Solutions Table

Economic Report

By Connie Beauvais, Port Commissioner
How the Port Supports Economic Development in Clallam County

The Port’s Mission:
We bring people, resources and industry together to foster economic prosperity and living wage jobs.

2,070 Direct Jobs
$71 million in wages & self employed earnings

4,090 Jobs County-wide
$100 million in wages & self employed earnings
(Direct, Indirect & Induced Jobs)

$14.1 million in State & local taxes

Source: 2012 Economic Impact Study
Today, the timber industry is much smaller. The Port supports timber by being a global hub.

Transports logs from private and public lands.
Flow of Private Timber Harvests

Private Harvest is 201.4 MMBF

- Export: 84.1 mmbf (42%)
- Local: 117.3 mmbf (58%)

58% Local and 42% Export
If there was no terminal at the Port, logs would be exported from elsewhere.

Local jobs would be lost, as well as timber excise tax revenues that support schools, libraries, fire districts and other vital public services.
Timber provides good jobs in Clallam County.

Because of mechanization, there are fewer jobs than 50 years ago and the jobs are safer.

They also require higher skill levels and more training, and they pay more than previously.
And not all jobs are in the woods:

- Accountants
- Marketers
- Truckers
- Scalers
- Mill Operators
- Yard Operators
- Tug Operators
- Tow Boat Operators
- Longshoremen
Total Jobs in Clallam County from Timber

Number of direct jobs: 638
Number of indirect and induced: 808
Total: 1,446
Average direct wage: $55,484
Annual Proprietor Income: $61,964,072

Timber-related Jobs in WA State by County
(Chart courtesy of WFPA)
What is a good wage in Clallam County?

- A wage that raises the overall community well being
- A wage that is greater than the living wage

What is a living wage?

2 adults, 1 works, 2 kids:
$47,840/yr; $23.00/hr
(for 2080 hours/year)

1 adult: $20,800/yr; $10/hr
(for 2080 hours/year)

2016 data for basic expenditures for food, housing, utilities, transportation, child care, medical expenses . . .
2016 Job Income in Clallam County

Average Wage:
$37,510/yr; $23.31/hr
(for 1609 hours/year – about 2/3 time)

Mean Wage:
$37,510/yr; $18.03/hr
(for 2080 hours/year – full time)

Living wage:
$47,840/yr; $23.00/hr
(for 2080 hours/year)
2 adults, 1 works, 2 kids

Jan 2018 Unemployment:
8.1% (state = 4.7%)

Distressed Threshold = 5.6%
Distressed counties are where unemployment rate is 20% higher than statewide average

We need jobs that pay higher than the living wage to increase the overall economic well being of our community.
# Impacts of the Forest Products Industry in Clallam County (excludes exports)

<table>
<thead>
<tr>
<th>Impact</th>
<th>Jobs</th>
<th>Average Wage</th>
<th>Annual Proprietor Income (Revenue)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Direct</td>
<td>638</td>
<td>$55,484</td>
<td>$61,964,072</td>
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<tr>
<td>Indirect</td>
<td>284</td>
<td>$35,064</td>
<td>$13,753,348</td>
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<td>Induced</td>
<td>524</td>
<td>$22,073</td>
<td>$2,705,927</td>
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<tr>
<td>Total</td>
<td>1,446</td>
<td>$39,371</td>
<td>$78,423,347</td>
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</tbody>
</table>

**Direct Jobs:**

- Logging: **359**
- Forestry support: **24**
- Sawmilling: **255**

Living wage, family of 4: $47,844

Indirect Jobs: *in supply chain*

Induced Jobs: *created by owners & employees spending income*

Proprietors: *approximately 53*
Forest Products Jobs in Clallam County

Every direct job in the forest products industry:
Logging
Sawmilling
Wood product manufacturing
Forestry support

Supports 1.3 indirect & induced jobs in:
Wholesale & trucking
Retail & restaurants
Medical & nursing care
Services & real estate

Indirect Jobs: wholesale 21, trucking 16
Induced Jobs: retail 94, food/drink 74, medical 44, real estate 38

If we gain a job or lose a job, it has a ripple effect!
Is a 1.3 jobs multiplier good?

YES!

• The forest products industry has the highest job multiplier in our county.

• And it creates an extra round of jobs and spending by harvesting the raw material locally.
Jobs in Other Sectors: Tourism

- Brings dollars in from outside the county
- Provides entry level jobs to get started; part-time options
- Lodging taxes provide approximately $1.8 million for marketing
- Port helps fund tourism thru Community Partners Program

Tourism-related industries:
Includes retail, lodging, food & beverage, real estate, personal services

Average income: $18,380/yr
One direct tourism job supports 0.14 indirect/induced jobs
1990-2016 Private, State and Federal Harvests in Clallam County

Private timber harvests fluctuates from 75 MMBF to 200 MMBF
State timber harvests fluctuates from 10 MMBF to 75 MMBF
Federal timber harvests declined from 52 MMBF to 2 MMBF

2006 to 2015: Fluctuations makes it difficult for Trust Beneficiaries to plan.
County timber revenues fluctuated from $2 to $8 million

[Graph showing the fluctuation of timber harvests from 1990 to 2016]

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## Opportunity for More Harvest

### Acres
- **Private:** 347,800 acres
- **DNR:** 178,000 acres
- **USFS:** 199,000 acres

### Harvests
- **Private:** 400 BF/acre/yr
- **DNR:** 247 BF/acre/yr
- **USFS:** 10 BF/acre/yr

### Growth Rate
- 600 BF/acre/yr

*Rules protect fish, critters and habitat. Private harvests represent the maximum harvests and are significantly less than the growth rates.*
Timber harvests also provide revenues to vital public entities such as libraries, schools, hospitals and fire districts.

- Trust land harvests provide 75% of the sale revenue to these junior taxing districts.
- All public and private harvests are charged a 5% timber excise tax: 4% to County + 1% to State.
Mills that Closed in Clallam County in the Last 10 Years

- **NIPPON**, Port Angeles. Stopped operations in 2017. 151 jobs lost
- **Allen Logging’s Mill**, Forks. Closed 2015. 45 jobs lost
- **Interfor**, Beaver & Forks Combined. Closed 2014. 87 jobs lost
- **Green Creek**, Port Angeles. Closed 2014. 35 jobs lost
- **Pen Ply**, Port Angeles. Closed 2011. 130 jobs lost

**Note:** When Rayonier shut down in 1997, 350 jobs were lost, the City of Port Angeles lost $1 million in annual tax revenue, and the County lost $2 million in annual tax revenue.

The affect of the loss of these jobs would be comparable to Boeing or Amazon leaving Seattle!
Washington DNR Trust Lands within 55 miles of Marine Waters

1.39 million acres

Actively Managed: 58%

Restricted for Long Term Forest Cover: 42%
Opportunity to do more with timber
more jobs
more green buildings
Today, forests are sustainably managed

Growing forests helps to clean the air by absorbing carbon dioxide (CO2) and releasing oxygen (O2).

A new green industry is emerging.

Trees incorporate the absorbed carbon (C) into their wood, and so do products made from that wood.

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Wood is Good ... especially compared to building with steel or concrete.

A comparison of 50,000 sf office buildings

Source: Canadian Wood Council

Life cycle assessment of inputs and emissions.
One of the Port’s strategic goals is to support Advanced Wood Products

- **High economic impacts**: a good wage, 1.3 job multiplier.
- A **renewable resource** and sustainable over the long term.
- Has **less environmental impact**, than other building materials.

The Pacific Northwest is one of the **best places to grow trees** and has a globally-prominent timber industry.

The Composite Recycling Technology Center has developed a veneer/rCF product.

The Port has started a study on matching the wood supply to advanced wood products.
The Port will continue its strategic plan to advocate for ...

- sustainable timber harvests
- advanced wood product manufacturing

... to foster economic prosperity and living wage jobs in Clallam County.