

Owner	Dan Fitz-Patrick	Record Type	Public Infrastructure
Proposal Name	INF-07968	Proposal Status	In Review
Name of Entity ⓘ	Manatee County Port Authority	Stage ⓘ	Proposed
FEIN	[REDACTED]		
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Azure Folder Name	INF-07968a9G8y00000008IM		
County	Manatee		
RAO ⓘ	No		
Permits Secured	No		

Program Requirements

Detailed Description

Project adds at least one fuel pit and six fuel lines to Berth 7 at SeaPort Manatee. Product fuel lines include: Regular Gas, Premium Gas, Diesel, Dyed Diesel, No 6 Oil, and Ethanol. Fuel lines will run approximately 1,445 feet from Berth 7 to the Port's tank farm. The tank farm is a multiuser facility, with users including: Circle K, Costco, Love's, Marathon, Metroplex Unbranded, RaceTrac, Shell, Speedway, Sam's Club and Wawa. SeaPort Manatee is responsible for the distribution fuel for eleven (11) counties, with 8 million residents. Southwest Florida's primary fuel berth, Berth 10, is > 50 years old and needs to be rebuilt. Project allows shifting of operations for 18-month reconstruction of Berth 10. After Berth 10 is rebuilt, Berth 7 will increase redundancy and capacity.

Location

500 National Street, Palmetto, FL 34221

Description of Econ Benefits

ECONOMIC RECOVERY, DIVERSIFICATION AND ENHANCEMENT: SeaPort Manatee is responsible for the distribution of fuel for eleven (11) counties, with 8 million residents. More than 90% of refined petroleum products arrive in Florida by water. On the west coast, SeaPort Manatee and Tampa Bay terminals supply approximately 40% of statewide consumption. On the east coast, Port Everglades, Port Canaveral, and Jacksonville terminals supply most of the eastern side of the state. SeaPort Manatee and Tampa Bay terminals share one shipping channel. SeaPort Manatee is 14 miles closer to the Gulf of Mexico than other facilities, limiting the total amount of shoaling that can occur. Should Tampa Bay terminals become inaccessible due to shoaling in the channel following a tropical storm event, SeaPort Manatee would be responsible for distributing fuel to the region, potentially including Tampa International Airport (TPA) and Orlando International Airport. Statewide, when ports are closed in one area of Florida due to heavy weather, fuel from other ports is trucked across the state to close gaps in supply chains. For example, in August 2019 Hurricane Dorian, a category 5 hurricane stalled off Florida's coast, requiring Port Canaveral and Port Everglades to remain shut for more than three days. Because Hurricane Dorian never made U.S. land fall, consumers continued to deplete local supplies, increasing the demand for fuel to be trucked across the state both during and after the storm. As another example, on April 12, 2023, Fort Lauderdale experienced historic flash flooding which generated 25.6 inches of rain within approximately 12 hours. Fuel had to be transported from Port Canaveral, SeaPort Manatee and Port Tampa Bay to meet the 12-county demand for fuel created by closure of Port Everglades. Shortages lasted from April 13th to April 19th and were exacerbated by panic sales. PROMOTE SPECIFIC JOB GROWTH: During reconstruction of Berth 10, the proposed improvements to Berth 7 will ensure that jobs are retained at the Port, and fuel continues to be distributed to eight million residents in southwest Florida. After reconstruction of Berth 10, redundant fuel infrastructure on Berth 7 will provide the Port with increased berthing flexibility. All of the port's berths are multi-user facilities. Having berthing flexibility allows the Port to maximize economic activity. For example, because the Port does not have redundancy, a berth might sit empty due to berth limitations, while another berth is experiencing congestion (i.e., one vessel on berth, and another vessel waiting at anchor until the berth is freed-up). SeaPort Manatee's Master Plan Update 2022 describes Berth Occupancy on page 8-7, noting that average port-wide berth occupancy is within the threshold for maximum berth occupancy (i.e., the Port is constrained / congested). Berth 10 is the most heavily utilized berth at 94% occupancy. And Berth 7 is one of the Port's most underutilized berthing facilities. Fuel users that are expected to benefit from the project include: Circle K, Costco, Love's, Marathon, Metroplex Unbranded, RaceTrac, Shell, Speedway, Sam's Club and Wawa. Other users that are expected to benefit from the berthing flexibility created by the project include: Agunsa Manatee Terminal, Air Products, Del Monte, Citrosuco North America Inc., Kinder Morgan, Logistec Gulf Coast LLC, Logistec USA Inc., Louis Dreyfus Commodities, Martin Marietta Inc., Mosaic Company, Seabulk Towing, Regional Rail, Vecenergy, World Direct Shipping. The North American Industry Classification System (NAICS) codes for the new net jobs include: 483111 Deep Sea Freight Transportation; 482111 Line-Haul Railroads; 482112 Short Line Railroads; 484110 General Freight Trucking, Local; 484121 General Freight Trucking, Long Distance, Truckload;

488310 Port and Harbor Operations; 488320 Marine Cargo Handling; 488330 Navigational Services to Shipping; 493110 General Warehousing and Storage; and, 493190 Other Warehousing and Storage. The project will retain at least 150 direct jobs related to fuel distribution. During construction of Berth 7 infrastructure, at least 50 jobs will be supported. During reconstruction of Berths 10/11 an estimated 319.2 jobs will be supported. After the proposed infrastructure at Berth 7 is completed, and Berth 10/11 is reconstructed, the Port expects to support at least one additional (new) vessel call a week, or 52 vessel calls a year. Minimum direct jobs supported by one vessel is 32 new jobs. Berthing flexibility created by the project is expected to relieve congestion at other berthing facilities, and increase the productivity of the port overall. Port wide, the project is also expected to support at least one additional (new) vessel call a week, or 52 vessel calls a year. The minimum total new jobs expected from the project is 64 jobs. BROADER ECONOMIC VISION: As of 2021, the Port supports 4,171 direct jobs and 37,287 total jobs (direct, induced, and indirect). As of 2021, the Port generates \$93,081,000 million dollars annually in state and local taxes, and the Port has a total economic impact of \$5,134,623,000 billion. SeaPort Manatee's Master Plan Update 2022 describes the Port's broader vision. The proposed project will provide capacity required to reconstruction Berths 10/11. After Berth 10/11 is taken out of service, Berths 6 and 8 will need to be rebuilt, and eventually Berth 7. A port is not a port without functional berths. These projects are critical for retaining and creating economic activity in southwest and central Florida.

Public Use or Benefit Public

Yes

Single Entity

No

Public Owned

Yes

Option to Purchase

Not Applicable

Property Owner

Manatee County Port Authority

Future Land & Zoning

The future land use is Industrial Heavy (IH) and the proposed infrastructure improvements conform to this use.

Program Specifics

Project Ready to Commence

Yes

Permits Needed

All work is expected to occur outside of the fuel terminal (i.e. tank farm). Work outside of the fuel terminal is regulated by U.S. Coast Guard. Port will coordinate with the U.S. Coast Guard. Port will coordinate with Manatee County for building permits related to fuel pits.

Permits Details

Permits will be acquired during design of the project. Design is expected to last 6 months and substantial completion of construction is expected within 18 months. Federal coordination will occur through the U.S. Coast Guard. The Port has expedited state permitting via Section 163.3253, F.S. The Port has expedited local permitting via Master Development Plan (PLN2104-0055).

Proposed start Date

1/1/2024

Proposed duration

545 Days

Amendment Needed

No

Project Local Match

No

Project Local Match Details

Local funding is being held in reserve to reconstruct Berth 10, southwest Florida's primary fuel berth. Reconstruction of Berth 10 is estimated to cost more than \$22,000,000.

Program Budget

Detailed Budget Narrative

Requests \$10,992,850 from Florida Job Growth Grant Fund. Award options include: Option A) All of the funds (\$10,992,850) can be awarded in fiscal year 2024; Option B) Half of the funds (\$5,496,425) can be awarded in fiscal year 2024, and the remaining amount (\$5,496,425) can be awarded in fiscal year 2025; Option C) All of the design funds (\$908,500) can be awarded in fiscal year 2024, and all of the construction funds (\$10,084,350) can be awarded in fiscal year 2025. Project costs are subject to public procurement. Any additional funding will be used to design and permit Berth 10 rehabilitation.

Requested Total

\$10,992,850.00

Source - City / County

\$0.00

Source – Private

\$0.00

Source – Other

\$0.00

Source - Other Details

Not applicable. Requests \$10,992,850 from Florida Job Growth Grant Fund.

Cost – Construction

\$9,085,000.00

Cost – Reconstruction

\$0.00

Cost - Design and Engineering

\$908,500.00

Cost - Land Acquisition

\$0.00

Cost - Land Improvement

\$0.00

Cost – Other

\$999,350.00

Cost - Other Details

10 percent contingency

Cost – Total

\$10,992,850

Project Request

Requests \$10.9 million from Florida Job Growth Grant Funds to increase the resiliency and redundancy of Florida's fuel distribution supply chain and retain jobs that support more than 8 million residents.

Florida's Fuel Supply Chain

- **Florida imports most fuel by water.** > 90% of refined petroleum products arrive in Florida by water.
- **Southwest.** SeaPort Manatee distributes fuel for eleven (11) counties, with 8 million residents.
- **West coast.** SeaPort Manatee and Tampa Bay terminals supply ~ 40% of statewide consumption.
- **East coast.** Port Everglades, Port Canaveral, and Jacksonville terminals supply most of east coast.

Project Increases Florida's Resiliency and Redundancy

- **Berth 10 rehab.** Southwest Florida's primary fuel berth is > 50 years old and needs to be rebuilt.
- **Band-aids have failed.** Summer 2022 improvements to extend life of Berth 10 have failed.
- **Scheduling of rehab is crucial.** Need to plan and schedule to take Berth 10 out of service, rather than being forced to take the berth out of service due to critical failure.
- **Project.** Project adds one fuel pit and six fuel lines to Berth 7, replicating capacity at Berth 10.
 - Product lines: Regular Gas, Premium Gas, Diesel, Dyed Diesel, No 6 Oil, and Ethanol.
- **Short-term resiliency.** Project allows shifting of operations for 18-month reconstruction of Berth 10.
- **Long-term redundancy.** After Berth 10 is rebuilt, Berth 7 will increase redundancy and capacity.

Project Part of Florida's Plan

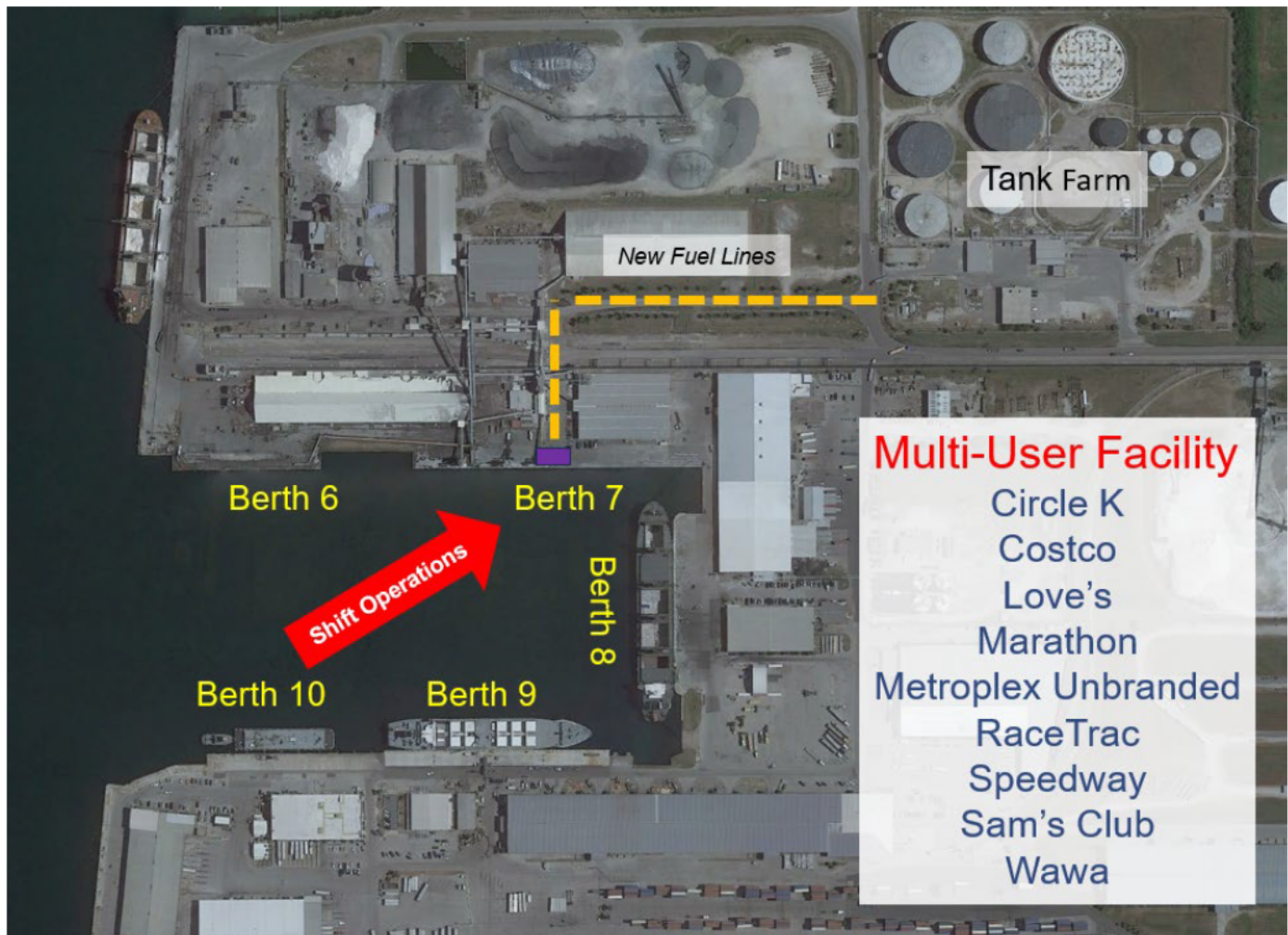
- **Florida ports act as a system.** When ports are closed in one area of Florida due to heavy weather, fuel from other ports is trucked across the state to close gaps in supply chains. For example:
 - **Hurricane Dorian, August 2019:** The category 5 hurricane stalled off Florida's coast, requiring Port Canaveral and Port Everglades to remain shut for more than three days. Because the Hurricane never made U.S. land fall, consumers continued to deplete local supplies, increasing the demand for fuel to be trucked across the state both during and after the storm.
 - **Fort Lauderdale floods, April 12, 2023:** Historic flash flood event generated 25.6 inches of rain within approximately 12 hours. Fuel had to be transported from Port Canaveral, SeaPort Manatee and Port Tampa Bay to meet the 12-county demand for fuel created by closure of Port Everglades. Shortages lasted from April 13th to April 19th and were exacerbated by panic sales.
- **Tampa Bay facilities complement each other.** SeaPort Manatee and Tampa Bay terminals share one shipping channel. SeaPort Manatee is 14 miles closer to the Gulf of Mexico than other facilities, limiting the total amount of shoaling that can occur. Should Tampa Bay terminals become inaccessible due to shoaling in the channel following a tropical storm event, SeaPort Manatee would be responsible for distributing fuel to the region, potentially including Tampa International Airport (TPA) and Orlando International Airport.
- **Risk of channel blockage.** Major channel blockage in Florida will disrupt distribution for >12 months.
- **Related projects statewide.** Port Tampa Bay's petroleum complex upgrades completed in 2015, Port Canaveral upgrades completed in 2020, Port Everglades Slip 1 upgrades underway, and SeaPort Manatee upgrades are planned.

Investment

Component	Estimate*
Piping \$500 x 1,445' x 6 Lines	\$ 4,335,000
Pit(s)	\$ 1,000,000
Earthwork and Paving \$1.5 M Acre x 2.5 Acres	\$ 3,750,000
Sub Total	\$ 9,085,000
Engineering and Construction Inspection (10%)	\$ 908,500
Sub Total	\$ 9,993,500
Contingency (10%)	\$ 999,350
Grand Total	\$ 10,992,850

*Project costs are subject to public procurement. Any additional funding will be used to design and permit Berth 10 rehabilitation.

Project Location Map



**THE LOCAL AND REGIONAL
ECONOMIC IMPACTS OF
SEAPORT MANATEE
2021**



Prepared
for:
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I. INTRODUCTION AND OVERVIEW

Martin Associates was retained by the Manatee County Port Authority (MCPA) to measure the local and regional economic impacts generated by maritime activity at SeaPort Manatee. Economic impacts generated at the cargo facilities include the impacts generated by containerized cargo (both dry and reefer), breakbulk (steel, aluminum, forest, super sacks salt, cement, fertilizer) liquid bulk (petroleum and citrus juice), dry bulk, (aggregates, stones, salt, magnetite, fertilizer products) and project cargo.

The study employs methodology and definitions that have been used by Martin Associates to measure the economic impacts of seaport activity at more than 300 ports in the United States and Canada, and at the leading airports in the United States. It is to be emphasized that only measurable impacts are included in this study. In order to ensure defensibility, the Martin Associates' approach to economic impact analysis is based on data developed through an extensive interview and telephone survey program of the firms participating in each of the lines of business operated by the MCPA. Specific re-spending models have been developed for the Tampa Bay area to reflect the unique economic and consumer profiles of the regional economy. To further underscore the defensibility of the study, standardized impact models, such as the MARAD Port Kit are not used. Instead, the resulting impacts reflect the uniqueness of the individual port operations, as well as the surrounding regional economy.

1. IMPACT DEFINITIONS

The impacts are measured in terms of:

- Jobs (direct, induced indirect and related users)
- Personal income
- Business revenue; and
- State and local taxes

Each impact measurement is described below:

- **Direct, Induced, and Indirect jobs - *Direct jobs*** are those that would not exist if activity at MCPA facilities were to cease. Direct jobs created by marine cargo activity at SeaPort Manatee's terminals are those jobs with the firms directly providing cargo handling and vessel services, including trucking companies, terminal operators and stevedores, members of the International Longshoremen's Association (ILA), non-union dockworkers, stevedores and customhouse brokers, vessel agents, pilots and tug assist companies, and shippers directly dependent upon the use of SeaPort Manatee, specifically the Florida phosphate and fertilizer industry.

Induced jobs are jobs created in the Tampa Bay area by the purchases of goods and services by those *individuals* directly employed by each of the SeaPort's lines of business. These jobs are based on the local purchase patterns of Tampa Bay area residents. The induced jobs are jobs with grocery stores, restaurants, health care providers, retail stores, local housing/construction industry, and transportation services, as well as with wholesalers providing the goods to the retailers.

Indirect jobs are created throughout the Tampa Bay area as the result of purchases for goods and services by the *firms* directly impacted by SeaPort Manatee activity, including the ship repair facilities, and the firms providing services to cargo operations. The indirect jobs are measured based on actual local purchase patterns of the directly dependent firms, and occur with such industries as utilities, office supplies, contract service providers, maintenance and repair, and construction.

Related shipper/consignee (related user) jobs include jobs with shippers and consignees (exporters and importers) using the marine terminals for shipment and receipt of cargo. The MCPA's shippers and consignees are concentrated with the state's phosphate mining and fertilizer manufacturing industries.

- **Personal income impact** consists of wages and salaries received by those directly employed by Port activity and includes a re-spending impact which measures the personal consumption activity in the Tampa Bay area of those directly employed as the result of SeaPort Manatee. Indirect personal income measures the wages and salaries received by those indirectly employed.
- **Business revenue** consists of total business receipts by firms providing services in support of the marine cargo activity and miscellaneous activity at MCPA facilities, film/television activity on SeaPort property, private construction investment on SeaPort property, and the MCPA administrative operations. **Local purchases for goods and services** made by the directly impacted firms are also measured. These local purchases by the dependent firms create the indirect impacts.
- **State and local taxes** include taxes paid by individuals as well as firms dependent upon SeaPort Manatee cargo activity.

2. METHODOLOGY

The impacts of SeaPort Manatee were estimated based on telephone and personal interviews with 112 firms in the Tampa Bay areas and in-house proprietary data bases. This represents the 98+% of the universe of the marine cargo, tenants, and service providers (with the exception of trucking and freight forwarding firms) in the Tampa Bay area, as defined in the "Port Manatee Golden Anniversary

Directory 2021” (via Port website), supplemental lists supplied by the MCPA as well as Martin Associates’ in-house databases developed over previous studies for the SeaPort. It is to be emphasized that a 98+% response rate was achieved from these firms located in the SeaPort directory and SeaPort tenant listings. The direct impacts are measured at the firm level of detail and aggregated to develop the impacts for each of the SeaPort’s lines of business. Each firm was surveyed to provide Martin Associates with detailed employment levels (both full time and part time), annual payroll, local purchases, and the residence of the employees. Data collected from MCPA includes: MCPA employment, tonnage, vessel calls, SeaPort revenues and expenditures to estimate the fiscal year 2021 impacts.

The induced impacts are based on the current expenditure profile of residents in the Tampa Bay area, as estimated by the U.S. Bureau of Labor Statistics, "Consumer Expenditure Survey 2019-2020". This survey indicates the distribution of consumer expenditures over key consumption categories for Tampa Bay area residents. The consumption categories are:

- Housing
- Food at Restaurants
- Food at Home
- Entertainment
- Health Care
- Home Furnishings
- Transportation Equipment and Services

The estimated consumption expenditure generated as a result of the respending impact is distributed across these consumption categories. Associated with each consumption category is the relevant retail and wholesale industry. Jobs to sales ratios in each industry are then computed for the Tampa Bay area, and induced jobs are estimated for the relevant consumption categories. It is to be emphasized that induced jobs are only estimated at the retail and wholesale level, since these jobs are most likely generated in the Tampa Bay area. Further levels of induced jobs are not estimated since it is not possible to defensibly identify geographically where the subsequent rounds of purchasing occur.

The “Consumer Expenditure Survey” does not include information to estimate the job impact with supporting business services, legal, social services, state and local governments, and educational services. To estimate this induced impact, a ratio of state of Florida employment in these key service industries to total state of Florida employment is developed. This ratio is then used with the direct and induced consumption jobs to estimate induced jobs with business/financial services, legal, educational, governmental, and other social services.

The indirect impacts are estimated based on the local purchases by the directly dependent firms, combined with indirect job, income, and revenue coefficients for the supplying industries in the state of

Florida as developed for Martin Associates by the U.S. Bureau of Economic Analysis, Regional Input/Output Modeling System.

3. ECONOMIC IMPACT MODEL

The impacts are measured for the MCPA's fiscal year 2021, and computer model has been developed to test the sensitivity of the impacts to changes in economic conditions and facility utilization. It is to be emphasized that this study is designed to provide a framework which the MCPA can use in formulating and guiding the future development of SeaPort facilities.

The cargo impact model is designed to test the sensitivity of impacts to changes in such factors as marine tonnage levels, seaport productivity and work rules, new marine facilities development, inland distribution patterns of marine cargo, number of vessel calls and the introduction of new ocean carrier service. The cargo impact model can also be used to assess the impact of developing a parcel of land as a marine terminal versus other non-cargo land uses. Finally, the marine cargo impact model can be used to assess the economic benefits of increased maritime activity due to infrastructure development and the opportunity cost of not undertaking specific maritime investments such as dredging, new terminal development or warehouse development.

4. SUMMARY OF RESULTS

Exhibit I-1 summarizes the results of the economic impacts of SeaPort Manatee.

Exhibit I-1
Economic Impact of SeaPort Manatee - Fiscal Year 2021

CATEGORY	CARGO
JOBS	
DIRECT	4,171
INDUCED	4,417
INDIRECT	2,708
RELATED USER JOBS	<u>25,990</u>
TOTAL JOBS	37,287
PERSONAL INCOME (1,000)	
DIRECT	\$231,850
INDUCED	\$552,660
INDIRECT	\$156,990
RELATED USER INCOME	<u>\$732,218</u>
TOTAL PERSONAL INCOME	\$1,673,718
VALUE OF ECONOMIC ACTIVITY (1,000)	
BUSINESS SERVICES REVENUE	\$1,082,753
RELATED USER OUTPUT	<u>\$4,051,870</u>
TOTAL VALUE OF ECONOMIC ACTIVITY	\$5,134,623
LOCAL PURCHASES (1,000)	\$344,294
STATE & LOCAL TAXES (1,000)	
DIRECT, INDUCED AND INDIRECT	\$93,081
RELATED USER TAXES	<u>\$107,699</u>
TOTAL STATE AND LOCAL TAXES	\$200,780

In fiscal year 2021, SeaPort Manatee created 37,287 jobs in the state of Florida. Of these jobs, 4,171 jobs were directly created, while another 4,417 induced jobs were supported in the Tampa Bay area as the result of local purchases by those directly employed by SeaPort Manatee activity. In addition, there are 2,708 indirect jobs supported in the Tampa Bay area as the result of \$344.3 million of local purchases. In addition, the cargo moving via SeaPort Manatee supported nearly 25,990 jobs throughout the state of Florida. The majority of these jobs are associated with the movement of containerized cargo – including produce, fertilizer products, liquid bulk, including, juice concentrate, not from concentrate juice and petroleum products through SeaPort Manatee.

The 4,171 direct jobs received \$231.9 million of direct wage and salary income, for average earnings of about \$55,586 per direct employee. As the result of local purchases with this \$231.9 million of direct wages and salaries, an additional \$552.7 million of income and local consumption expenditures were created in the Tampa Bay area. It is this re-spending impact that supported the 4,417 induced jobs.¹ Furthermore, indirect jobholders were paid an annual income of \$157.0 million. Throughout the state, related users generated \$732.2 million in wages. In total, nearly \$1.7 billion of personal income was created as the result of SeaPort Manatee operations.

Local businesses received \$1.08 billion of sales revenue from providing services to the marine cargo activity at the marine terminals (*this does not include the value of the cargo moving via the SeaPort*). The cargo activity at the SeaPort created an additional \$4.05 billion of total economic output in the state, the majority of which is created in the state's containerized cargo, fertilizer products, breakbulk commodities, liquid bulk juice concentrate and not from concentrate and the in-state industries supporting this industry. It is to be emphasized that only the economic activity associated with the raw materials and finished products that moved via the SeaPort is included.

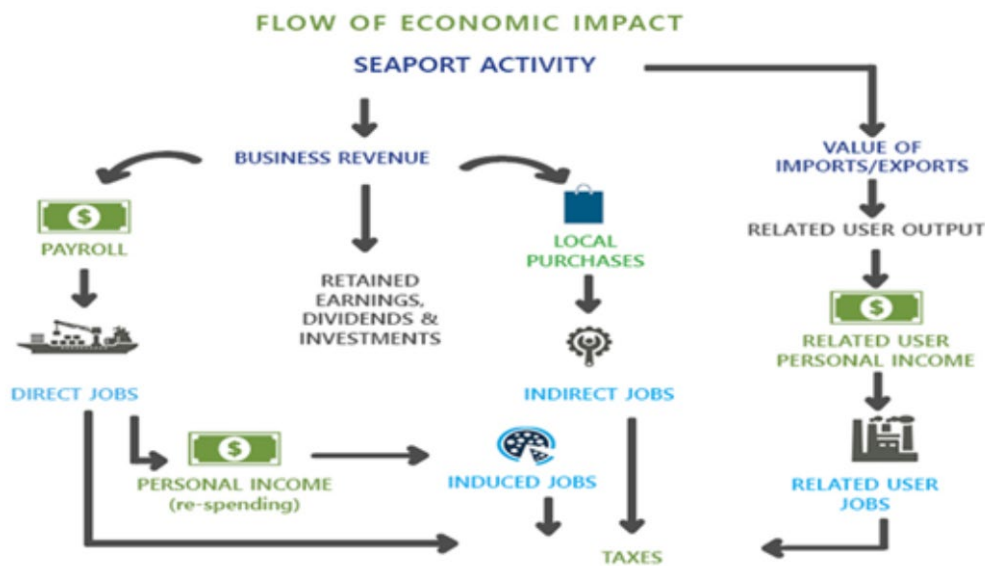
As a result of the activity at SeaPort Manatee, a total of \$200.8 million of state and local tax revenue was generated with nearly \$93.1 million generated by direct, induced, and indirect activity with the remaining \$107.7 million supported by related users throughout the state.

¹The induced income impact also includes local consumption expenditures and should not be divided by induced jobs to estimate the average salary per induced job. This would overstate the average salary.

II. ECONOMIC IMPACTS OF MARINE CARGO ACTIVITY

Waterborne cargo activity at a seaport contributes to the local and regional economy by generating business revenue to local and national firms providing vessel and cargo handling services at the marine terminals. These firms, in turn, provide employment and income to individuals, and pay taxes to state and local governments. Exhibit II-1 shows how activity at marine terminals generates impacts throughout the local, state, and national economies. As this exhibit indicates, the impact of a seaport on a local, state, or national economy cannot be reduced to a single number, but instead, the seaport activity creates several impacts. These are the revenue impact, employment impact, personal income impact, and tax impact. These impacts are non-additive. For example, the income impact is a part of the revenue impact and adding these impacts together would result in double counting. Exhibit II-1 shows graphically how activity at SeaPort Manatee’s public marine terminals generate the four impacts.

Exhibit II-1
Flow of Economic Impacts Generated by Maritime Cargo Activity



At the outset, activity at the port generates business revenue for firms which provide services. This business revenue impact is dispersed throughout the economy in several ways. It is used to hire people to provide the services, to purchase goods and services, and to make federal, state, and local tax payments. The remainder is used to pay stock-holders, retire debt, make investments, or is held as retained earnings. It is to be emphasized that the only portions of the revenue impact that can be definitely identified as remaining in the local economy are those portions paid out in salaries to local employees, for local purchases by individuals and businesses directly dependent on the seaport, in

contributions to state and local taxes, in lease payments to the MCPA by tenants, and wharfage and dockage fees paid to the SeaPort.

The employment impact of seaport activity consists of four levels of job impacts.

- ***Direct employment impact*** -- jobs directly generated by seaport activity. Direct jobs generated by marine cargo include jobs with railroads and trucking companies moving cargo between inland origins and destinations and the marine terminals, longshoremen and dockworkers, steamship agents, freight forwarders, stevedores, dump truck drivers for dry bulk products, etc. It is to be emphasized that these are classified as directly generated in the sense that these jobs would experience near term dislocation if the activity at SeaPort Manatee marine terminals were to be discontinued.
- ***Induced employment impact*** -- jobs created throughout the local economy because individuals directly employed due to seaport activity spend their wages locally on goods and services such as food, housing and clothing. These jobs are held by residents located throughout the region, since they are estimated based on local and regional purchases.
- ***Indirect jobs*** -- are jobs created locally due to purchases of goods and services by firms, not individuals. These jobs are estimated directly from local purchases data supplied to Martin Associates by the companies interviewed as part of this study, and include jobs with local office supply firms, maintenance and repair firms, parts and equipment suppliers, etc. It is to be emphasized that special care was taken to avoid double counting, since the current study counts certain jobs as direct (i.e., trucking jobs, jobs with railroads, jobs with insurance companies and admiralty law firms, etc.) which are often classified as indirect by other approaches, notably the input/output model approach.
- ***Related user jobs*** -- jobs with shippers and consignees (exporters and importers) supported in the state's manufacturing and retail and wholesale distribution industries and the in-state industries supporting the movement and distribution of all commodities, primarily containerized cargo, including fruit imports, breakbulk fruit, bulk juice/concentrate and phosphatic fertilizer industry using the SeaPort terminals for shipment and receipt of cargo

The personal earnings impact is the measure of employee wages and salaries (excluding benefits) received by individuals directly employed due to seaport activity. Re-spending of these earnings throughout the regional economy for purchases of goods and services is also estimated. This, in turn, generates additional jobs -- the induced employment impact. This re-spending throughout the region is estimated using a regional personal earnings multiplier, which reflects the percentage of purchases by individuals that are made within the Manatee/Tampa Bay region. The re-spending effect varies by

region -- a larger re-spending effect occurs in regions that produce a relatively large proportion of the goods and services consumed by residents, while lower re-spending effects are associated with regions that import a relatively large share of consumer goods and services (since personal earnings "leak out" of the region for these out-of-regional purchases). The direct earnings are a measure of the local impact since they are received by those directly employed by seaport activity.

Tax impacts are payments to the state and local governments by firms and by individuals whose jobs are directly dependent upon and supported (induced jobs) by activity at the marine terminals.

1. IMPACT STRUCTURE

The four types of economic impacts are created throughout various business sectors of the state and local economies. Specifically, five distinct economic sectors are impacted as a result of activity at the marine terminals. These are the:

- Surface Transportation Sector
- Maritime Services Sector
- Non-maritime Tenants and Dependent Shippers/Consignees
- Related users of SeaPort Manatee
- Manatee County Port Authority

Within each sector, various participants are involved. Separate impacts are estimated for each of the participants. A discussion of each of the economic impact sectors is provided below, including a description of the major participants in each sector.

1.1. The Surface Transportation Sector

The surface transportation sector consists of both the railroad and trucking industries. The trucking firms and railroads are responsible for moving the various cargoes between the marine terminals and the inland origins and destinations. Also included is the pipeline transportation of petroleum products received at the SeaPort.

1.2. The Maritime Services Sector

This sector consists of numerous firms and participants performing functions related to the following maritime services:

- Cargo marine transportation
- Vessel operations

- Cargo handling
- Federal, state, and local government agencies

A brief description of the major participants in each of these four categories is provided below:

- Cargo Marine Transportation

Participants in this category are involved in arranging for inland and water transportation for export or import freight. The freight forwarder/customshouse broker is the major participant in this category. The freight forwarder/customshouse broker arranges for the freight to be delivered between the terminals and inland destinations, as well as the ocean transportation. This function performed by freight forwarders and customshouse brokers is most prevalent for containerized and general cargo commodities.

- Vessel Operations

This category consists of several participants. The ship agents provide a number of services for the vessel as soon as it enters the port; the agents arrange for pilot services and towing, for medical and dental care of the crew, and for ship supplies. The agents are also responsible for vessel documentation. In addition to the steamship agents arranging for vessel services, those providing the services include:

- Chandlers - supply the vessels with ship supplies (food, clothing, nautical equipment, etc.)
- Towing firms - provide the tug service to guide the vessel to and from port
- Harbor Pilots - assist in navigating the vessels to and from SeaPort Manatee's marine terminals located within the SeaPort's operating area
- Bunkering firms - provide fuel to the vessels
- Marine surveyors - inspect the vessels and the cargo
- Shipyards/marine construction firms - provide repairs (either emergency or scheduled) as well as marine pier construction and dredging.

- Cargo Handling

This category involves the physical handling of the cargo at the terminals between the land and the vessel. Included in this category are the following participants:

- Longshoremen - include members of the International Longshoremen's Association (ILA), as well as non-ILA dockworkers that are involved in the loading and unloading of cargo from the vessels, as well as handling the cargo prior to loading and after unloading
- Stevedoring firms - manage the longshoremen and cargo-handling activities. Stevedoring services at the MCPA terminals are provided by private stevedoring companies
- Marine Terminal operators - are often stevedoring firms who operate the maritime terminals where cargo is loaded and off-loaded
- Warehouse operators - store cargo after discharge or prior to loading and consolidate cargo units into shipment lots
- Government Agencies
This service sector involves federal, state, and local government agencies that perform services related to cargo handling and vessel operations at the SeaPort. This involves employees within Customs and Border Patrol, Bureau of Immigration, U.S. Department of Agriculture, U.S. Coast Guard, and the Army Corps of Engineers. These services are provided by the government offices located in the Tampa area.

1.3. Non-Maritime Tenants and Dependent Shippers/Consignees

These jobs are with the non-maritime SeaPort tenants and dependent operations such as Air Products, Tropicana, Mayo Fertilizer, Mosaic, Allied Chemicals, and Florida Power and Light.

1.4. Related Users of SeaPort Manatee

Related job impacts consist of jobs with related shippers/consignees shipping and receiving cargo through the public marine terminals at SeaPort Manatee. While these impacts are generated by many commodity groups, the majority of these users are attributed to containerized cargo, including fruit imports, breakbulk fruit, bulk juice/concentrate and phosphatic fertilizer industry cargo through the SeaPort. Only the respective user's industry activity that can be linked to the movement of cargo (either raw materials or finished products) through SeaPort Manatee is considered in this related user impact - it does not include the value of the cargo itself.

1.5. Manatee County Port Authority

The Manatee County Port Authority includes those individuals employed whose purpose is to oversee port activity at the SeaPort-owned marine terminals.

2. COMMODITIES INCLUDED IN THE ANALYSIS

A major use of an economic impact analysis is to provide a tool for port development planning. As a port grows, available land and other resources for port facilities become scarce, and decisions must be made as to how to develop the land and utilize the resources in the most efficient manner. Various types of facility configurations are associated with different commodities. For example, containers and automobiles require a large amount of paved, open storage space, while certain types of break bulk cargoes such as paper require covered storage. Perishable commodities require temperature-controlled warehouses, and some dry bulk cargo requires covered storage and special dust removing equipment, while tank farms are needed to store liquid bulk cargo.

An understanding of the commodity's relative economic value in terms of employment and income to the local community, the cost of providing the facilities, and the relative demand for the different commodities is essential in making future port development plans. Because of this need for understanding relative commodity impacts, economic impacts are estimated for the following commodities handled at the SeaPort's marine terminals:

- Containers – dry and refrigerated perishables, including ISO liquid bulk tanks and 53' containers
- Breakbulk
 - Steel/aluminum
 - Forest products including lumber, plywood, and pulp
 - Fertilizer products super sacks
 - White cement super sacks
 - Salt super sacks
- Liquid bulk
 - Petroleum products
 - Citrus juice (not from concentrate and concentrate)
- Dry bulk (e.g., aggregates, stone, phosrock, salt, magnetite, fly ash, fertilizer, etc.)

It should be emphasized that commodity-specific impacts are not estimated for each of the economic sectors described in the last section. Specific impacts by commodity could not be allocated to individual commodities with any degree of accuracy for marine construction, ship repair, or the state and federal government. In addition, taxes have not been displayed by specific commodity since these tax impacts will reflect the same distribution over commodities as the employment impact.

3. MARITIME CARGO EMPLOYMENT IMPACTS

The employment generated by maritime cargo activity at the marine terminals within SeaPort Manatee's operating area are estimated. The chapter is organized as follows:

- First, the total employment that is in some way related to the activities at the public marine terminals is estimated
- Second, the subset of total employment that is judged to be totally dependent (i.e., direct jobs) on port activity is analyzed as follows:
 - The direct job impact is estimated by detailed job category, i.e., trucking, ILA/dockworkers, freight forwarders/customhouse brokers, steamship agents, chandlers, surveyors, etc.
 - The direct job impact is estimated for each of the key commodities/commodity groups
 - The direct job impact is estimated based on the residency of those directly employed
- Induced and indirect jobs are estimated
- Finally, jobs related to the marine activity at the marine terminals are described.

It is estimated that 37,287 jobs are directly or indirectly generated by port activities at the marine terminals within SeaPort Manatee. Of the 37,287 jobs:

- 4,171 jobs are directly generated by activities at the public marine terminals and if such activities should cease, these jobs would be discontinued over the short term.
- 4,417 induced jobs are supported by the local purchases of the 4,171 individuals directly generated by port activity at the marine terminals. An additional 2,708 indirect jobs were supported by \$344.3 million of purchases in the local and regional economy by firms providing direct cargo handling and vessel services.
- 25,990 jobs are related to cargo exported and imported via the public marine terminals. These jobs are with related shippers/consignees of SeaPort Manatee.

3.1. DIRECT MARINE CARGO JOB IMPACTS

In fiscal year 2021, SeaPort Manatee handled about 10.2 million tons of cargo moved via the

public marine terminals. As a result of this activity, 4,171 full-time equivalent (FTE) jobs were directly created².

In this section the jobs are analyzed in terms of:

- Distribution by job category
- Distribution by commodity group
- Distribution by county and state of residency.

3.1.1. Job Impacts by Category

Exhibit II-2 presents the distribution of the 4,171 direct jobs by type. Tenants/dependent users directly dependent upon the movement of cargo via the SeaPort account for 1,392 direct jobs. In addition, there are 936 full-time equivalent truck drivers supported by port activity, followed by jobs with maritime service operations and dockworkers with 607 and 338 jobs respectively.

Exhibit II-2
Cargo Employment Impacts by Sector and Job Category

SECTOR	DIRECT JOBS
SURFACE TRANSPORTATION	
RAIL	50
TRUCK	936
MARITIME SERVICES	
TERMINAL EMPLOYEES	244
UNION AND NON-UNION DOCKWORKERS	338
TOWING	36
PILOTS	13
AGENTS	58
MARITIME SERVICES	607
WAREHOUSING/FORWARDERS	219
GOVERNMENT	55
MARINE CONSTRUCTION/DREDGING	62
BARGE	81
TENANTS/DEPENDENT USERS	1392
PORT AUTHORITY	<u>80</u>
TOTAL	4,171

² Jobs are measured in terms of full-time worker equivalents. If a worker is employed only 50 percent of the time by activity at SeaPort Manatee’s public marine terminals, then this worker is counted as .5 jobs.

3.1.2. Direct Job Impacts by Commodity

Most of the 4,171 jobs considered to be generated by port activity can be associated with the handling of specific commodities or commodity groups. Certain employment categories such as government employees and employees with marine construction and ship repair cannot be identified with a specific commodity. As a result, employment in these three groups (which totaled 447) was not allocated to commodity groups. Exhibit II-3 presents the relative employment impacts in terms of commodity groups.

Exhibit II-3
Distribution of Direct Cargo Job Impact by Commodity

COMMODITY	DIRECT JOBS
CONTAINER	1,015
<i>BREAKBULK</i>	
STEEL & ALUMINUM	145
FOREST PRODUCTS	267
SALT	60
<i>LIQUID BULK</i>	
PETROLEUM PRODUCTS	446
BULK JUICE	453
<i>DRY BULK</i>	
FERTILIZER PRODUCTS	946
OTHER DRY BULK	393
<u>NOT ALLOCATED</u>	<u>447</u>
TOTAL	4,171

The movement of dry and refrigerated containerized cargoes creates the largest number of direct jobs (1,015), followed by phosphatic fertilizer products (946), bulk citrus juices (453) and the movement and distribution of petroleum products (446).

3.1.3. Distribution of Direct Cargo Jobs by Place of Residence

To underscore the geographic scope of the impacts generated by the public marine terminals, Exhibit II-4 presents the distribution of the 4,171 direct jobs by place of employment. The geographic employment analysis is based on the results of the interviews. As this exhibit indicates, 45.2% of the direct job holders reside in Manatee County, while nearly another 39.8% live in Hillsborough County. Also, approximately 7.5% live in Polk County reflecting the jobs generated by the mines and manufacturing plants involved in the region’s phosphatic fertilizer industry.

Exhibit II-4
Distribution of Direct Cargo Jobs by Place of Residence

JURISDICTION	SHARE	DIRECT JOBS
MANATEE COUNTY	45.2%	1,887
HILLSBOROUGH COUNTY	39.8%	1,660
POLK COUNTY	7.5%	314
PINELLAS COUNTY	3.5%	146
SARASOTA COUNTY	1.7%	69
OTHER FLA	2.2%	91
OTHER US	0.1%	4
TOTAL	100.0%	4,171

3.2. Induced Jobs

The 4,171 directly employed individuals, due to activity at the public marine terminals received wages and salaries, a part of which was used to purchase local goods and services such as food, housing, clothing, transportation services, etc. As a result of these local purchases, 4,417 jobs in the regional economy were supported. The majority of the induced jobs are with local and regional private sector social services, business services, educational services and state and local government agencies, followed by jobs in the food and restaurant sector, and then jobs in the construction and home furnishings sector.

3.3. Indirect Jobs

In addition to the induced jobs generated by the purchases by directly employed individuals, the firms providing the direct services and employing the 4,171 direct jobs make local purchases for goods and services. These local purchases by the firms dependent upon the public marine facilities generate additional indirect jobs in the local economy. Based on data collection efforts, it is estimated these firms made \$344.3 million of local and in-state purchases in fiscal year 2021. These direct local purchases created an additional 2,708 indirect jobs in the local economy.

3.4. Related User Jobs

In addition to the 1,392 direct jobs with dependent related shippers/consignees using SeaPort Manatee, it is estimated that about another 25,990 jobs are supported in Florida with related users that use SeaPort Manatee and also that support the direct users. It is important to emphasize that the related user jobs are supported by the cargo moving only via SeaPort Manatee in fiscal year 2021, and do not include jobs supported by cargo moving via other ports that are consumed or produced by in-state shippers/consignees and manufacturers.

To estimate jobs with users of SeaPort Manatee, the following methodology was used. First, the values of key cargoes handled at the SeaPort were identified from data supplied by SeaPort Manatee and

USA Trade Online (Department of U. S. Census). For example, for the phosphatic fertilizer industry, phosrock and finished products were included. The average value per ton of each commodity was then developed from the USA Trade Online data base. Next, the U.S. Bureau of Economic Analysis prepared a specific run of the RIMS II (Regional Input-Output Modeling System) model for Martin Associates to identify job, output, and income multipliers for the Florida economy. These multipliers were then combined with value per ton of each import and export commodity to estimate the total economic activity and jobs supported by the movement of the raw materials and finished fertilizer products via the SeaPort.

Similarly, for bulk and break bulk cargoes, the associated consuming and producing industries were identified with each commodity. For example, for imported iron and steel products, relationships were developed to convert the dollar value of these imported materials into a dollar value of output in the key consuming industries, which include construction and metal fabrication industries. Relationships between the values of inputs to the value of outputs in these industries were estimated using data from the U.S. Bureau of Census, Census of Manufacturing and Census of Construction. These ratios were then used to convert the dollar value of the imported breakbulk cargoes into a dollar value of output in the consuming industries in the state. Using the respective jobs to value of output multipliers for these industries from the RIMS II model, the value of the breakbulk cargoes (i.e., steel products) moving via the SeaPort and remaining in (or produced in) the state of Florida was converted into related user jobs and associated supporting industries within the state.

Finally, the direct, induced and indirect port sector job impacts associated with each of the cargoes for which related user jobs were estimated were subtracted from the total related jobs (by commodity and cargo type) to avoid double counting, as the related user jobs include job impacts at each stage of handling the imported and exported cargo, such as the port activity and the trucking and rail activity to move the cargo to and from the SeaPort and the induced and indirect jobs associated with the direct port activity.

4. TOTAL ECONOMIC OUTPUT, BUSINESS REVENUE, INCOME AND TAX IMPACTS

The 10.2 million tons of cargo handled at the public marine terminals included in the study generated revenue for firms in each of the economic sectors. For example, revenue is received by the railroads, the trucking companies, and pipelines within the surface transportation sector as a result of moving export cargo to the marine terminals and distributing the imported commodities inland after receipt at the marine terminals. The firms in the maritime services sector receive revenue from arranging for transportation services, cargo handling, providing services to vessels in port and repairs to vessels calling the port facilities. The Manatee County Port Authority receives revenue from terminal leases and port charges such as wharfage and dockage assessed on cargo and vessels. In addition, revenue is received by shippers/consignees from the sales of cargo shipped or received via the marine cargo terminals and from the sales of products made with raw materials received through the terminals.

Since this chapter is concerned with the revenue generated from providing maritime services, the shipper/consignee revenue (i.e., the value of the cargo shipped or received through the marine terminals, as well as the value of the products produced by the port-dependent shippers/consignees) will be excluded from the remaining discussion.

The revenue generated by port activity consists of many components. For example, gross revenue is used to pay employee salaries and taxes, it is distributed to stockholders of the companies providing the vessel and cargo handling services, and it is used for the purchases of equipment and maintenance services. Of these components, only three can be isolated geographically with any degree of accuracy. These are the personal income component of revenue, which can be traced to geographic locations based on the residence of those receiving the income, the payment of state and local taxes, and the local purchases made by firms dependent upon the maritime activity. The balance of the revenue is distributed in the form of payments to firms located outside the region providing goods and services to the five sectors and for the distribution of company profits to shareholders. Many of these firms and owners are located outside of the state of Florida and, thus, it is difficult to trace the ultimate location of the distributed revenue (other than personal income, taxes and local purchases). The value of output created by in-state related shippers/consignees of the SeaPort is attributed to the state of Florida, and the local purchases from other firms within the state are also included in this user output measure, as defined by the in-state output coefficients (for the user industries) developed from the U.S. Bureau of Economic Analysis, Regional Input-Output Modeling System (RIMS II).

4.1. Revenue Impact – Total Economic Activity

The revenue impact is a measure of the *total economic activity* in the state that is generated by the cargo moving via SeaPort Manatee. In fiscal year 2021, marine cargo activity at the SeaPort generated a total of \$5.13 billion of total economic activity in the state. Of the \$5.13 billion, \$1.08 billion is the direct business revenue received by the firms directly dependent upon the SeaPort and providing maritime services and inland transportation services to the cargo handled at the marine terminals and the vessels calling the port. The remaining \$4.05 billion represents the value of the output to the state of Florida that is created due to the cargo moving via SeaPort Manatee. This includes the value added at each stage of producing an export cargo, as well as the value added at each stage of production for the firms using imported raw materials and intermediate products that flow via SeaPort Manatee and are consumed by industries within the state of Florida.

The balance of the discussion focuses on the \$1.08 billion of direct business revenue generated from the provision of services to the cargo and vessels handled at SeaPort Manatee.

4.1.1. Revenue Impacts by Economic Sector/Category

Exhibit II-5 presents the total revenue estimated to have been generated by port activity in fiscal

year 2021. This revenue includes the revenue received by firms providing services to the commodity and vessel activity at the terminals, and includes revenue received by trucking firms, stevedores, SeaPort Manatee, chandlers, agents, pilots, towing companies, etc. Not included is the revenue from the use/value of the cargo moving via the marine terminals, as this is included in the related user output.

Revenue received by tenants/dependent shippers accounts for \$504.3 million, while trucking companies received \$224.9 million, followed by maritime services firms involved in vessel, cargo and dock operation receives about \$159.4 million. Revenue to the terminal operators of \$52.6 million includes the revenue received from terminal operations such as stevedoring, storage, and rail and truck loading/discharge.

Exhibit II-5
Direct Revenue Generated by SeaPort Cargo Activity

SECTOR	REVENUE (1,000)
SURFACE TRANSPORTATION	
RAIL	\$11,241
TRUCK	\$224,885
PIPELINE	\$104
MARITIME SERVICES	
TERMINAL EMPLOYEES	\$52,621
TOWING	\$1,909
PILOTS	\$1,261
AGENTS	\$1,385
MARITIME SERVICES	\$159,390
WAREHOUSING/FORWARDERS	\$50,211
GOVERNMENT	NA
MARINE CONSTRUCTION/DREDGING	\$25,994
BARGE	\$26,662
TENANTS/DEPENDENT USERS	\$504,290
PORT AUTHORITY	<u>\$22,800</u>
TOTAL	\$1,082,753

4.1.2. Revenue Impacts by Commodity

Exhibit II-6 shows the direct revenue impact by commodity. It is to be emphasized that the revenue received by shippers/consignees from the sales of the products (value of the commodities) moving via the marine terminals is not included, since product value is determined by the demand for the product, not the use of the marine terminals.

Exhibit II-6
Cargo Revenue Impacts by Commodity

COMMODITY	REVENUE (1,000)
CONTAINER	\$265,092
<i>BREAKBULK</i>	
STEEL & ALUMINUM	\$22,590
FOREST PRODUCTS	\$35,201
SALT	\$6,227
<i>LIQUID BULK</i>	
PETROLEUM PRODUCTS	\$119,186
BULK JUICE	\$88,793
<i>DRY BULK</i>	
FERTILIZER PRODUCTS	\$329,985
OTHER DRY BULK	\$79,776
<u>NOT ALLOCATED</u>	<u>\$135,902</u>
TOTAL	\$1,082,753

As this exhibit indicates, containers account for \$265 million dollar impact, breakbulk products for \$64 million, liquid bulk for \$208 million, and dry bulk products account for \$410 million.

5. PERSONAL EARNINGS IMPACT

The income impact is estimated by multiplying the average annual earnings (excluding benefits) of each port participant, i.e., truckers, steamship agents, pilots, towing firm employees, longshoremen, warehousemen, etc., by the corresponding number of direct jobs in each category. The individual annual earnings in each category multiplied by the corresponding job impact resulted in \$231.9 million in personal wage and salary earnings. It is important to emphasize that the average annual earnings of a port-dependent job is about \$55,586. These relatively high paying jobs will have a much greater economic impact in the local economy through stimulating induced jobs than will a job paying lower wages.

The impact of the re-spending of this direct income for local purchases is estimated using a personal earnings multiplier. The personal earnings multiplier is based on data supplied by the Bureau of Economic Analysis (BEA), Regional Input-Output Modeling System (RIMS II). The BEA estimates that for every one dollar earned by direct employees generated by activity at the marine terminals, an additional \$2.384 of personal income and consumption expenditures would be created as a result of re-spending the income for purchases of goods and services produced locally. Hence, a personal earnings multiplier of \$3.384 was used to estimate the total income and consumption impact of nearly \$552.7 million, inclusive of the re-spending effect. This additional re-spending of the direct income generates

the 4,417 induced job impact.

The 2,708 indirect job holders earned \$157.0 million in indirect wages and salaries, while the 25,990 related users of the cargo moving via the SeaPort received about \$732.2 million of personal income.

Therefore, the total personal income impact and consumption impact created by SeaPort Manatee marine cargo activity is estimated at nearly at \$1.7 billion.

6. TAX IMPACTS

State and local tax impacts are based on per employee tax burdens which are developed at the county, local and state jurisdictional levels. The tax per employee burdens are essentially tax indices that are used to allocate total taxes at each level of government to economic activity generated by the cargo terminals. To estimate the per employee tax indices, total taxes received at each governmental level in Florida was developed from the Tax Foundation, which reports total state and local taxes from all sources as a percent of total personal income. In addition, the figures include a proportional estimate of corporate taxes paid by firms.

Exhibit II-7
Fiscal Year 2021 Distribution of State and Local Tax Revenue

TAXES BY CATEGORY (1,000)	STATE	LOCAL	TOTAL
DIRECT, INDUCED & INDIRECT	\$43.7	\$49.3	\$93.1
RELATED USER	\$50.6	\$57.1	\$107.7
TOTAL	\$94.4	\$106.4	\$200.8

Totals may be rounded.

Direct cargo activity generated \$93.1 million of state, county, and local taxes. As a result of the economic activity created by the related shipper/consignees an additional \$107.7 million of state and local taxes were generated for a total cargo tax impact of \$200.8 million. The state of Florida receives approximately 46% of the tax revenues, while the local governments received 54% of the tax impact as illustrated in Exhibit II-7.