



ECONOMIC IMPACT ANALYSIS OF THE WATERFRONT VANCOUVER, WASHINGTON

**PREPARED FOR
COLUMBIA WATERFRONT LLC
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**JOHNSON
ECONOMICS**

Executive Summary



I. INTRODUCTION

JOHNSON ECONOMICS was hired to prepare an analysis of the economic impacts of the Waterfront Vancouver development in Vancouver, Washington.

This analysis considers the following categories of economic and fiscal impact from the proposed development:

- A. **Economic Impacts:** Impacts on employment, payroll, and capital investment from the construction of the facility, and on-going operations. Direct, indirect, and induced impacts are considered.
- B. **Fiscal Impacts:** Projected impacts to local, state, and federal revenues from property and income taxes, and fees.
- C. **Spillover Impacts:** Additional potential qualitative benefits and costs are discussed in the executive summary.

This project relies upon available information on projects either completed or underway, but the details of proposed development are likely to change through the planning and development process. While findings are presented in precise figures, achieved results are likely to differ somewhat. Therefore, the forecast presented in this analysis is intended to provide order-of-magnitude estimates of the likely economic impacts of the construction and operation of the facility in this location, based on the best and most reasonable assumptions available at the time this analysis was completed.

II. EXECUTIVE SUMMARY

The ongoing build-out of the Waterfront master plan has and will continue to entail a significant level of investment in real property and equipment over the coming years. The total construction investment is estimated at over \$1.5 billion, of which \$519.6 million has already been completed, \$480.1 million is currently under construction or permitted, and \$537.1 million is planned. The following is a summary of the projected impacts:

- A direct investment of \$1.5 billion in the new construction over an assumed ten year build-out period, and \$940.6 million in additional indirect and induced economic output.
- Construction spending will support an estimated 13,317 direct full time equivalent (FTE) jobs over the construction period (assumed to be ten years). Direct jobs would pay an estimated average of over \$61,646 per FTE for wages and benefits in current dollars.
- Each direct construction job would support approximately 0.46 indirect and induced jobs during the construction period. This translates into roughly 6,136 FTE jobs, with overall labor income of \$307 million during the construction period.



- The total estimated economic impacts (direct, indirect, and induced) from the construction phase are over 19,500 FTE positions and \$1.1 billion in labor income (current dollars).
 - On an ongoing basis, the study area is expected to accommodate just under 2,722 employees, with direct labor income of \$124.5 million and \$265.3 million in value-added output.
 - Annual expenditures from residents in the study area are estimated at \$115.6 million per year, with hotel guests supporting an additional \$8.9 million.
 - The associated ancillary indirect and induced impacts are estimated to account for roughly 1,100 jobs and \$50.7 million in labor income.
 - While our analysis addresses a set of typical metrics used to evaluate the economic impact of the various development programs in the study area, we recognize that there is a broad spectrum of more difficult to quantify impacts associated with these types of developments. Improving a community's amenity base can have a broader impact on economic development, through increasing the attractiveness and marketability of the community. Multiple studies have demonstrated the value of urban amenities on increased marketability of residential and office properties.
 - The Waterfront Vancouver development has had a significant halo effect, and has substantively changed the marketability of downtown Vancouver, raised its profile regionally, and demonstrated the area's ability to achieve the pricing necessary to support urban development forms. The success of this project has been a significant factor encouraging and supporting additional developments in the area.
 - The development and operation of the various development parcels in the study area will have fiscal implications for the City of Vancouver, Clark County, other local service providers, and the State of Washington. Sales taxes will represent the most significant fiscal contribution, during both the construction and ongoing phases. The next largest source of local and state tax revenue would be property taxes, while the federal government is expected to realize a substantive level in income taxes.
 - The development of the Waterfront Vancouver master plan has triggered a wide range of new investments in downtown Vancouver and the remainder of the waterfront. Developments such as the Port of Vancouver's Terminal 1 would not have been initiated without the prior success of Waterfront Vancouver. This project will be attracting an estimated \$350 million in new construction over the next several years. In addition, the City is releasing several sites north of the railroad embankment to better link the waterfront with the remainder of downtown Vancouver.
- Over 2.8 million square feet of space, with 2,609 residential units
 - \$1.5 billion public/private project - \$1.0 billion completed or underway
 - Over 19,500 full time equivalent jobs supported by construction, with ongoing employment of 2,800
 - Over a half billion dollars in state and local taxes over 25 years
 - Waterfront development has had a "halo effect" in downtown Vancouver, increasing local amenities and triggering nearby development



- Impacts were broken out for the portions of the project either already completed or under construction, as well as through the remainder of the project build-out (estimated completion by 2030).
- The direct investment of just under \$1.6 billion in the development is expected to generate an overall increase in output of \$6.2 billion through 2030. The \$955 million direct investment to-date is estimated to support \$3.1 billion in output.
- The development is expected to over 52,000 full time equivalent jobs through 2030, reflecting an average annual supported employment level of 4,000 from 2017 through 2030.
- The development and related activity is expected to generate state and local taxes of over \$344 million during that period (in 2022 dollars).

Total Investment (Millions)	
<i>Completed/UC</i>	\$955.4
<i>Through 2030</i>	\$1,591.8
Total Employment (FTEs)	
<i>Completed/UC</i>	25,749
<i>Through 2030</i>	52,010
<i>Average Annual</i>	4,001
Labor Income (Millions)	
<i>Completed/UC</i>	\$1,347.0
<i>Through 2030</i>	\$2,623.5
<i>Average Annual</i>	\$201.8
Output (Millions)	
<i>Completed/UC</i>	\$3,140.2
<i>Through 2030</i>	\$6,177.4
State and Local Taxes (Millions)	
<i>2017-2024</i>	\$94.5
<i>2017-2030</i>	\$344.1
<i>Average Annual</i>	\$26.5

	Total Investment	Jobs/FTEs			Labor Income			Output			State & Local Tax Payments
		Const.	Ongoing	Total	Const.	Ongoing	Total	Const.	Ongoing	Total	
2017-2022	\$538,355,752	8,515	6,690	15,205	\$493,672,343	\$306,313,248	\$799,985,591	\$1,120,524,424	\$741,616,499	\$1,862,140,923	\$52,119,865
2017-2024	\$955,368,235	13,783	11,966	25,749	\$799,119,723	\$547,852,075	\$1,346,971,798	\$1,813,820,806	\$1,326,407,333	\$3,140,228,139	\$94,484,983
2025-2030	\$636,401,522	6,083	20,178	26,261	\$352,662,045	\$923,843,134	\$1,276,505,179	\$800,462,978	\$2,236,721,123	\$3,037,184,101	\$249,656,221
2017-2030	\$1,591,769,757	19,866	32,145	52,010	\$1,151,781,768	\$1,471,695,209	\$2,623,476,977	\$2,614,283,785	\$3,563,128,456	\$6,177,412,240	\$344,141,204

In 2014, Johnson Economics conducted the first economic impact analysis of the Waterfront Vancouver. Here is the original projected data from 2014:

2014 ESTIMATE	
Total Investment (Millions)	
<i>Through 2030</i>	\$761.3
Total Employment (FTEs)	
<i>Through 2030</i>	100,741
<i>Average Annual</i>	6,716
Labor Income (Millions)	
<i>Through 2030</i>	\$4,537.2
<i>Average Annual</i>	\$302.5
Output (Millions)	
<i>Through 2030</i>	\$2,004.4
State and Local Taxes (Millions)	
<i>2017-2024</i>	\$58.9
<i>2017-2030</i>	\$242.8
<i>Average Annual</i>	\$18.7