

2015 Economic Impact of Port Tampa Bay: *Executive Summary*

Conducted by Martin Associates
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Overview of Port Tampa Bay

Port Tampa Bay, located on the Gulf of Mexico, is one of Florida's major ports and is a key node in the Southeast transportation system. Port Tampa Bay has historically handled bulk and break bulk cargos, including phosphate, steel and petroleum, and has also been a leader in the shipbuilding industry. Port Tampa Bay over the past decade has impressively advanced its container-handling capabilities and seen a rapid growth in regional distribution facilities. In

FY2015, the Port's public and private terminals handled more than 37 million tons of cargo – nearly one-third of all cargo moving in and out of the state of Florida. This embraces virtually every imaginable commodity, including vehicles and oversized project cargos, from all corners of the world. At the same time, the Port of Tampa Bay has emerged among the top eight U.S. cruise ports, smoothly handling nearly 900,000 passenger moves a year.

Economic Impact Analysis Methodology

Martin Associates was retained by Tampa Port Authority to measure the local and regional economic impacts generated by cargo and vessel activity at Port Tampa Bay. The study employs methodology and definitions that have been used by Martin Associates over the past 30 years to measure the economic impacts of seaport activity at more than 300 ports in the United States and Canada.

The impacts are measured for fiscal year 2015 and are estimated in terms of jobs, personal earnings, business revenue, and state and local taxes. The economic model can be used to estimate annual updates, as well as test the sensitivity of the impacts to changes in factors such as marine cargo tonnage levels, labor

productivity, commodity mix, and inland origins/destinations of commodities. The model can also be used to evaluate impacts of new terminal development and conduct annual updates.

The study is based on interviews with 333 firms providing services to the cargo and vessels handled at Port Tampa Bay marine terminals, as well as cruise vessels, shipyards and the Port's non-maritime real estate holdings. These 333 firms represent 97% of the defined population of tenants and service providers in the Port's seaport community, underscoring the defensibility of the study. The data collected from the interviews was then used to develop these operational and economic models.

2015 Economic Impacts of Port Tampa Bay - Summary of Results

85,034 jobs supported by Port activity

- Direct Jobs: 16,040
- Induced Jobs: 12,937
- Indirect Jobs: 12,064
- Related Users: 43,994

\$17.2 billion of total economic value supported in the region

- \$2.2 billion in revenue to businesses supplying cargo and vessel handling services
- \$1.6 billion of re-spending of direct income and local consumption
- \$13.4 billion of related business revenue with Port users

\$5.1 billion total personal income and local consumption

- Direct: \$881 million
- Induced/Re-spending: \$1.6 billion
- Indirect: \$514.7 million
- Related Users: \$2.1 billion

\$612.2 million of state and local taxes

- Direct, Induced and Indirect: \$286.2 million
- Related Users: \$326 million

2015 Port Tampa Bay Economic Impact Results

The 37.4 million tons of cargo, 867,000 cruise passengers as well as shipyard and non-maritime real estate operations at Port Tampa in 2015 supported 85,034 direct, induced, indirect and related jobs in the Central Florida region. Of these 85,034 jobs, **16,040 direct jobs** were generated by marine cargo, cruise, shipyard and real estate activity. As a result of local and regional purchases by those 16,040 individuals, an additional **12,937 induced jobs** were supported in the regional economy. Another **12,064 indirect jobs** were supported by \$1.0 billion of local purchases made by businesses supplying services at the marine terminals and by businesses dependent on the marine terminals.



Jobs related to the marine cargo imported and exported via the public and private marine terminals accounted for 43,994 jobs. These jobs with shippers and consignees moving cargo through the marine terminals, are not dependent upon the Port marine terminals to the same extent as are the direct, induced, and indirect jobs. It is the demand for final products which creates the demand for the employment with these shippers/consignees, not the use of Port Tampa Bay terminals, and therefore these firms can and do use other ports.

The total economic value to the Florida is measured at **\$17.2 billion**. This includes the \$2.2 billion of direct business revenue, the re-spending and local consumption impact of \$1.6 billion and the related user output of \$13.4 billion. This dollar value represents the sphere of influence of the marine terminals, shipyards and non-maritime real estate holdings in 2015.



\$881 million of direct wages and salaries were received by those 16,040 directly employed, representing an average salary of \$55,000. As a result of re-spending this income, an additional \$1.6 billion of income and consumption expenditures was created. The 12,064 indirect job holders received \$514.7 million of indirect wages and salaries. An additional \$2.1 billion was received by the related port users. In total, **\$5.1 billion of personal income was supported by Port Tampa Bay operations.**

State and local taxes supported by activity at the Port Tampa Bay totaled **\$612.2 million**, which includes \$286.2 million of direct, induced, and indirect state and local revenue, as well as nearly \$326 million state and local taxes that were supported by the economic activity of related users of the cargo moving through the Port.

2012 vs 2015 Impacts Comparison

Martin Associates conducted the previous economic impact study for Port Tampa Bay based on FY2012 activity. Because the same methodology was used during both studies, direct comparisons can be made. Between 2012 and 2015, cargo activity at the Port's public and private marine terminals increased by 3.4 million tons. The overall growth in this tonnage was driven primarily by limestone and phosphatic fertilizers and petroleum products,

and, to a lesser extent, containerized and break bulk steel products. As a result, total jobs grew by 4,818 – specifically 1,279 direct, induced, and indirect jobs and an additional 3,539 jobs with local and related regional importers and exporters were supported by the cargo and vessel activity in 2015.

Summary

In summary, 85,034 jobs in the region were supported by the public and private marine terminals located in Port Tampa Bay. Additionally, the cargo, cruise, shipyard and real estate activity supported a total of \$17.2 billion of total economic activity. In order to continue to grow the economic contribution of Port Tampa Bay, it is critical that the Port continues to invest in facility and infrastructure in order to maintain and grow existing markets.