



Port of Morrow, Oregon



Economic & Community Benefits Analysis Update



December 12, 2017

ACKNOWLEDGEMENTS

This analysis was prepared independently by FCS GROUP with assistance from the Port of Morrow.

For more information about the Port of Morrow, visit:

www.portofmorrow.com

Port of Morrow Commissioners:

Jerry Healy, President

Rick Stokoe, Vice President

Larry Lindsay, Secretary

Marv Padberg, Commissioner

Joe Taylor, Commissioner

Port of Morrow Staff:

Gary Neal, General Manager

Lisa Mittelsdorf, Director of Economic Development

Eileen Hendricks, Controller

Prepared by:

FCS GROUP

(503) 841-6543

<http://www.fcsgroup.com>

EXECUTIVE SUMMARY

This report provides an analysis of the economic and fiscal impacts generated by the Port of Morrow (Port), along with the private businesses that depend upon the port for its land, buildings, facilities and infrastructure. Overall findings include:

- The Port of Morrow (Port) is the second largest Port (behind the Port of Portland), and is likely the largest single owner of vacant industrial land within the State of Oregon.
- The Port of Morrow contributes to the economic competitiveness of Oregon and the United States, by serving as the main point for freight distribution, export and value-added production of agricultural products (grains, root vegetables, cattle, and milk/dairy products) that are primarily grown in Oregon, Washington, Idaho, Montana, and Wyoming.
- Over the past several years, the Port of Morrow succeeded in diversifying the local/regional economy by accommodating state-of-the-art clean energy production facilities as well as high technology data centers. Economic sectors now served by the Port of Morrow include agriculture, food processing, livestock, transportation, warehousing and freight distribution, information, advanced communications, energy, waste management, and recreation.
- Land and capital infrastructure investments by the Port of Morrow have leveraged billions of private investment, which in-turn has created thousands of jobs and funding used to help pay for new community recreation, workforce training and early childhood education facilities.

The **permanent annual economic impact** of the Port of Morrow and Port-related businesses includes the following:

- Total “permanent” employment of 8,452 jobs
- Economic output of \$2.77 billion
- Gross domestic product (GDP) of \$1.08 billion
- Over \$500 million in labor income
- Local/state tax revenue/payments of over \$118 million (includes in lieu payments)
- Federal tax revenue/payments of nearly \$142 million

In comparison to the prior economic impact analyses conducted for the Port of Morrow, it is apparent the economic impact of the Port has increased measurably over the past several years.

Comparative findings indicate the following:

- Port-related businesses now account for nearly \$2.8 billion in annual output in 2017, up from \$1.8 billion in 2012 and \$896 million in 2006 (in inflation adjusted constant 2017 dollars).
- The share of direct economic output within Morrow and Umatilla counties attributed to Port-related businesses increased from 15% to 26% between 2006 and 2017.
- The share of direct employment that is considered to be Port-related accounts for 52% of all jobs in Morrow County in 2017, up from 36% in 2006.
- Port-related tenants are the primary economic engine within the Morrow and Umatilla county region.

In addition to “permanent” benefits from port-related business operations, public and private construction investment at the Port of Morrow industrial areas is having a measurable economic impact on the regional economy. **There is expected to be \$114.5 million in public infrastructure investment and \$1.96 billion in private capital investment at the Port of Morrow** during the five year analysis period: 2013-2018.

The annual average economic impact from these construction activities include:

- Total employment of 4,365 jobs
- Total GDP (value added) of over \$280 million
- Over \$200 million in labor income
- Aggregate local/state tax revenue and in lieu payments of over \$14 million
- Aggregate federal tax revenue/payments of over \$48 million

In addition to supporting construction businesses, the indirect and induced (secondary) benefits of the direct port-related business and construction spending generates over \$800 million in annual sales per year within Morrow and Umatilla counties. This supports secondary job creation in sectors such as: wholesale trade, health care, truck transportation, retail, restaurants, child care, real estate, and architectural/engineering design companies.

Currently, over four-fifths of the top 20 tax payers in Morrow County are considered to be port related. **Port related businesses accounted for nearly \$1.2 billion in Assessed Value in 2016 (up from \$720 million in 2012) and generated nearly \$17 million in annual local property tax payments (up from \$11 million in 2012).**

The Columbia River Enterprise Zone II (CREZ) is in place to provide locational incentives to businesses that meet minimum hiring (and wage) targets. **Over the past few years, CREZ has provided several million dollars in annual distribution for a wide variety of community benefits** including:

- Housing
- Education
- Public Safety
- Local Enhancements