



Working Waterfront Local Spending Analysis

August 2013

To better understand the relationships between large Portland marine industrial firms and local small- to medium-sized businesses that serve as their vendors and suppliers, five such large firms were interviewed about their spending on direct and indirect materials, services, and capital goods during 2011 and 2012. The resulting study and report, commissioned by the Portland Business Alliance, found far-reaching economic connections between the marine businesses and a variety of local small- and medium-sized businesses – and that most of the dollars spent stayed in our region, creating jobs in our local communities.

Tracking the Dollars

- Marine industrial businesses have a significant economic impact on local business. In 2012 alone, the five firms surveyed spent \$660 million on goods and services, of which more than 40 percent (\$280 million, the equivalent of 3.5 Rose Festivals) was infused into the local economy.¹
- Another 14 percent was spent regionally,² 31 percent nationally and 12 percent internationally in 2012.
- More than 80 percent of the local spending by these harbor firms (\$230 million) is for raw materials and components, and professional services, maintenance, catering and other services. Remaining expenditures are for machinery, spare parts, and construction materials.
- Local firms supported by these dollars include those involved in planning and architecture, engineering, law, transportation, graphic arts/media production, software and information technology, advanced manufacturing plant production equipment, energy and utilities, and skilled trades such as electricians.

Economic Benefits:

Spending by five representative large marine industrial firms during 2011 and 2012

\$1.29 billion

Estimated annual aggregate spending by all such Portland firms

\$6-7 billion

Proportion of these dollars spent locally/regionally in 2012

56 percent

Proportion spent locally in 2012

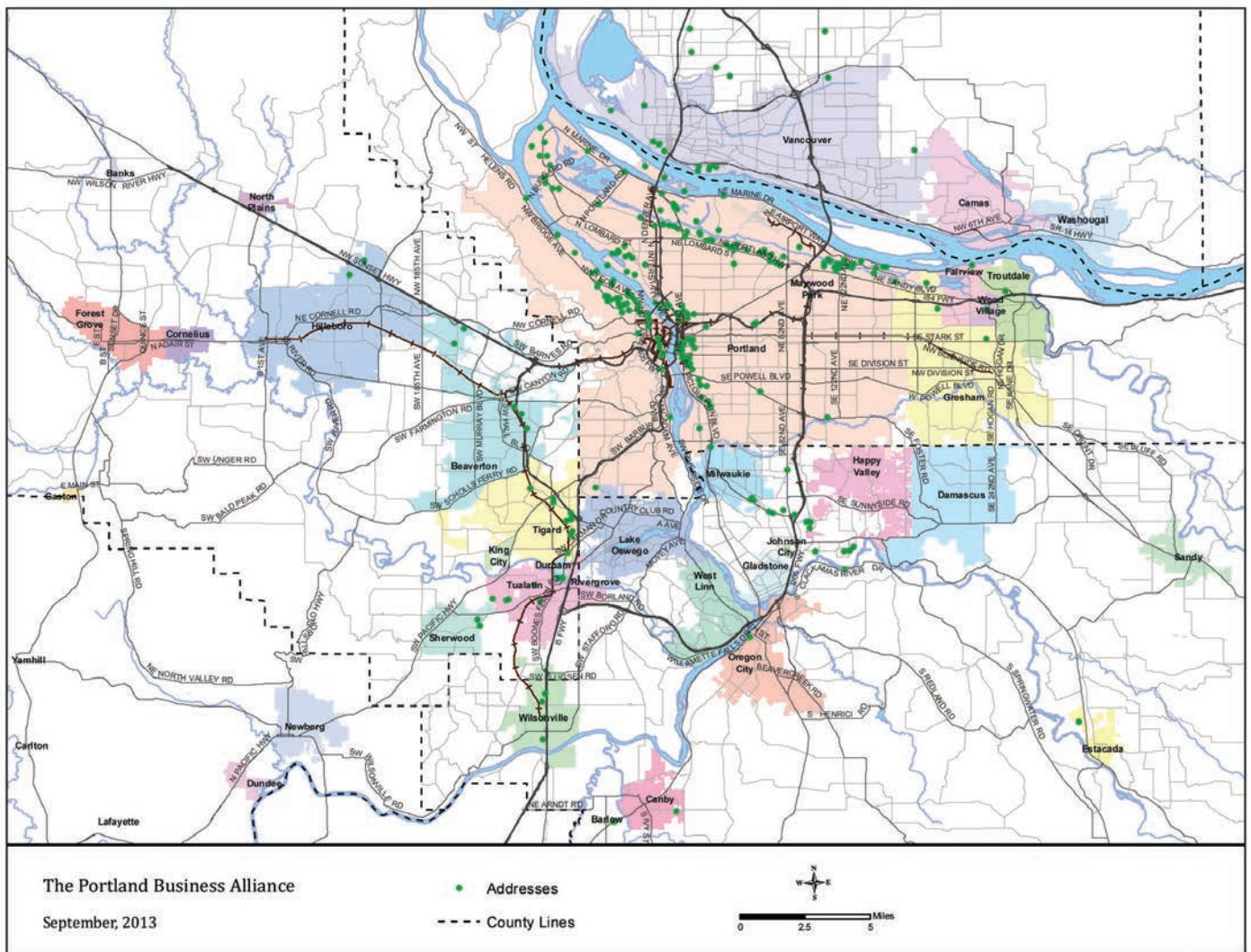
42 percent

Approx. number of local employers from which goods and services are commonly purchased by these firms

300

- Among specific local employers supported by these dollars: Evraz NA, Oregon Tractor, Redmond Heavy Hauling, Milwaukie Crane & Equipment, Swan Island Sandblasting, Albina Pipe Bending, West Coast Metals, Baxter Auto Parts, Parr Lumber, Elmer's Flag and Banner, Legacy Laboratory Services, Cascade Architectural & Engineering, Integra Telecom, Rodda Paint, and Elephant's Delicatessen.
- Except when highly specialized materials or expertise were not available locally, the large firms show a preference for working with local and regional firms.
- Even if spending on capital goods, materials and supplies goes to national or international firms, many maintain a local presence such as a distributor, service center, or local warehouse, with local employees and representatives.

These broad economic linkages illustrate the importance of considering indirect effects of public policy affecting public and private investment in marine industrial expansion, the study concluded. The impact of land use or other policies and their specific impact on industrial development decisions have wider, aggregate economic implications that should be factored in.



Map provided by Metro

¹Comprising Clackamas, Multnomah and Washington counties in Oregon and Clark County in Washington.

²Comprising the remaining areas of Oregon and Washington.