

The Economic Impacts of the Troutdale Reynolds Industrial Park Development

Martin Associates provided the Port of Portland in 2009 with an estimate of the potential economic impact of the Troutdale-Reynolds Industrial Park. Martin Associates based these estimates on two main sources:

1. *The Economic Impacts of the Port of Portland Real Estate Tenants, 2006, John C. Martin Associates LLC*
2. *Troutdale Industrial Park Transportation Impact Analysis, DKS Associates, 2006*

Background, Methodology, and Inputs

John C. Martin Associates LLC is an economic and planning consulting firm, known nationally for their work with ports and airports, based in Pennsylvania. This firm has been doing economic impact modeling for the Port of Portland for more than a decade and has a client base that includes many of the largest seaport and airports in the United States.

In a previous study (*The Economic Impacts of the Port of Portland Real Estate Tenants, 2006*) Martin Associates provided impacts measured for the Port's industrial parks (Swan Island/Mocks Landing, Port Center, Rivergate, Troutdale Industrial Park, and Portland International Center). The impact analysis was based on a survey of 300 tenants and subtenants. These tenants represent a wide spectrum of economic activity, including construction, manufacturing, wholesale and retail trade, warehousing and distribution, business services and government agencies. It was from this surveying and regional knowledge that an economic impact model for the Port's industrial parks was created.

Basis for the Model:

Economic impacts generated by tenants are measured in terms of jobs, personal income, business sales revenue, and state and local taxes.

The individual tenants are first grouped into industry categories and then into industry sectors. Job, personal wage and salary income, revenue, square footage, etc., data is collected for each individual tenant. This individual firm data is then summed over the firms included in each industry sector.

Typical firm impacts can then be estimated for each industry category. A typical firm profile represents the "average" firm in the industry category. For example, the typical firm employment is based on the total employment of each tenant included in the industry category, divided by the total number of such firms in that sector.

A typical firm profile consists of the following information:

- Average direct employment per firm;
- Average annual earnings per employee (wages and salary);
- Average revenue (gross sales) per employee;
- Average employees per square foot of building space;
- Average local purchases.

The typical firm profile in a specific industry sector can be used when evaluating the potential impacts of a new company or firm considering locating on Port property.

Impacts are estimated by industry category and by industry segment, including:

- Job Impacts:
 - Direct Jobs;
 - Induced Jobs;
 - Indirect Jobs;
- Personal Earnings Impacts:
 - Direct Earnings;
 - Responding Effect;
 - Indirect Impacts;
- Business Revenue;
- Tax Impacts.

Additional Model Inputs:

Parcel configuration and use were based on assumptions used in the 2006 Traffic Impact Analysis report developed by DKS Associates. From this and the data Martin Associates had already compiled on Port industrial parks they then ran their model to estimate the impact of TRIP at full build out.

Final Output:

Port staff used the estimates prepared by Martin Associates to develop the table detailing the economic impact of the project-affected area as shown below.

TROUTDALE REYNOLDS INDUSTRIAL PARK (TRIP) ECONOMIC IMPACT			
	PROJECT-AFFECTED	OTHER TRIP	TOTAL TRIP
Acres	235	131	366
Jobs			
Direct	2,392	1,334	3,726
Induced	1,318	735	2,053
Indirect	1,372	765	2,137
TOTAL	5,083	2,833	7,916
Personal Earnings			
Direct	\$91,043,138	\$50,751,706	141,794,844
Induced/ Local Purchases	\$112,893,491	\$62,932,116	175,825,607
Indirect	\$86,829,284	\$48,402,707	135,231,991
TOTAL	\$290,765,912	\$162,086,529	452,852,441