

2013 Economic Impact of the Port of Jacksonville: *Executive Summary*

Conducted by Martin Associates

www.martinassoc.net

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Overview of JAXPORT

The Jacksonville Port District consists of both public terminals which are owned and operated by the Jacksonville Port Authority (JAXPORT) as well as private marine terminals. The public marine terminals are those owned by JAXPORT which include Talleyrand Marine Terminal, Blount Island Marine Terminal and Dames Point Marine Terminal and are leased to terminal operators and marine terminal tenants such as

MOL/TraPac, Sea Star Lines, APM Terminals, American Port Services (AMPORTS), Wallenius Wilhelmsen Logistics, Coastal Maritime Stevedoring, Seaconus, Westway Trading, Martin Marietta, and Trailer Bridge. Private terminals included in the Jacksonville Port District are terminals such as JEA, Crowley Maritime, Keystone Terminal, Nustar Energy, and Chevron.



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Economic Impact Analysis

Martin Associates was retained by JAXPORT to estimate the economic impacts generated by **marine cargo activity** at these public and private marine terminals located within the Jacksonville Port District. This study focuses on impacts generated by marine cargo handled at the public and private marine facilities in Fiscal Year (FY) 2013. Impacts are estimated in terms of jobs, personal earnings, business revenue, and state and local taxes. In addition to the baseline impact estimates, computer models specific to each terminal operation have been prepared that can be used in evaluating the sensitivity of impacts to changes in tonnage, labor productivity, labor work rules, commodity mix,

inland origins/destinations of commodities and vessel size.

The study is based on a survey of 472 firms providing services to the cargo and vessels handled at the Port's marine terminals and the private terminals within Jacksonville's Port District. These 472 firms represent the defined population of tenants and service providers in the Port Authority's seaport community, underscoring the defensibility of the study. The data collected from the interviews and survey program was then used to develop operational and economic models of the public and private marine terminals located at Port of Jacksonville.

2013 Economic Impact of the Port of Jacksonville - Summary of Results

24,340 jobs generated by Port activity

- Direct Jobs: 9,667
- Induced Jobs: 10,100
- Indirect Jobs: 4,573

\$2.3 billion of business revenue

- \$2.3 billion direct revenue received by firms providing direct services to cargo and vessels

\$1.8 billion total personal income and local consumption

- **\$51,656:** Average salary for direct employee

\$168.9 million of state and local taxes

- Generated by activity at marine terminals
- \$84.2 million of state tax revenue
- \$84.7 million of county and local tax revenue

2013 Port of Jacksonville Economic Impact Results

24,340 direct, induced and indirect jobs in Florida are generated by the public and private marine terminals in 2013. Of these 24,340 jobs, **9,667 direct jobs** are generated by the marine cargo and vessel activity. The cargo activity at the port facilities owned by JAXPORT creates 6,911 of the direct jobs. In addition, there are 2,756 direct jobs created by the movement of containers, liquid bulk and dry bulk at the private terminals. Seventy-seven percent of these direct jobs are held by residents of Jacksonville/Duval County.



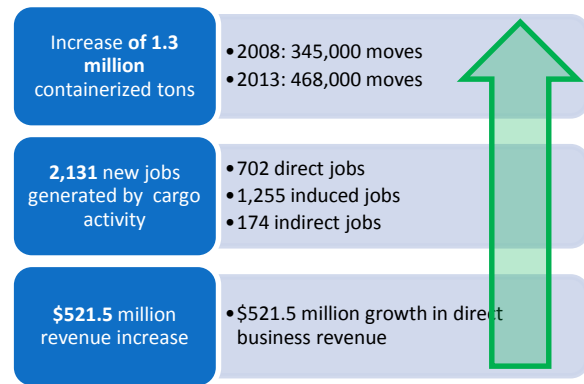
As the result of local and regional purchases by those 9,667 individuals holding the direct jobs, an additional **10,100 induced jobs** are supported in the regional economy. **4,573 indirect jobs** were supported by \$506.9 million of local purchases by businesses supplying services at the marine terminals and by businesses dependent upon the marine terminals. **108,260 jobs** are related to containerized cargo imported and exported via the public and private marine terminals. These jobs with Florida importers and exporters are considered to be related to activities at the public and private

marine terminals, but the degree of dependence on these terminals is less direct than the direct, induced and indirect impacts. The level of employment with the Florida exporters and importers is based on the demand for the specific products – consumer goods, auto parts, grocery products, beverages, medical equipment, pharmaceuticals, etc., not by the use of the marine terminals within the Jacksonville Port District

\$499.3 million of direct wages and salaries were received by those 9,667 directly employed, representing an average salary of \$51,656. As the result of re-spending this income, an additional \$1.1 billion of income and consumption expenditures were created. The 4,573 indirect job holders received \$220.2 million of indirect wages and salaries. In total, about **\$1.8 billion of direct, induced and indirect personal wages and salaries** were generated by maritime activity at the public and private terminals located in the Jacksonville Port District. Businesses providing services at the marine terminals received **\$2.3 billion of revenue**, excluding the value of cargo shipped through the public and private marine terminals.

\$168.9 million of state and local taxes were generated by activity at the marine terminals. The total economic value to the State of Florida of the marine cargo activity at the public and private marine terminals in 2013 is estimated at **\$26.9 billion**. This consists of the direct business revenue of \$2.3 billion, the re-spending and local consumption impact of \$1.1 billion, and the related user output of \$23.4 billion. This dollar value represents the sphere of influence of the public and private marine terminals in 2013.

2008 vs. 2013 Impact Comparison



The methodology used by Martin Associates to estimate the economic impacts generated by seaport activity in FY2013 is identical to the methodology used to estimate the economic impacts of the seaport in FY2008, and therefore, direct comparisons can be made.

Between 2008 and 2013, the total tonnage moving via the public and private marine terminals declined by nearly 4.4 million tons. The tonnage decline was driven by the reduction in dry bulk cargo, most notably cement and aggregates, as well as liquid bulk cargo. The decline in cement and aggregates reflects the impact of the recession on the housing and construction market in Northeastern Florida since 2009, as well as the dry and liquid bulk fuel receipts.



In contrast to the decline in liquid and dry bulk cargo, containerized cargo grew by more than

1.3 million tons. Actual containers handled at JAXPORT increased from approximately 345,000 moves in 2008 to 468,600 in 2013, a growth of more than 35 percent over 5 years. The majority of this growth was handled at the JAXPORT container terminals, and in particular at the MOL/TraPac Terminal, which was under construction at the time of the previous 2009 Impact Study. In fact, more than 50 percent of the 1.3 million tons of containerized cargo growth was driven by imported Asian cargo.



Fueled by the significant increase in containerized cargo, overall economic impacts generated at JAXPORT and the private marine terminals increased. Direct jobs grew by 702 jobs, while induced jobs grew by 1,255 and indirect jobs grew by 174. Overall, direct, induced and indirect jobs generated by the cargo and vessel activity at JAXPORT and the private marine terminals grew by 2,131 jobs, or nearly 10 percent since 2008, despite the economic recession during that time period.

Business revenue grew by \$521.5 million, and state and local tax revenue grew by \$40.2 million.

Cargo activity at the JAXPORT marine terminals accounted for the majority of the growth in economic impacts. The JAXPORT marine terminals accounted for about 80 percent of the growth in total jobs over the period and 90 percent of the growth in direct business revenue.