	\$72.3
BUSINESS REVENUE (MILLIONS)	\$287.7	\$447.9	\$160.2
LOCAL PURCHASES (MILLIONS)	\$90.3	\$124.4	\$34.1
STATE/LOCAL TAXES (MILLIONS)	\$22.2	\$28.6	\$6.5
FEDERAL TAX REVENUE (MILLIONS)	\$43.2	\$47.7	\$4.5

Total jobs increased by 633 from 2015 to 2020. Direct jobs increased by 209 over this time, while induced jobs, which are driven by the purchases of the direct job holders, as well as the ratio of non-consumption driven jobs to direct jobs, increased by 187. Indirect jobs increased by 237 jobs over the same period, reflecting the increase of \$34.1 million of local purchases.

Total personal income, business revenue, local purchases and state and local taxes

supported by port activity have all increased over the five-year period from 2015 to 2020. The average salary for total port activity supported direct job holders has increased from \$44,204 to \$50,604.

### 2. CHANGES TO MARITIME CARGO IMPACTS

Between 2015 and 2020, the total number of jobs supported by Port of Olympia marine cargo activity decreased by 102 jobs. Direct jobs decreased by 37 jobs. Induced employment decreased by 48, while indirect jobs decreased by 17 jobs. The overall loss was driven by a decrease in general cargo tonnage handled at the marine terminal from 146,000 tons of cargo in 2015 to 5,500 tons of cargo in 2020. The lost tonnage is attributed to the loss of imported bagged proppants which were railed from the Port of Olympia Marine Terminal to the Bakken shale formation in North Dakota to be used in crude oil extraction. The North Dakota Bakken shale crude oil extraction business has dried up since 2014. Oil prices per barrel have gone from a year high of \$107.95 per barrel in 2014 to a year low of \$11.26 per barrel in 2020.<sup>4</sup> Log exports fell slightly from 139.6 MBF handled at the terminal in 2014 to 115.9 MBF exported in 2020. The Port of Olympia is currently on track to have a record year of log exports, exceeding 150 MBF in 2021. The Port has also attracted several new cargos in 2021 including new rice shipments. Port staff are actively marketing the on dock clear span warehouse with adjacent on dock rail. Table V-2 compares the total impacts from 2015 against those from 2020.

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<sup>4</sup> <https://www.macrotrends.net/1369/crude-oil-price-history-chart>



**Table V-2**  
**Total Economic Impacts Supported by Port of Olympia’s Maritime Cargo, 2015 and 2020**

	MARITIME 2015	MARITIME 2020	CHANGE
JOBS			
DIRECT	249	212	-37
INDUCED	253	205	-48
INDIRECT	<u>62</u>	<u>45</u>	<u>-17</u>
TOTAL	564	461	-102
PERSONAL INCOME (MILLIONS)			
DIRECT	\$15.5	\$14.3	-\$1.1
RE-SPENDING/LOCAL CONSUMPTION	\$34.0	\$29.3	-\$4.6
INDIRECT	<u>\$3.2</u>	<u>\$2.4</u>	<u>-\$0.8</u>
TOTAL	\$52.6	\$46.1	-\$6.5
BUSINESS REVENUE (MILLIONS)	\$33.0	\$20.8	-\$12.2
LOCAL PURCHASES (MILLIONS)	\$6.8	\$5.6	-\$1.2
STATE/LOCAL TAXES (MILLIONS)	\$4.9	\$3.5	-\$1.4
FEDERAL TAX REVENUE (MILLIONS)	\$9.6	\$5.7	-\$3.9

### 3. SWANTOWN MARINA AND BOATWORKS IMPACT COMPARISONS

The economic impact of Swantown Marina and Boatworks activity at the Port of Olympia increased from 2015 to 2020. The increase in overall jobs is directly related to Swantown Marina occupancy rate growth from 78 percent in 2015 to 83 percent in 2020. The Port of Olympia also finished a dry storage expansion at the end of 2019, increasing the number of boats stored at Swantown Marina. Also, the number of guest transient nights increased to a record 2,618 nights in 2020. Table V-3 presents a comparison of the impacts of the Port of Olympia’s Swantown Marina and Boatworks Activity from 2015 to 2020.

**Table V-3**  
**Impacts of Swantown Marina and Boatworks Activity, 2015 and 2020**

<b>SWANTOWN MARINA AND BOATWORKS</b>	<b>2015</b>	<b>2020</b>	<b>CHANGE</b>
<b>JOBS</b>			
DIRECT	75	82	7
INDUCED	47	62	15
INDIRECT	<u>58</u>	<u>62</u>	<u>4</u>
<b>TOTAL</b>	180	206	26
<b>PERSONAL INCOME (MILLIONS)</b>			
DIRECT	\$3.5	\$4.1	\$0.5
RE-SPENDING/LOCAL CONSUMPTION	\$4.7	\$8.3	\$3.6
INDIRECT	<u>\$2.1</u>	<u>\$2.3</u>	<u>\$0.1</u>
<b>TOTAL</b>	\$10.4	\$14.6	\$4.3
<b>BUSINESS REVENUE (MILLIONS)</b>	\$7.0	\$9.7	\$2.7
<b>LOCAL PURCHASES (MILLIONS)</b>	\$4.2	\$4.7	\$0.5
<b>STATE/LOCAL TAXES (MILLIONS)</b>	\$1.0	\$1.4	\$0.4
<b>FEDERAL TAX REVENUE (MILLIONS)</b>	\$1.9	\$1.9	\$0.0

### 4. CHANGES TO OLYMPIA REGIONAL AIRPORT

Between 2015 and 2020, the total number of direct employees with the tenants located on Port of Olympia land at the Olympia Regional Airport and NewMarket increased by 168. Total

jobs increased by 544 jobs. The increase in direct jobs is attributed to growth of an aviation company and a new office tenant located at the Olympia Regional Airport. In addition, the Washington Department of Transportation Aviation Division was not included in the 2015 study. Growth at New Market is attributed to the Tumwater School District adding jobs to help with online learning during the Covid-19 Pandemic, the Thurston County Sherriff's office added jobs, and continual growth of e-commerce spurred an increase in jobs in the warehousing and distribution sector. Several new tenants also located at New Market Industrial Campus since the 2015 study including, Commercial Insulation, Mission Glass, RHD Enterprises, and Western Superior Products. Table V-4 compares the total impacts of Olympia Regional Airport, including NewMarket, from 2015 against those from 2020.

**Table V-4**  
**Total Economic Impacts supported by Olympia Regional Airport (includes NewMarket),**  
**2015 and 2020**

	<b>2015 TOTAL</b>	<b>2020 TOTAL</b>	<b>CHANGE</b>
<b>JOBS</b>			
DIRECT	1,477	1,645	168
INDUCED	625	786	162
INDIRECT	<u>538</u>	<u>753</u>	<u>215</u>
<b>TOTAL</b>	2,640	3,184	544
<b>PERSONAL INCOME (MILLIONS)</b>			
DIRECT	\$63.7	\$84.0	\$20.2
RE-SPENDING/LOCAL CONSUMPTION	\$41.9	\$67.4	\$25.4
INDIRECT	<u>\$22.7</u>	<u>\$34.7</u>	<u>\$12.0</u>
<b>TOTAL</b>	\$128.3	\$186.0	\$57.6
<b>BUSINESS REVENUE (MILLIONS)</b>	\$202.4	\$348.9	\$146.5
<b>LOCAL PURCHASES (MILLIONS)</b>	\$67.4	\$97.7	\$30.3
<b>STATE/LOCAL TAXES (MILLIONS)</b>	\$12.1	\$18.9	\$6.9
<b>FEDERAL TAX REVENUE (MILLIONS)</b>	\$23.5	\$31.1	\$7.6

**5. CHANGES TO PENINSULA PROPERTIES**

Between 2015 and 2020, the total number of direct employees with the tenants located on the Port’s downtown land increased by 32. Several new office tenants as well as a new light industrial tenant have driven the growth of direct jobs located on Peninsula Properties. The Port of Olympia added two jobs in their real estate division since 2015. Total jobs increased by 99 over the same period. Table V-5 compares the total impacts of Peninsula Properties from 2015 against those from 2020.

**Table V-5  
Total Economic Impacts supported by Port of Olympia’s Peninsula Properties, 2015 and 2020**

	<b>2015 PENINSULA PROPERTIES</b>	<b>2020 PENINSULA PROPERTIES</b>	<b>2020/ 2015 CHANGE</b>
<b>JOBS</b>			
DIRECT	598	630	32
INDUCED	243	281	38
INDIRECT	<u>172</u>	<u>202</u>	<u>30</u>
<b>TOTAL</b>	1,013	1,112	99
<b>PERSONAL INCOME (MILLIONS)</b>			
DIRECT	\$23.4	\$27.6	\$4.2
RE-SPENDING/LOCAL CONSUMPTION	\$15.4	\$22.1	\$6.8
INDIRECT	<u>\$6.0</u>	<u>\$7.8</u>	<u>\$1.8</u>
<b>TOTAL</b>	\$44.7	\$57.5	\$12.8
<b>BUSINESS REVENUE (MILLIONS)</b>	\$45.3	\$62.6	\$17.3
<b>LOCAL PURCHASES (MILLIONS)</b>	\$11.9	\$15.5	\$3.6
<b>STATE/LOCAL TAXES (MILLIONS)</b>	\$4.2	\$4.5	\$0.3
<b>FEDERAL TAX REVENUE (MILLIONS)</b>	\$8.2	\$8.3	\$0.1

## VI. COVID IMPACTS

Martin Associates conducted the Port of Olympia’s Economic Impact Study in the summer months of 2021. The 2021 impact study is based on 2020 data. During the time data was collected for the study, the United States was still experiencing a global pandemic which significantly impacted the United States economy. Therefore, Martin Associates collected data for 2020 and 2019 primarily for the Port of Olympia’s real estate tenants. The restaurant, hotel, and retail industries were severely impacted during the pandemic. Martin Associates developed impact models for the Port of Olympia for both 2020 and 2019 in order to measure the effects the global pandemic has had on the Port of Olympia’s lines of business. As stated, Martin Associates primarily measured the pandemic effects of the real estate line of business. Besides finishing an uplands boat storage project and a marina occupancy rate increasing from 82 percent in 2019 to 83 percent in 2020, Swantown Marina and Boatworks impacts remained relatively constant between 2019 and 2020. Same holds true for marine cargo between 2019 and 2020.

Exhibit VI-1 below illustrates the impacts the global pandemic had on the Port of Olympia’s real estate business. Olympia Regional Airport, including New Market, Peninsula Properties, and Lacey Commerce Business Center experience significant impact due to the global pandemic. Exhibit VI-1 below illustrates how the Port’s real estate tenants were impacted between 2019 and 2020.

**Exhibit VI-1**  
**2020 Covid Impacts to the Port of Olympia**

	2019	2020	CHANGE
<b>JOBS</b>			
DIRECT	2,466	2,315	-151
INDUCED	1,149	1,087	-62
INDIRECT	<u>1,029</u>	<u>960</u>	<u>-69</u>
TOTAL	4,644	4,362	-282
<b>PERSONAL INCOME (MILLIONS)</b>			
DIRECT	\$118.9	\$113.6	-\$5.3
RE-SPENDING/LOCAL CONSUMPTION	\$95.4	\$91.2	-\$4.2
INDIRECT	<u>\$45.5</u>	<u>\$42.8</u>	<u>-\$2.7</u>
TOTAL	\$259.8	\$247.6	-\$12.2
<b>BUSINESS REVENUE (MILLIONS)</b>	\$454.6	\$417.4	-\$37.2
<b>LOCAL PURCHASES (MILLIONS)</b>	\$121.9	\$114.0	-\$7.9
<b>STATE/LOCAL TAXES (MILLIONS)</b>	\$25.1	\$23.8	-\$1.4
<b>FEDERAL TAX REVENUE (MILLIONS)</b>	\$42.5	\$40.0	-\$2.5

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NewMarket experienced the biggest impact due to the global pandemic losing 75 direct jobs between 2019 and 2020. The light industrial sector was hit the hardest, followed by the education/library/childcare sector. It is more difficult for the light industrial sector to social distance due to the nature of their work and the inability to work from home. As more people were working from home, childcare was not as greatly needed, and many libraries shut in-person operations throughout the United States. However, Tumwater School District added personnel to assist in on-line learning during the 2020 school year. NewMarket has several tenants providing recreational activities. Some of these activities, however, are indoor and experienced a decline in jobs and revenue due to social distancing rules and regulations.

Following NewMarket, Peninsula properties experienced the second greatest effects of the global pandemic. Several large restaurants and several retail tenants are based downtown Olympia on Peninsula Properties. Restaurants with products that do not work well for delivery and takeout have been impacted greater than other fast food and fast casual restaurants. Being located on the water, fine dining and scenic restaurants located in Peninsula Properties were greatly impacted during the pandemic. The retail and fashion industry trail behind the restaurant industry when it comes to impacts in the wake of Covid-19 and gift shops as well as men's and women's clothing retailers were hit the hardest.

Although experiencing slight declines due to the pandemic, Olympia Regional Airport and Lacey Commerce Business Center did not experience negative impacts to the extent of NewMarket and Peninsula Properties. Many of the airport businesses were considered essential and were allowed to remain open. Professional businesses like lawyers, architects, accountants, and other offices were among the least affected by the pandemic due to their ability to work remotely.

With more vaccinations in 2021 and the United States achieving herd immunity in the future, there is hope the real estate tenants will return to pre-pandemic levels.