

# **The Economic Impact of the Ventura Harbor on the Ventura County and National Economies**

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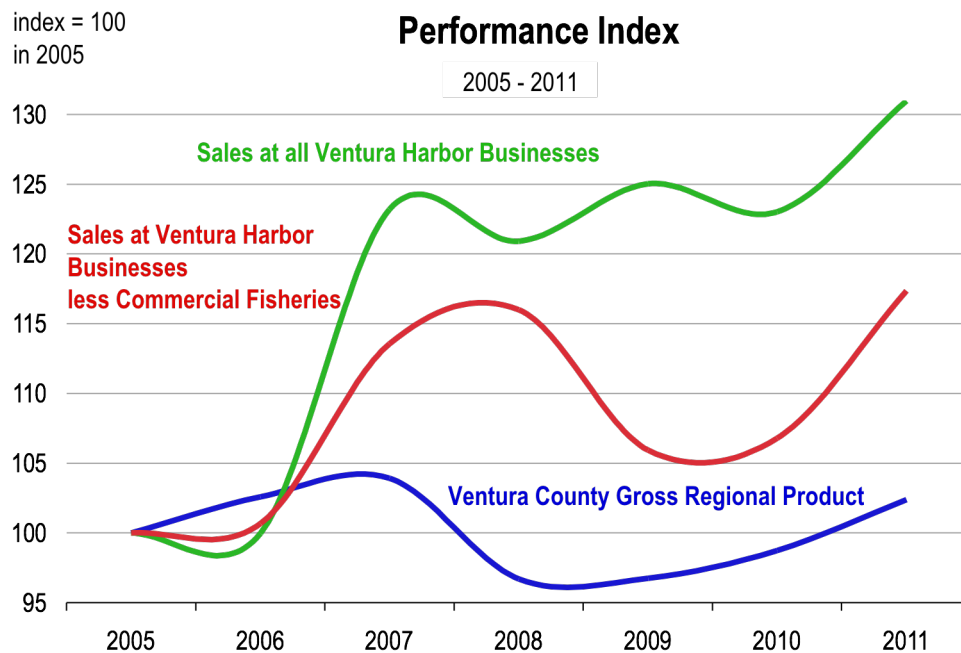
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**Final Report**

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## Key Findings

- In 2011, business activity at the Ventura Harbor had a total economic impact of \$246 million.
- Of this total, \$86 million remained in Ventura County. The remaining \$162 was spread across the California and U.S. economies.
- In 2011, business activity at the Ventura Harbor supported the equivalent of 2,537 jobs. These jobs generated \$90 million in worker income.
- Of these jobs, 975 were located in Ventura County, whereas the remaining 1,562 were located in other parts of the state and nation. The Ventura County jobs generated \$31 million in labor income, while the remaining jobs generated \$59 million.
- Commercial fishing is the harbor's largest business segment. In 2011, its fishing companies created \$46 million in economic activity and the equivalent of 378 full-time jobs.
- Since 2005, Ventura Harbor businesses have performed significantly better than the broader Ventura County economy. This is especially true of the commercial fishing organizations.



## **Abridged Executive Summary**

### **Economic Impact of the Ventura Harbor**

The largest economic impact comes from the commercial fishing operation. Commercial fishing generates substantial revenue from the sale of squid, and supports a significant number of jobs. And because of the harbor's particular characteristics – namely its deep-water capacity and its close proximity to the trade centers in Los Angeles – these fishing companies are able to remain competitive in an increasingly global market.

Market squid remains California's largest and most lucrative commercial fishery, valued at over \$73 million in 2010. Squid landings at the Ventura Harbor account for 28 percent of the entire annual catch limitation for the California squid fishery.

Total business activity directly at the Ventura Harbor supports 925 jobs within the Harbor and in the surrounding economy of Ventura County. The total economic impacts can be divided between the direct dollar effects that occur from the value of commercial fish landings at the Harbor, Harbor located businesses selling goods and services directly to Harbor visitors, and the secondary effects that result from the circulation of this money within the local economy.

### **Economic Significance of the Ventura Harbor**

- Business activity at the Ventura Harbor has a total economic effect (or significance) of \$82 million in sales within Ventura County.
- \$49 million is the direct economic stimulus occurring within the county which creates an additional \$33 million of impacts on the regional economy through the multiplier process.
- The Harbor directly supports the equivalent of 675 full-time jobs. These jobs generate \$20 million in income to workers each year.
- The 675 full time equivalent jobs associated with Harbor activity creates an additional 250 jobs within the county, producing a total employment impact of 925 jobs. The employment multiplier is 1.4.
- A large portion of the jobs produced are in food services and hospitality, or sectors which cater to port visitors and workers. Food processing of squid and transportation

services represent other large employment effects in the Ventura County economy.

- The Harbor is responsible for generating a total of \$31 million in total labor compensation each year to workers in Ventura County.

### **Economic Significance of the Ventura Harbor to the Nation**

Normally, spending that produces more jobs and income outside of Ventura County is said to have “leaked” out of the region because it does not benefit the local economy. However, this leakage is benefiting other areas of the state and nation. The full economic impact of the Harbor therefore translates into additional economic impacts throughout California and the nation.

This is especially true of the commercial fishing operations that land their catch at the Harbor, process it in Oxnard and other facilities in Los Angeles County, and export much of the product to Asian markets.

\* Compared to the amount of economic activity that stays in Ventura County, the amount occurring elsewhere represents 67 percent of the total economic impact generated by the Harbor. Clearly, the economic effects of the Harbor are felt beyond Ventura County.

- The direct business activity of \$94 million in sales of goods and services at the Ventura Harbor creates 1,247 jobs nation-wide.
- The value of commercial fish landings at the Ventura Harbor were \$19 million in 2011. However, as a result of the economic multiplier, the total revenue from the sales value of commercial fish exported abroad or sold domestically summed to \$46 million in 2011.
- The commercial fishing operation created 213 direct jobs and 378 total jobs in the U.S. economy. These jobs generated \$14 million in labor income.
- Commercial fishing has an output (or sales) multiplier of 2.4 and an employment multiplier of 1.8. For every job created in commercial fishing, another 0.8 jobs are created in the U.S. economy from the downstream economic activity that occurs from subsequent spending by vendors and workers.

- The total economic impact of all business activity at the Harbor, that is, from the

sales of commercial fish, visitor services, restaurants, hospitality, other retail goods, repair services, recreation services, and all other services exceeds \$245 million per year.

- The total economic impact on income going to workers and proprietors as a result of all operations at the Ventura Harbor and the multiplier process sums to nearly \$90 million.
- The Ventura Harbor is responsible for the generation of over \$35 million in Federal and state taxes and fees each year, and for creating over 2,500 jobs nation-wide, most of which occur in Ventura County and the rest of California.

**The growth of Harbor activity over the next 5 years.**

- The total value of direct sales transactions at the Harbor is \$94 million. Based on a continuation of the current trend, sales will grow to an inflation adjusted dollar total of \$108 million by 2017, an increase of 15 percent.

## Executive Summary

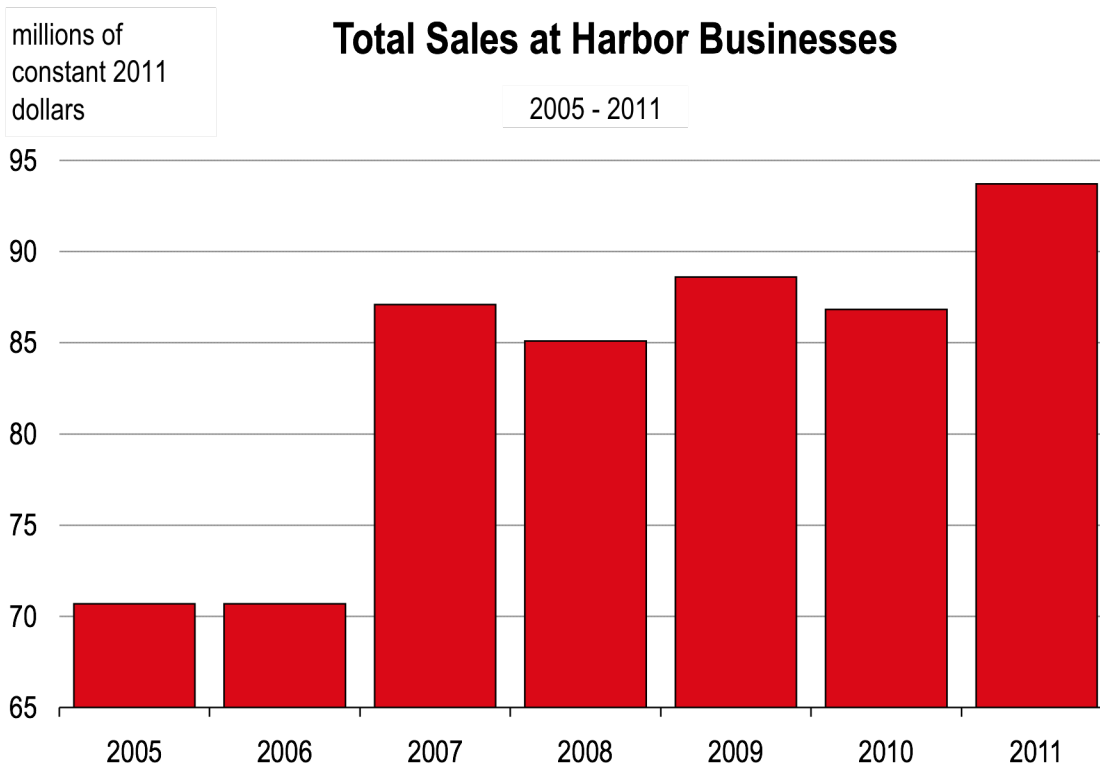
The Ventura Port District is an independent “Special District” or agency of the state of California for the purpose of providing a particular local function. A special district is a separate local government that delivers public services. The District is the owner/operator of the Ventura Harbor.

The Ventura Harbor is a diverse economic entity that offers a myriad of services to both Ventura County residents and visitors. There are just over 100 tenants located at the Harbor that provide a diverse array of goods and services.

Of these tenants, the largest economic impact comes from the commercial fishing organizations. These entities generate a significant amount of revenue and support a substantial number of jobs. And because of the harbor’s particular characteristics – namely its deep-water capacity and its close proximity to the trade centers in Los Angeles – these fishing companies are able to remain competitive in an increasingly global market.

In total, the Ventura Harbor is a significant economic driver for Ventura County, and harbor businesses generate a substantial amount of economic activity for the region. In 2011, the harbor generated \$94 million in sales. Of this total, \$82 million remained in Ventura County (the rest “leaked” into other regions of the state and nation), which generated an additional \$33 million of indirect/induced sales within the county (described in more detail below). Harbor businesses employed the equivalent of 675 full-time jobs during 2011.



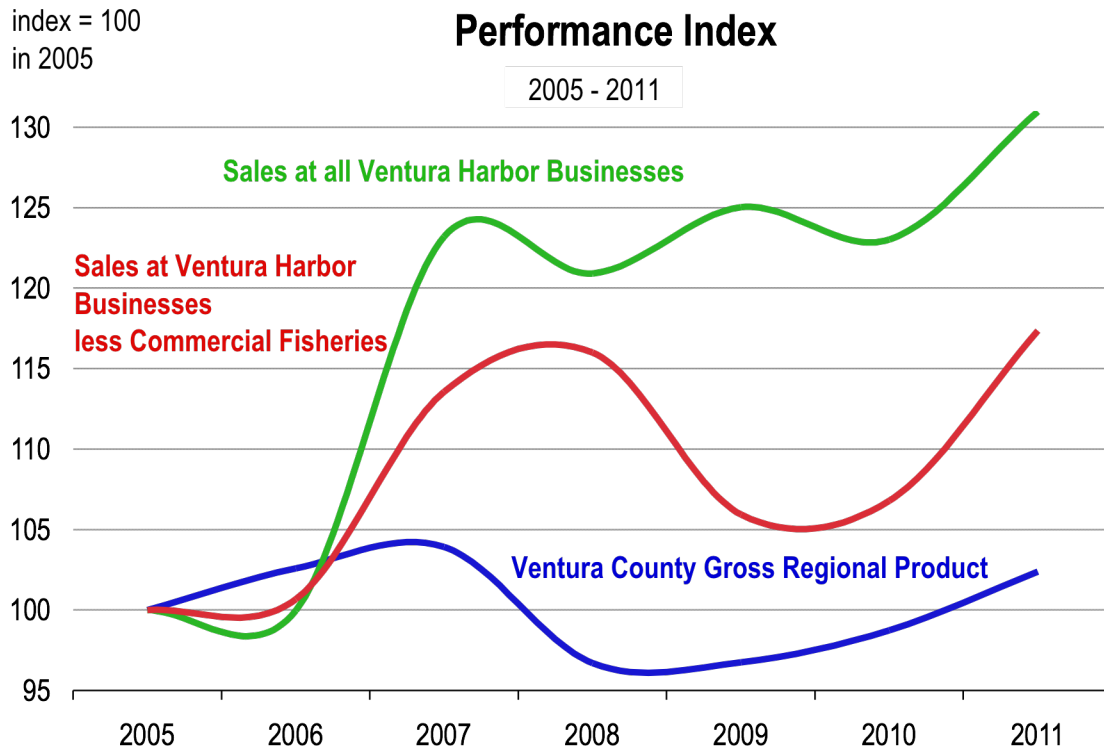


The Ventura Harbor serves as a major provider of marine and aquatic services. With a substantial commercial fishing presence, several marinas and boat yards, the Channel Islands National Park Visitor Center, and a number of independent boat-services firms, the harbor is responsible for much of the marine-related activity in Ventura County. In 2011, these organizations generated a total of \$63 million in sales, and employed the equivalent of 271 full-time jobs.

A significant portion of these revenues can be attributed to the fishing organizations. By serving as an entry point for a large landing of squid, the Ventura Harbor plays a substantial role in California's commercial fishing industry. Market squid remains California's largest and most lucrative commercial fishery, valued at over \$73 million in 2010. In 2011, nearly 33 thousand tons of squid, representing 28 percent of the state's total catch limit, was unloaded at the Ventura Harbor, making it one of the largest squid landings on the West Coast. Squid generated \$16 million in revenues for the fishing companies that operate at the harbor.

However, squid are not the only type of seafood that passes through the Harbor. A number of other species – including lobster, prawn, halibut, and tuna – were unloaded at the harbor's facilities, generating an additional \$3 million in sales in 2011. The total of all commercial fish landings was valued at \$19 million in 2011.

Moreover, the harbor's fishing organizations proved invaluable during the recent recession. While sales at other businesses slumped, fishing revenues increased substantially. Because of this, total harbor sales remained on an upward trajectory, avoided the steep decline that would have otherwise occurred.



Located within Harbor grounds, there are also two hotels – the Four Points Sheraton Ventura Harbor Resort and the Holiday Inn Express. These establishments contain 175 rooms and can accommodate conferences for hundreds of professionals. Combined, these organizations generated \$7.2 million in direct sales and employed the equivalent of 115 full-time positions in 2011.

The harbor also contains restaurants, shops, and other visitor amenities. With 21,322 square feet of retail space and 28,889 square feet of restaurant space, the harbor contains a total of 50,211 square feet of visitor-serving capacity. Its wide variety of establishments helps to create a rich, consumer-oriented experience that adds to the vitality of the harbor region. In 2011, these businesses generated \$15.7 million in direct sales and employed the equivalent of 241 full-time jobs.



Furthermore, the harbor contains office space and a mobile home park. With 17 separate businesses and 430 residents, this faction of the harbor generated \$7.5 million in direct sales and employed the equivalent of 48 full-time positions in 2011.

### **Economic Significance of the Ventura Harbor**

Business activity at the Ventura Harbor has a total economic effect (or significance) of \$82 million in sales within Ventura County. \$49 million is the direct effect, which creates an additional \$33 million of indirect and induced impacts on the regional economy.

The 675 full time equivalent jobs associated with Harbor activity create an additional 250 jobs within the county, producing a total employment impact of 925. The employment multiplier is 1.4. A large portion of the jobs produced are in food processing, food services and hospitality, and generally in sectors which cater to Harbor visitors and workers.

Total labor and proprietor income sum to \$31 million. This sum includes business, worker, and household income taxes going to state and federal governments.

### **Tax Implications**

The total tax impact of Harbor economic activity in Ventura County is allocated as follows:

	<u>millions</u>	<u>recipient</u>
Social Security:	\$ 9.4	State and Federal
Sales Taxes:	\$ 5.6	State
Property Taxes:	\$ 5.5	State
Personal Income Tax:	\$ 7.5	State and Federal
Corporate Income Tax:	\$ 2.9	State and Federal
Other Taxes:	\$ 4.8	State and Federal
Total:	\$35.7	

Total business activity at the Ventura Harbor supports 925 jobs at the Harbor and in the surrounding economy. Total effects may be divided between the direct effects

that occur in businesses selling goods and services directly to Harbor visitors and secondary effects that result from the circulation of this money within the local economy.

The average sales multiplier is 1.7. For every dollar of direct sales another \$0.70 in sales is generated in the local region through secondary re-spending effects.

### **Economic Impacts throughout the U.S.**

The broader employment multiplier is 1.8, due to a greater number of secondary jobs being created when spending circulates beyond the local region. Normally, spending that produces more jobs and income outside of Ventura County is said to have “leaked” out of the region and it does not benefit the local economy. However, the full economic impact of the Harbor would translate into economic benefits throughout California and the nation.

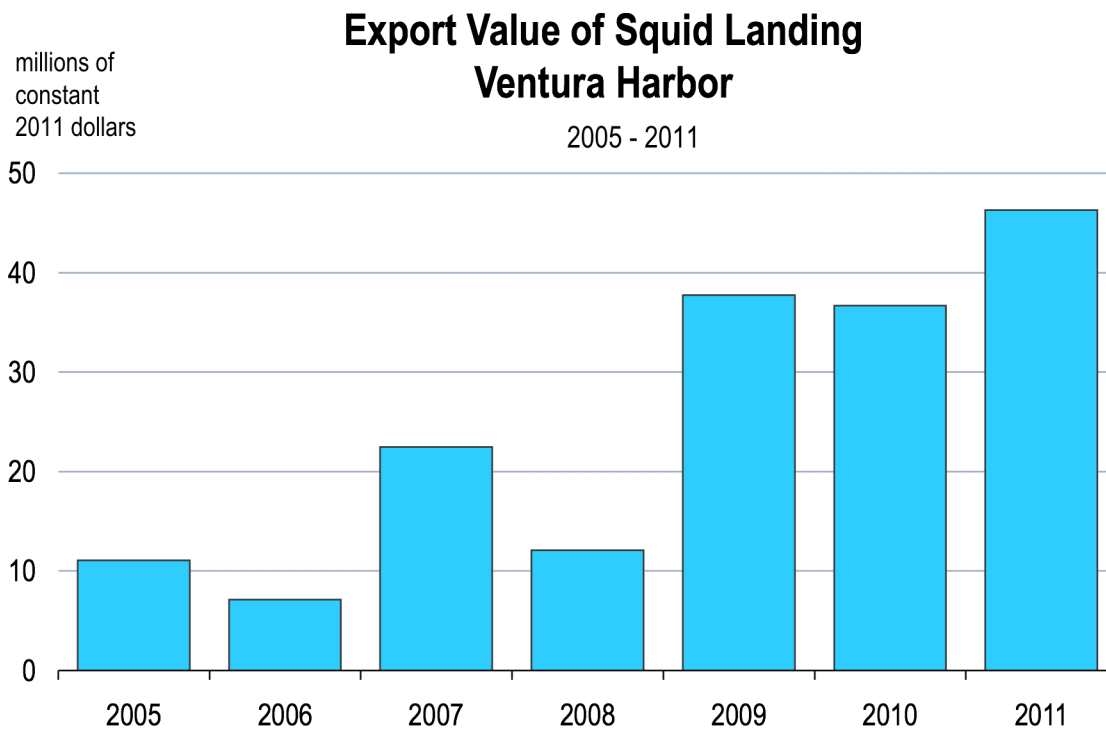
This is especially true of the commercial fishing operations that unload their catch at the harbor, process it in Oxnard and other facilities outside the county, and export much of the product abroad. The total impacts of the complete fishing operation are spread out beyond the County of Ventura.

#### Commercial Fishing

The total commercial fish catch generated a value of \$19 million last year. After transportation, processing, sales to wholesale distributors, and more transportation, the value of commercial fishing produced multiplied to nearly \$46 million in the U.S. The output multiplier is 2.4 meaning that for every dollar of fish landed at the Ventura Harbor, an additional \$1.40 is created in the U.S. economy.

Direct employment of 213 jobs created an additional 166 jobs through the re-spending and value added process of transportation, processing, and wholesale distribution. The 166 jobs created are higher salaried jobs than the direct fishing jobs, producing a labor income multiplier of 2.7. Every dollar of income that commercial fishing earns produces an additional \$1.70 of income for other workers in the U.S. economy.

The export value of squid has been rising since 2006. Last year, the total export value was estimated at \$46 million.



### Commercial Fishing Impact Summary

	Ventura Harbor ( <u>Direct Effect</u> )	Entire U.S. Economy ( <u>Total Impact</u> )
Total Jobs Created	213	378
Total Sales	\$ 18.9 million	\$ 45.5 million
Total Export Value	-----	\$ 46.3 million -----
Total Employment	213	378
Total Labor Income	\$ 5.3 million	\$ 14.0 million
Total State Taxes	-----	\$ 2.4 million -----
Total Federal Taxes	-----	\$ 3.1 million -----

### All Harbor Operations

The total impacts (compared with those that fall in Ventura County) for all operations at the Ventura Harbor are as follows:

### **Economic Impact Summary of all Ventura Harbor Operations**

	<u>Total / U.S.</u>	<u>Total / Ventura County</u>
Total Jobs Created:	2,537	925
Total Labor Income:	\$ 91 million	\$ 31 million
Total Output (sales):	\$ 246 million	\$ 82 million
Total Federal Taxes:	\$ 19.8 million	\$ 7.0 million
Total State/Local Taxes:	\$ 15.8 million	\$ 6.1 million

The Ventura Harbor is responsible for the generation of over \$35 million in Federal and state taxes and fees, and for over 2,500 jobs nation-wide, most of which occur in California.

### **Economic Potential of the Port over the Next 5 Years**

The total value of goods and services (total sales) at harbor businesses is expected to grow at a healthy pace over the next five years. With an annual average rate of 2.4 percent, total sales, adjusted for inflation, should surpass \$108 million by 2017.

Unadjusted for inflation, the nominal pace of growth in Ventura Harbor business would average approximately 4.7 percent per year.

This forecast is a conservative estimate, because over the previous five years (which included the Great Recession of 2008-2009), the total value of goods and services increased at a significantly more rapid pace. In addition, new development projects

– including a large number of new housing units – could generate a boost in normal activity during this decade. Consequently, it is expected that, through 2017, the Ventura Harbor will continue to provide significant contributions to the economies of the City of San Buenaventura, Ventura County, California, and the nation.

## **Summary**

The economic impacts that are produced by business activity at the Ventura Harbor are significant to the region. Commercial fishing, boat maintenance, repair, services and supplies, and marina services produce significant economic revenues through sales, and significant income to the region.

The National Park System attracts over 300,000 visitors per year and, approximately 65,000 of these individuals visit the Channel Islands National Park utilizing concessionaire boating services located at the Ventura harbor.

The direct output of the Harbor, estimated at \$94 million, support a substantial number of jobs in Ventura County and additional jobs outside of the County.

Commercial fishing alone generates \$46 million in sales throughout the U.S. economy and is responsible for the creation of nearly 380 jobs.

Because the Ventura Harbor is one of the key offloading ports in Ventura County, most of the economic benefits would be lost to the local area if the harbor were to suspend operations.

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# 1. Introduction

The Ventura Harbor is principally used for commercial fishing, with approximately 1,500 commercial and recreational slips. The Harbor's commercial and recreational fishing activities directly employ hundreds of crew members, truck drivers, and laborers. Additional workers in seafood processing facilities (in adjacent Oxnard and Los Angeles) depend on the fishing operations at the harbor.

The principal commercial fishing catch is squid. Squid landings at the Ventura Harbor account for 28 percent of the entire annual catch limitation for the California squid fishery. In 2011, the dockside value of squid offloaded at the Ventura Harbor was \$16 million.<sup>1</sup> The post-processing export value of this commodity is estimated to be \$46 million.

Ventura Harbor is home to many businesses, offering a myriad of services that include full-service marinas, dive and fishing excursions, water sports, bait and fuel docks, shopping, dining, and entertainment.

The Harbor is also home to the Four Points Sheraton luxury hotel and conference center, as well as the Holiday Inn Express.

The Ventura Harbor is also the headquarters for Channel Islands National Park that facilitated 301,825 visitors last year. Island Packers, the official charter service for the National Park, transports 60,000 visitors to and from the Channel Islands each year.



*The Ventura Harbor is home to Island Packers who provide Whale Watching excursions in the Santa Barbara Channel. Approximately 10% of the entire global blue whale population gathers in the channel during the summer months.*

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<sup>1</sup> Estimates for squid value were provided by the Ventura Harbor. See Appendix for details.

Economic impact studies attempt to measure the total economic impacts that an organization, or group of organizations, has on the local, state, and national economies. These include the direct, indirect, and induced effects that are generated.

For the Ventura Harbor, the direct effects are defined as the sales that are generated by the businesses at the harbor, as well as the number of workers that these businesses employ. For example, the direct effects of a fishing company are the total revenues it receives for selling its harvest, as well as the jobs it creates for fisherman, boat operators, and other types of workers needed to run its operation.

The indirect effects, on the other hand, are the result of *business* spending in organizations that are influenced by activity at the harbor. For example, the seafood products that are created by a commercial fishery must be shipped to stores and restaurants, which creates jobs for trucking companies. These stores and restaurants must prepare and sell the fish, which generates jobs for butchers, chefs, waiters, and cashiers. These jobs, plus the revenue that these businesses receive, are known as the indirect effects.

The induced effects are the result of spending by *individuals* that are influenced by activity at the harbor. The fishermen, boat operators, and other employees at the harbor receive salaries, as do the truck drivers, butchers, and waiters of the outside businesses. When they spend these salaries in local establishments, they help to create additional economic activity. This results in still more sales and more jobs for the region, which are collectively known as the induced effects.

For this study, the economic impact analysis was performed by using an input-output model of Ventura County and the nation. These models are able to analyze industries with very precise levels of detail, and can track the flow of economic activity within the county, as well as across the nation. They use data that were compiled, prepared, and disseminated by the U.S. Bureau of Economic Analysis. The effects were measured with IMPLAN 3.0, an input-output software package.

This report discusses the results of this analysis, and presents them by type of effect – direct, indirect, and induced – as well as by type of business.

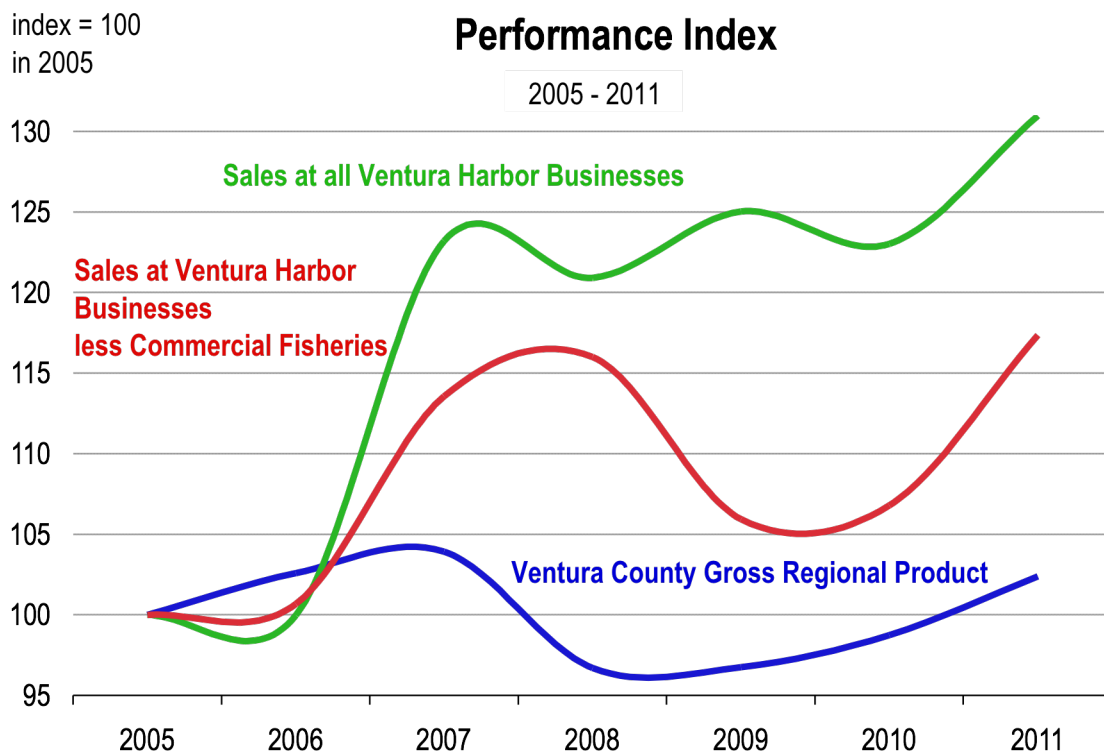


## The Harbor and the Ventura County Economy

Over the last 6 years, companies at the Ventura Harbor have out-performed the Ventura County economy. At the harbor, sales increased briskly in 2007, declined only slightly during 2008, and then expanded again in 2009. Today, sales at all harbor businesses are now well above their previous peak in 2007. By comparison, the larger Ventura County economy contracted sharply between 2007 and 2008. It is now growing again, but has not yet surpassed its pre-recession peak.

Of the many companies located at the harbor, the commercial fisheries have been among the best performers. Because of large increases in the amount of seafood produced, fishing revenues have grown dramatically over time. In fact, this is one of the only segments of the harbor to demonstrate expansion between 2007 and 2009, as businesses activity across the region – and nation – declined dramatically.

If commercial fishing was not operating at the Ventura Harbor, the total performance of harbor businesses would have been poor during the recession. Harbor sales would have declined precipitously in 2009, just as the recession was at its nadir. Strong growth at the commercial fishing companies helped to counteract this decline, leaving total harbor revenues relatively unaffected by the recession.



## Methodology

Direct Impacts are measured at the firm level of detail, and aggregated to develop the impacts for each of the principal sectors of business activity located at the Harbor.

The induced impacts are based on the current expenditure profile of residents in Ventura County, as estimated by the U.S. Bureau of Labor Statistics, "Consumer Expenditure Survey."

The survey indicates the distribution of consumer expenditures over key consumption categories for Ventura County area residents. The consumption categories are:

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

The estimated consumption expenditure generated as a result of the re-spending 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 Ventura County, 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 Ventura County. 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 indirect impacts are estimated based on the local purchases by the firms, directly dependent on the Harbor, combined with indirect job, income and revenue coefficients for the supplying industries in Ventura County as developed by the

## **Economic Impact Models**

The impacts are measured for calendar year 2011, and a computer model for the aggregate of business activity at the Ventura Harbor was developed to test the sensitivity of the impacts. It is to be emphasized that this study is designed to provide a framework which the Ventura Harbor can use in formulating and guiding the future development of Port facilities.

## **The Assessment of the Economic Impacts**

The measurement of the economic impacts of Ventura Harbor business activity relies on five distinct types of activity that occurs in the Ventura Harbor. These activities are:

### **Marine Cargo**

- commercial fishing

### **Cruise Activity**

- Boating services to visitors and residents
- Harbor excursions
- transportation to the Channel Islands

### **Marina Activity**

- moored recreational boats
- transient recreational boating activity

### **Non-marine cargo real estate Tenants**

- offices
- restaurants
- retail stores
- other retail services

### **Fish processing**

- fishing activity

The estimated economic impacts of the Ventura Harbor on the Ventura County economy are measured for calendar year 2011, and computer models for each line

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<sup>2</sup> Minnesota IMPLAN Group Inc. 2012. IMPLAN Pro Version 3.0, Stillwater, Minnesota. MIG, creators of IMPLAN provide a complete economic assessment model system including data and software. The software simplifies the economic input/output methodology providing economic resolution from the National level down to the ZIP Code level.

of business have 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 Ventura Harbor can use in formulating and guiding the future development of Port facilities, in addition to understanding what economic influence it has on the broader regional economy.

## 2. The Direct Effects of the Ventura Harbor

### *Marine Services*

#### *Full-time establishments*

The marine services of the Ventura Harbor provide the foundation for all of the economic activities that are analyzed in this study. They bring boating enthusiasts together and create tourism opportunities, which generates a customer base for the retail and dining organizations that operate within harbor grounds. The harbor also is home to a large amount of commercial fishing activity, which is made possible by its deep-water capabilities. As the key offloading harbor in Ventura County, the marine aspects discussed below create economic opportunities that are dependent upon the continued operation of all harbor facilities.

There are nine boating companies that provide services to visitors of the harbor. These include tours of the harbor and surrounding area, boat and kayak rentals that allow individuals to explore the coastline and the Channel Islands, diving services that offer guided tours around the Channel Islands, and others.

There are also a number of marinas and boatyards, including Ventura West Marina, Ventura Isle Marina, Harbor Village Marina, Ventura Harbor Boatyard, and Ventura Harbor Marine and Yacht Yard. Combined, these facilities have slips for 1,267 vessels.



In addition, there are two yacht clubs – Ventura Yacht Club and Pierpont Bay Yacht Club – that serve as a meeting place for boating enthusiasts. These facilities contain an additional 88 boat slips.

Of the boats docked in these locations, many are used for recreation – primarily for trips to the Channel Islands, recreational fishing activities, and participation in the harbor's yacht clubs. Some, however, are used for commercial purposes, such as fishing and guided tours. Still others serve as the primary residences of families and individuals. In 2011, there were 366 individuals that lived aboard vessels in the Ventura Harbor.

Sea vessels typically run on marine diesel fuel. The Ventura Harbor Marine Fuel Facility, as well as Dave's Fuel Dock, provide fuel to vessels that are docked at the harbor, and to those traveling along the California coast.

Lastly, Del Mar Foods, Ventura Packers, and State Fish, are the primary companies related to the harbor's commercial fishing activity. These organizations catch squid and related seafood types, and sell these products to organizations around the globe. *Together, they account for a large portion of all commercial squid activity on the West Coast*, and processed a total of **29,400 metric tons** of squid in 2011.

According to a recent Los Angeles Times article, most of the world's market squid is harvested from California's shallow waters, where they gather in enormous schools each year to mate and deposit their eggs on the seafloor.

Cold ocean conditions have drawn squid in such numbers lately that fishermen have handily caught their 118,000-ton limit -- enough to fill 60 Olympic-size swimming pools -- and the state has shut them down early two years running. Surging demand in China, Japan, Mexico and Europe has boosted prices and launched a fishing frenzy worth more than \$70 million a year.

Commercial fishing is able to succeed at the harbor for two main reasons – it contains a deep-water port that can accommodate ocean-bound fishing vessels, and it is close to the international trade centers in Los Angeles. This combination presents a strategic advantage that is absent at other ports in the region, making the Ventura Harbor a key port for California's commercial fishing industry.

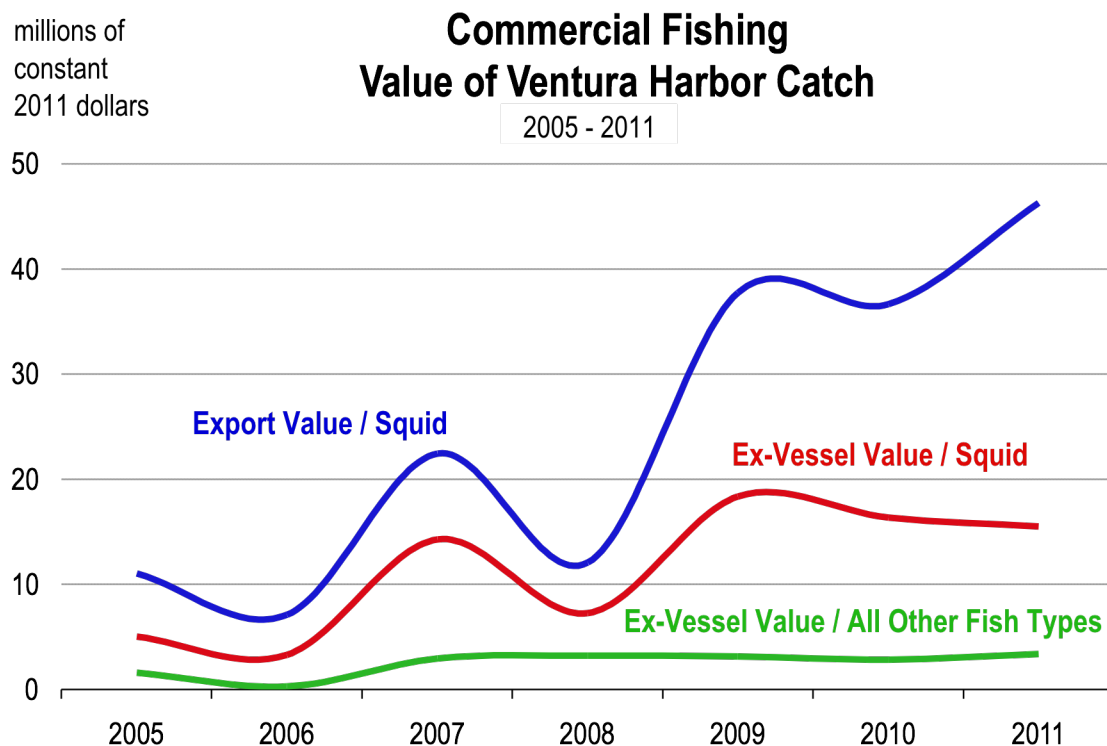
Market squid remains the state's largest and most lucrative commercial fishery, valued at over \$73 million in 2010.

In 2011, all marine services of the Ventura Harbor directly created the equivalent of 271 full-time jobs and generated \$63.3 million in sales.

Of these sales, \$18.9 million can be attributed to commercial fishing. And of this total, \$15.5 million was generated by the squid haul. Over the years, squid have accounted for the overwhelming majority of all fishing activity at the harbor. However, it is particularly noteworthy that this represents the ex-vessel (wholesale)

value of the squid landed at the Ventura Harbor.<sup>3</sup> After being unloaded at the harbor, the squid are transported to processing plants in Southern California, and then sold to restaurants and grocery stores across the globe.

In 2011, the export value of this commodity was approximately \$46.3 million, providing a significant boost the California economy, as well as the nation's trade balance. In recent years, the export value has increased faster than the ex-vessel value, as the global price of squid has moved higher. While this is not a "direct effect" of Ventura Harbor businesses, it is an important component of the total economic activity that is generated, and will be discussed in more detail in the section on "indirect effects."



#### *Contractors*

The aquatic activities at the Harbor also generate the need for contract-oriented boat services. These largely consist of maintenance and repair operations, and are performed by licensed professionals. And like the other maritime operations

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<sup>3</sup> The ex-vessel value is the value of the fishery before processing, or the "dock-side" value of the catch.

previously described, these jobs are unique to the harbor, and would not exist if the harbor were to cease operations.

In 2011, boat-services contractors employed the equivalent of 69 full-time workers, and directly generated \$3.6 million in sales.

### *The NPS Visitor Center for the Channel Islands*

The Channel Islands National Park is comprised of a series of islands located near the Ventura County Coast. The Visitor Center – which is located within Harbor grounds – features a bookstore, gift items, a live tidal pool with daily talks, and exhibits featuring the unique character of each park island. It also has a viewing tower with one of the best views of the Ventura Harbor, the Channel Islands, and the Ventura coastline.

The visitor center, along with the Channel Islands National Park, is one of the main attractions of the harbor region. In 2011, the park drew 301,825 visitors, all of whom passed through the Ventura Harbor.

According to a study conducted by Michigan State University and the U.S. Department of the Interior, visitors to the park account for a significant portion of all spending at the Harbor. The study reports that in 2010, visitor outlays totaled \$24 million. But because this spending is primarily conducted at the harbor's shops, restaurants, and boating service firms, most of these funds are already included in the direct effects (or revenues reported) by existing Ventura Harbor businesses.

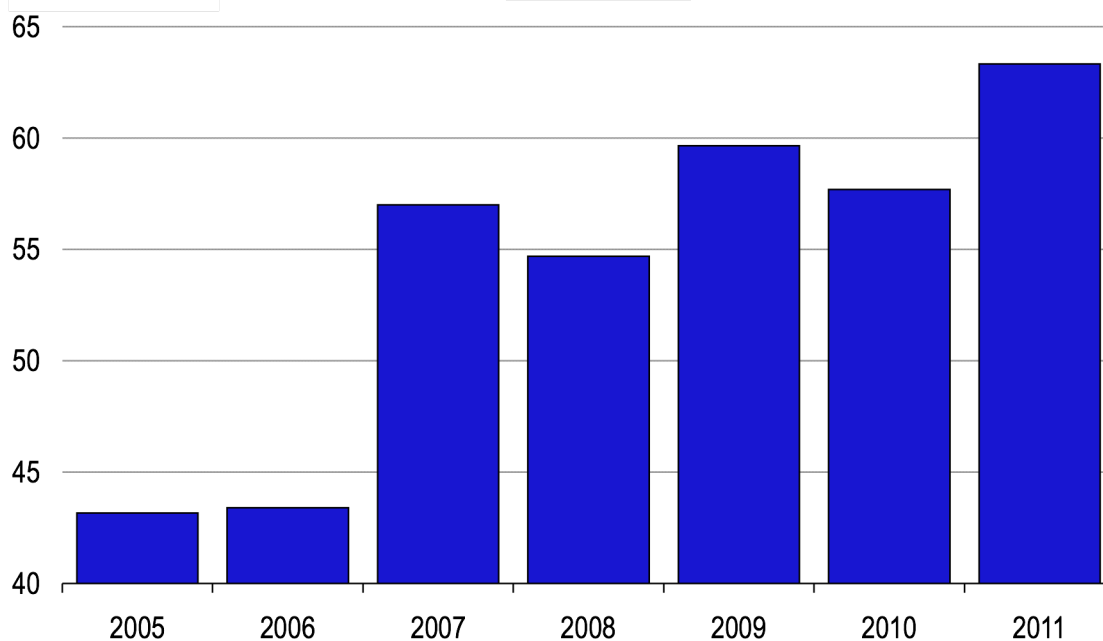
A small portion of visitor spending, however, occurs at other businesses in Ventura County, away from the Harbor. Because this activity was generated by visitors to the harbor, it would not have occurred if the Harbor did not exist. Consequently, additional economic impacts created by the harbor were added into the analysis. It is estimated that in 2011, national park visitors engaged in \$2.6 million in spending outside of Ventura Harbor activities.



millions of  
constant  
2011 dollars

## Sales at Marine Service Businesses

2005 - 2011



Direct Impacts of Marine Services, 2011		
	Full-Time Equivalent Jobs	Sales (\$ millions)
Full-Time Establishments	202	57.1
Contractors	69	3.6
Channel Islands NPS	N/A	2.6*
<b>Total</b>	<b>271</b>	<b>63.3</b>

\*Spending by National Park visitors outside of Ventura Harbor businesses

### Hotels

The Harbor has two hotels that serve a large number of visitors each year. The Four Points Sheraton Ventura Harbor Resort and the Holiday Inn Express provide a total of 175 rooms, and served an estimated 76,600 guests in 2011.

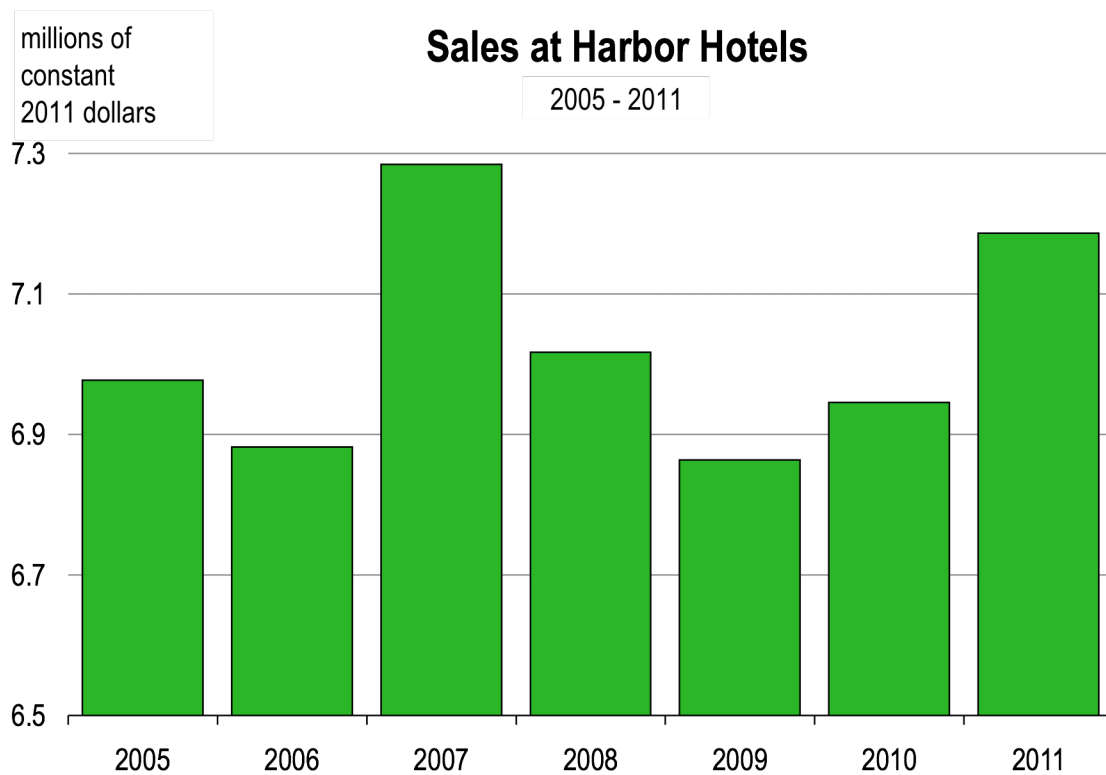
Many of these individuals came as tourists to the Harbor, and provided patronage to the retail, dining, and recreational establishments within. Such visitors typically

spend considerable amounts of money in these establishments, and account for a large portion of the direct economic effects of the Ventura Harbor.

Other visitors, in addition, came to take advantage of the professional accommodations that are offered by the Harbor's hotels. The Holiday Inn, for example, contains two conference rooms that total 2,000 sq. ft. of meeting space – facilities that can accommodate dozens of people each day.

The Sheraton, furthermore, has 12 conference rooms that span 6,400 sq. ft., providing space for hundreds of professionals. Together, these facilities draw a significant number of business-oriented visitors to the region, generating additional direct impacts.

In 2011, the Ventura Harbor hotels were directly responsible for the equivalent of 115 full-time jobs, and generated \$7.2 million in sales.



Direct Impacts of Hotels, 2011		
	Full-Time Equivalent Jobs	Sales (\$ millions)
Hotels	115	7.2

## *Restaurants and Shops*

There are 15 restaurants and 19 shops at Harbor Village. These establishments provide a wide range of goods and services, from casual fare to fine dining, and from surf equipment to original works of art.

The culinary choices at harbor restaurants include local seafood, authentic Mexican cuisine, deli-style options, and Spanish tapas, among others. In addition, the retail establishments offer aquatic equipment and apparel, souvenirs and other niche products, and a variety of other goods.

The diverse array of retail and dining options serves to increase the vitality of the Harbor, helps to draw more visitors, and ultimately adds to the total economic impacts on the County of Ventura.

In 2011, these establishments employed the equivalent of 241 full-time individuals, and accounted for \$15.7 million in sales. The restaurants accounted for 205 jobs and \$13.0 in sales, while the shops accounted for 37 positions and \$2.7 million in sales.



Direct Impacts of Restaurants and Shops, 2011		
	Full-Time Equivalent Jobs	Sales (\$ millions)
Restaurants	205	13.0
Shops	37	2.7
<b>Total</b>	<b>241</b>	<b>15.7</b>

### *Office/Professional/Real Estate Establishments*

There are also a large number of office and professional organizations that are located on Harbor grounds. These organizations provide a number of jobs to residents of Ventura County, create additional patrons for the dining establishments of Ventura Harbor, and generate a significant volume of revenues. They include law offices, consulting firms, engineering organizations, and medical facilities. They also include professional organizations and administrative companies, among others.

The Ventura Harbor also contains a mobile home park that housed 430 residents in 2011. Like the professional establishments, the mobile home park provides additional patrons for the dining establishments in the Harbor, and generates property tax revenue for Ventura County.

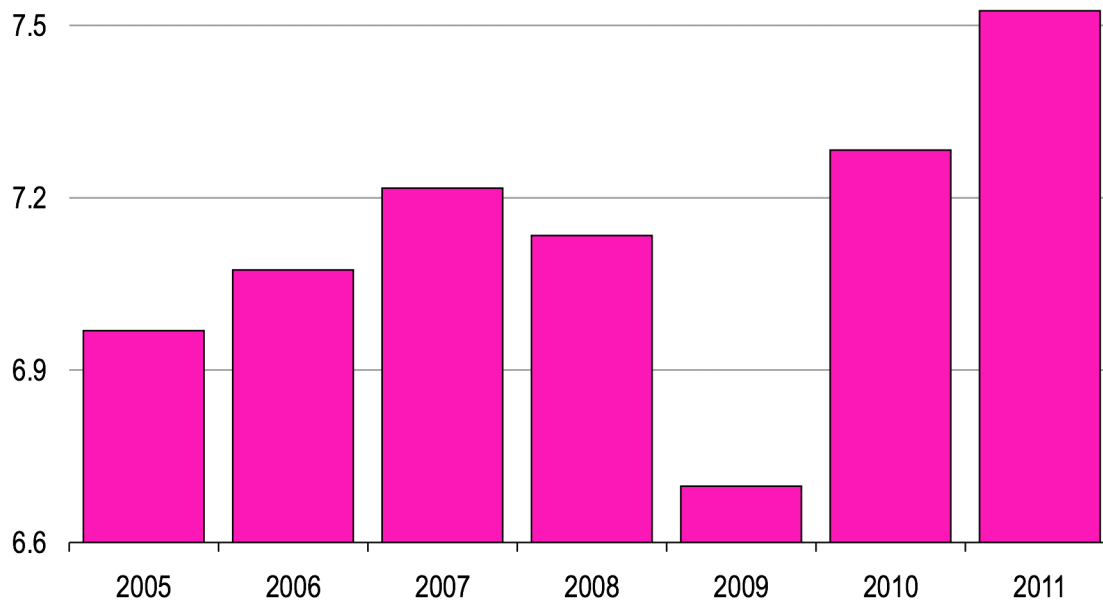
Lastly, the Ventura Harbor has a timeshare establishment – the Harbor Town Point Resort – that has over 50 owner-shared suites. This establishment offers a distinct experience that is unique to the harbor atmosphere, and brings a substantial number of individuals to the region each year.

Together, the office/professional/real estate organizations employed the equivalent of 48 full-time workers in 2011, and generated \$7.5 million in total sales.

millions of  
constant  
2011 dollars

## Sales at Office and Real Estate Businesses

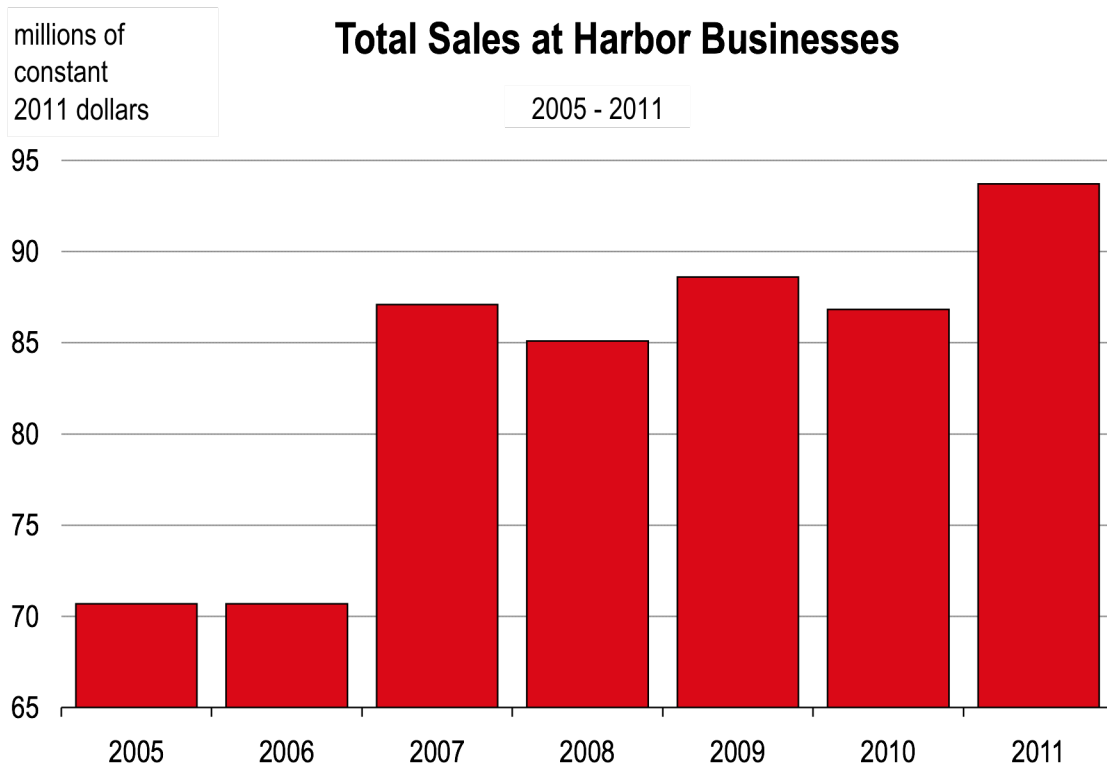
2005 - 2011



Direct Impacts of Offices and Real Estate, 2011		
	Full-Time Equivalent Jobs	Sales (\$ millions)
Office and Real Estate	48	7.5

### *Total Direct Effects*

In sum, the Ventura Harbor was directly responsible for the equivalent of 675 full-time jobs, and generated \$93.7 million in sales in 2011. Of this \$93.7 million, \$82 remained in Ventura County, whereas the rest “leaked” into other parts of the California and national economies.



Direct Impacts of Ventura Harbor, 2011		
	Full-Time Equivalent Jobs	Sales (\$ millions)
Full-Time Marine Services	202	57.1
Marine Services Contractors	69	3.6
Channel Islands NPS	N/A	2.6*
Hotels	115	7.2
Restaurants	205	13.0
Shops	37	2.7
Office and Real Estate	48	7.5
<b>Total</b>	<b>675</b>	<b>93.7</b>

\*Spending by National Park visitors outside of Ventura Harbor businesses

### 3. Economic Impacts

Business activities that produce economic impacts associated with ports typically include the following:

**Marine cargo** activity, which includes waterborne cargo moving via port marine terminals;

**Cruise activity** consists of the Harbor's cruise business activities. The impacts of the passenger services are limited to the actual waterborne operations and shore-side operations of the passenger vessel operators. Also included are the impacts of cruise passengers on the local visitors industry;

**Marina activity**, which includes recreational boats that are moored as well as transient recreational boating activity at the Harbor-owned marinas.

**Non-marine cargo real estate tenants and harbor cruises**, which include offices, restaurants, retail stores, industrial and tourism related operations; and

**Fish processing**, which includes the impacts generated by the fishing activity and processing by the tenants located on port property.

Economic activity at the Ventura Harbor is limited within the first two items. The principal cargo unloaded at the Harbor is fish. The principal cruise activity is harbor excursion trips, and transportation trips to the Channel Islands.

Additionally, the Channel Islands National Park service provides a large impact to the area because it fosters increased visitation by both residents and tourists, and produces overnight visitor spending which is greater than day visitor spending.

#### How Impacts are Measured

##### Defining Direct, Induced and Indirect jobs

**Direct jobs** are those that would not exist if activity at the Harbor (cargo, cruise, fish processing, marinas and real estate facilities) were to cease.

Direct jobs created by marine cargo and services activity located at the Harbor are those jobs associated with firms that directly transport cargo to the Harbor, provide cargo handling services, provide vessel services, and provide goods and services to Harbor visitors and workers and adjacent residents.

Direct employees created by the harbor operations include the jobs with the firms providing the direct vessel services -- tugs, excursion boats, security firms, waste disposal firms, parking, local transportation -- as well as the firms providing services to the passengers on the vessels -- hotels, restaurants and shops. Also included are direct impacts generated by the marinas located on Ventura Harbor property as well as the fish processors and all other non-maritime related Harbor tenants.

***Induced jobs*** are jobs created in the local area by the purchases of goods and services by those *individuals* directly employed by business activities located at the Ventura Harbor. These jobs are based on the local purchase patterns of local area residents.

The induced jobs are jobs at 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 local area as the result of purchases for goods and services by the *firms* directly impacted by Harbor activity, including the firms providing services to commercial fishing and passenger boating operations, as well as the Harbor's non-cargo real estate tenants, the marinas, boat maintenance, and fish processing tenants. 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, insurance and construction.

## **Personal income**

This impact consists of wages and salaries received by those directly employed by the Harbor's business activities, and includes a re-spending impact which measures the personal consumption activity in the local area of those directly employed as the result of the Harbor. Indirect personal income measures the wages and salaries received by those indirectly employed.

## **Business revenues**



This impact consists of total business receipts by firms providing services in support of the harbor activities, boating operations, marina tenants, fish processing tenants and miscellaneous real estate tenants. **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**

This category include taxes paid by individuals as well as firms dependent upon the Harbor's operations, the marina, fish processing and all other real estate activity.

### **Estimating the Direct Impacts**

This was the subject of the previous chapter.

### **Estimating the Indirect and Induced Impacts**

The 675 directly employed individuals associated with business activities at the Ventura Harbor in 2011 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, **induced** 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.

The firms providing the direct services and employing the 675 direct jobs make local purchases for goods and services. These local purchases by the firms' dependent upon the Ventura Harbor generate additional local jobs, called **indirect** jobs.

As a result of these local indirect and induced purchases, 925 jobs in the regional economy were supported.

## Economic Impact Summary

Ventura County 2011

Impact Type	Employment <i>--jobs --</i>	Labor Income	Total Value Added <i>--- dollars ----</i>	Output (sales)
Direct Effect	675	\$19,973,951	\$30,592,507	\$48,572,263
Indirect Effect	83	\$4,279,083	\$7,681,910	\$11,967,652
Induced Effect	167	\$7,091,200	\$13,800,697	\$21,099,088
Total Effect	925	31,344,234	52,075,114	\$81,639,003

## The Impacts to the local Area

### Employment

A total of 925 jobs are created in the County of Ventura due to business activity at the Harbor. The average salary is \$33,878 per worker for all workers.

<u>Sector Creating Jobs</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
111 Crop Farming	0.0	0.2	0.4	0.6
112 Livestock	0.0	0.0	0.0	0.0
113 Forestry & Logging	0.0	0.0	0.0	0.0
114 Fishing- Hunting & Trapping	68.8	0.0	0.0	68.8
115 Ag & Forestry Svcs	0.0	0.3	0.1	0.5
211 Oil & gas extraction	0.0	0.2	0.1	0.3
212 Mining	0.0	0.0	0.0	0.0
213 Mining services	0.0	0.0	0.0	0.0
221 Utilities	0.0	0.5	0.3	0.8
230 Construction	0.0	2.5	0.9	3.4
311 Food products	8.6	0.6	4.2	13.4
312 Beverage & Tobacco	0.0	0.1	0.1	0.3
313 Textile Mills	0.0	0.0	0.0	0.0
314 Textile Products	0.0	0.0	0.0	0.0
316 Leather & Allied	0.0	0.0	0.0	0.0
321 Wood Products	0.0	0.0	0.0	0.1
322 Paper Manufacturing	0.0	0.2	0.1	0.2
323 Printing & Related	0.0	0.2	0.1	0.2

324 Petroleum & coal prod	0.0	0.0	0.0	0.0
325 Chemical Manufacturing	0.0	0.0	0.1	0.2
326 Plastics & rubber prod	0.0	0.0	0.0	0.0
327 Nonmetal mineral prod	0.0	0.1	0.1	0.2
331 Primary metal mfg	0.0	0.0	0.0	0.0
332 Fabricated metal prod	0.0	0.1	0.0	0.1
333 Machinery Mfg	0.0	0.0	0.0	0.0
334 Computer & oth electron	0.0	0.0	0.0	0.0
335 Electircal eqpt & appliances	0.0	0.0	0.0	0.0
336 Transportation eqpmt	0.0	0.0	0.0	0.0
337 Furniture & related prod	0.0	0.0	0.0	0.0
339 Miscellaneous mfg	0.0	0.0	0.0	0.1
42 Wholesale Trade	0.0	1.4	2.7	4.1
441 Motor veh & parts dealers	0.0	0.2	3.7	3.9
442 Furniture & home furnishings	0.0	0.0	1.1	1.1
443 Electronics & appliances stores	0.0	0.0	1.0	1.0
444 Bldg materials & garden dealers	0.0	0.1	1.6	1.7
445 food & beverage stores	0.0	0.2	6.1	6.3
446 Health & personal care stores	0.0	0.1	2.1	2.2
447 Gasoline stations	0.6	0.0	0.7	1.4
448 Clothing & accessories stores	0.0	0.1	3.7	3.8
451 Sports- hobby- book & music stores	0.0	0.0	1.6	1.6
452 General merch stores	35.6	0.2	4.9	40.8
453 Misc retailers	0.0	0.1	2.9	3.0
454 Non-store retailers	0.0	0.1	2.7	2.8
481 Air transportation	0.0	0.0	0.1	0.1
482 Rail Transportation	0.0	0.0	0.0	0.0
483 Water transportation	0.0	0.0	0.0	0.0
484 Truck transportation	0.0	1.0	0.7	1.7
485 Transit & ground passengers	0.0	0.3	0.4	0.7
486 Pipeline transportation	0.0	0.0	0.0	0.0
487 Sightseeing transportation	0.0	0.6	0.2	0.8
492 Couriers & messengers	0.0	0.3	0.2	0.6
493 Warehousing & storage	0.0	0.4	0.3	0.7
511 Publishing industries	0.0	0.3	0.2	0.4
512 Motion picture & sound recording	0.0	0.1	0.1	0.2
515 Broadcasting	0.0	0.3	0.1	0.4
516 Internet publishing and broadcasting	0.0	0.1	0.0	0.1
517 Telecommunications	0.0	1.2	1.2	2.4
518 Internet & data process svcs	0.0	0.1	0.2	0.2
519 Other information services	0.0	0.0	0.0	0.0
521 Monetary authorities	0.0	1.1	2.2	3.2
522 Credit inmediation & related	0.0	3.7	5.0	8.7

523 Securities & other financial	0.0	1.5	6.4	7.9
524 Insurance carriers & related	0.0	2.3	3.0	5.2
525 Funds- trusts & other finan	0.0	0.0	0.1	0.1
531 Real estate	5.6	4.0	11.6	21.2
532 Rental & leasing svcs	0.0	0.4	0.5	0.9
533 Lessor of nonfinance intang assets	0.0	0.1	0.0	0.1
541 Professional- scientific & tech svcs	16.0	16.1	6.8	38.9
551 Management of companies	0.0	1.3	0.3	1.6
561 Admin support svcs	18.8	18.0	7.9	44.8
562 Waste mgmt & remediation svcs	0.0	0.9	0.4	1.3
611 Educational svcs	0.0	2.7	4.8	7.6
621 Ambulatory health care	1.0	0.0	13.7	14.8
622 Hospitals	0.0	0.0	4.8	4.8
623 Nursing & residential care	0.0	0.0	3.4	3.4
624 Social assistance	0.0	0.0	6.0	6.0
712 Performing arts & spectator sports	0.0	0.9	0.7	1.6
712 Museums & similar	0.0	0.0	0.1	0.1
713 Amusement- gambling & recreation	138.1	0.2	2.8	141.2
721 Accommodations	111.6	0.0	0.1	111.7
722 Food svcs & drinking places	202.6	7.0	18.9	228.5
811 Repair & maintenance	67.6	2.2	2.4	72.2
812 Personal & laundry svcs	0.0	1.3	3.2	4.5
813 Religious- grantmaking- & similar orgs	0.0	0.9	5.0	5.9
814 Private households	0.0	0.0	4.9	4.9
92 Government & non NAICs	0.0	5.3	6.6	11.9
Totals	675	83	167	925

The employment multiplier is 1.4 meaning that for every job created at the Harbor, an additional 0.4 jobs are produced in the Ventura County economy.

### **Labor Income, Output (sales), and Value Added**

The direct effects are \$20 million in labor income, \$49 million in total sales, and \$31 million in the total value added category.

Indirect and Induced impacts are \$11 million in labor income, \$33 million in total sales, and \$21 million in total value added.

## Total Value Added and Total Output (in dollars) / Ventura County

<u>Description</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Total Value Added	\$30,592,507	\$7,681,910	\$13,800,697	\$52,075,114
Labor Income	\$19,973,951	\$4,279,083	\$7,091,200	\$31,344,234
Employee Compensation	\$14,689,746	\$3,559,152	\$6,048,303	\$24,297,201
Proprietor Income	\$5,284,205	\$719,930	\$1,042,897	\$7,047,033
Other Property Income	\$7,359,165	\$2,874,501	\$5,338,295	\$15,571,962
Indirect Business Taxes	\$3,259,390	\$528,326	\$1,371,201	\$5,158,918
Output (sales)	\$47,599,769	\$28,462,884	\$20,558,749	\$96,621,402

The income multiplier is 1.6. The output multiplier is 1.7.

## Total Economic Impact of the Harbor on the U.S. Economy

Estimating the total impacts associated with the Harbor and not limited to Ventura County produce larger values for all impact measures. When the region of influence is expanded, the consequences of the Harbor's operations have extended reach. The direct effect of the Ventura Harbor produced 1,247 jobs and \$94 million in total output or sales. Labor and proprietor income sums to \$36 million.

## Total Direct Effects of the Ventura Harbor / 2011

<u>Sector Description</u>	<u>Industry Sales</u>	<u>Employment</u>	<u>Employee compensation</u>	<u>Proprietor Income</u>
Fishing	18,936,113	213	1,976,327	3,180,851
Food Services	12,997,500	232	4,240,845	350,554
General Retail	2,683,800	50	1,326,311	8,392
Professional Business Services	5,169,048	38	2,307,608	757,888
Hotels	7,186,500	68	2,073,249	138,668
Gasoline stations	15,780,829	214	4,738,383	1,844,935

Real Estate	2,206,000	7	78,438	43,509
Recreation	22,402,517	386	7,684,307	2,949,285
Boat Repair	3,597,565	38	1,124,726	695,584
Healthcare	150,000	1	72,195	17,260
Households*	2,610,721	NA	NA	NA

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totals	\$93,720,593	1,247	\$25,622,389	\$9,986,924
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\* additional expenditures in the local economy by visitors drawn to the Harbor.

The total direct effects are substantial. However, they are dwarfed by the amount of indirect and induced impacts that occur throughout the State and nation as a result of the re-spending by the employees of Harbor businesses and vendors supplying goods and services to Harbor businesses, together with the re-spending by their employees.

The total impact (direct, indirect, and induced) results in 2,537 jobs, \$91 million in labor income, and \$246 million in total sales. Compared to the amount of economic activity that stays in Ventura County, the amount occurring elsewhere represents approximately 67 percent of the total economic impact generated by the Harbor. Clearly, the economic effects of the Harbor are felt beyond Ventura County.

## Total Economic Impact Summary

United States / 2011

Impact Type	Employment	Labor Income	Total Value Added	Output (sales)
	--jobs --		--- dollars ----	
Direct Effect	1,491	\$38,881,226	\$58,796,313	\$95,845,469
Indirect Effect	360	\$18,979,050	\$30,515,572	\$53,711,210
Induced Effect	686	\$32,730,684	\$57,251,203	\$96,330,524
Total Effect	2,537	\$90,590,960	\$146,563,088	\$245,887,203

## State, Local, and Federal Taxes

Businesses at the Ventura Harbor generate revenues that are subject to significant tax generation to the State and Federal government.

Taxes of all types going to State and Local governments as a direct result of Harbor activity sum to \$15.8 million per year. The largest component of taxes are sales and property taxes which together, account for \$11 million.

State personal income taxes sum to \$1.7 million.

Federal taxes sum to \$19.8 million. These are almost entirely income taxes from households and corporations, and social security payments.

## Tax Impact (dollars)

Description	Ventura Harbor / 2011			
	Employee Compen- sation	Indirect Business Tax	House- holds	Corpora- tions
<b>STATE AND LOCAL</b>				
Dividends				\$22,757
Social Ins Tax: Employee Contribution	\$57,619			
Social Ins Tax: Employer Contribution	\$133,498			
Indirect Bus Tax: Sales Tax		\$5,575,645		
Indirect Bus Tax: Property Tax		\$5,477,549		
Indirect Bus Tax: Motor Vehicle License		\$115,727		
Indirect Bus Tax: Severance Tax		\$142,311		
Indirect Bus Tax: Other Taxes		\$805,227		
Indirect Bus Tax: State & Local Nontaxes		\$639,345		
Corporate Profits Tax				\$511,690
Personal Tax: Income Tax			\$1,712,954	
Personal Tax: Non-Taxes (Fines- Fees)			\$475,808	
Personal Tax: Motor Vehicle License			\$102,989	
Personal Tax: Property Taxes			\$48,751	
Personal Tax: Other Tax (Fishing)			\$44,759	
<b>TOTAL</b>	\$191,117	\$12,755,804	\$2,385,261	\$511,690

<b>Description</b>	<b>Employee Compen- sation</b>	<b>Indirect Business Tax</b>	<b>House- holds</b>	<b>Corpora- tions</b>
<b>FEDERAL</b>				
Social Ins Taxes: Employee Contribution	\$4,252,933	549,921		
Social Ins Taxes: Employer Contribution	\$4,192,529			
Indirect Bus Taxes: Excise Taxes		\$927,288		
Indirect Bus Taxes: Custom Duty		\$363,792		
Indirect Bus Taxes: Fed Non-Taxes		\$619,464		
Corporate Profits Taxes				\$2,915,098
Personal Income Taxes			\$5,753,061	
<b>TOTAL</b>	<b>\$8,445,462</b>	<b>\$1,910,544</b>	<b>\$5,753,061</b>	<b>\$2,915,098</b>

Total taxes to Federal, state, and local organizations sum to \$35.7 million.



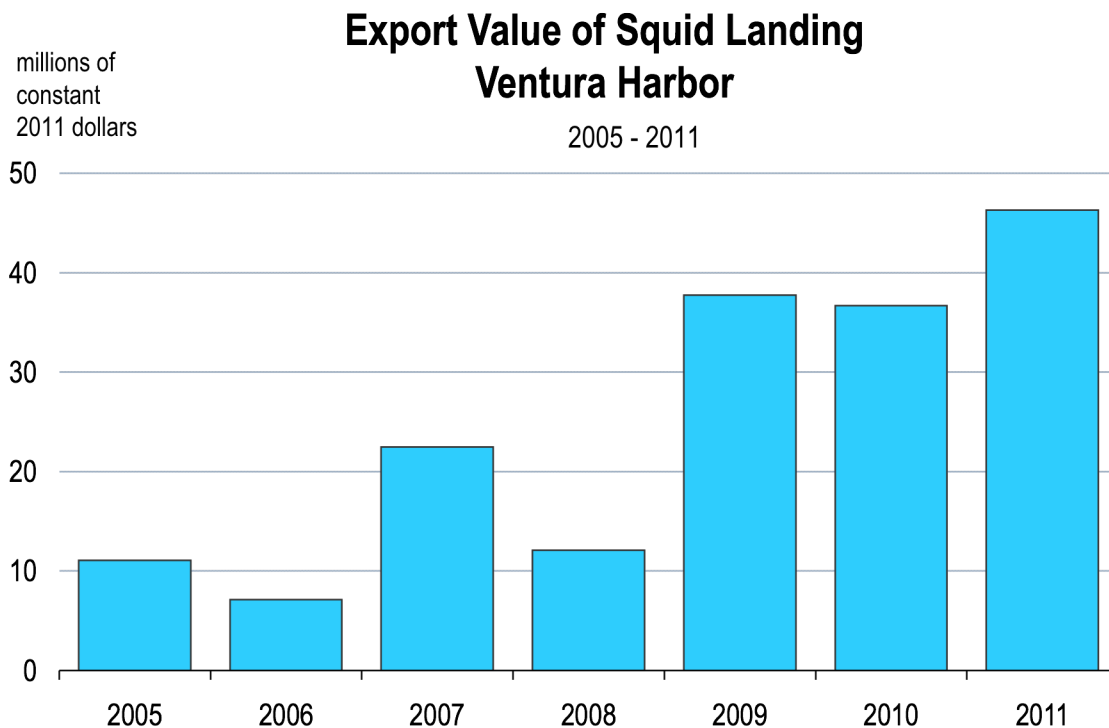
## 4. The Economic Impact of Commercial Fishing on the U.S. Economy

The total commercial fish catch generated a value of \$19 million last year. After transportation, processing, sales to wholesale distributors, and more transportation, the value of commercial fishing produced multiplied to nearly \$46 million in the U.S. The output multiplier is 2.4 meaning that for every dollar of fish landed at the Ventura Harbor, an additional \$1.40 is created in the U.S. economy.

Direct employment of 213 jobs created an additional 166 jobs through the re-spending and value added process of transportation, processing, and wholesale distribution. The 166 jobs created are higher salaried jobs than the direct fishing jobs, producing a labor income multiplier of 2.7. Every dollar of income that commercial fishing earns produces an additional \$1.70 of income for other workers in the U.S. economy.

Commercial Fishing contributes \$5.5 million to total state, local, and federal taxes.

The export value of squid has been rising since 2006. Last year, the total export value was estimated at \$46 million.



## Economic Impact Summary

## Commercial Fishing on the U.S. Economy / 2011

Impact Type	Employment --jobs --	Labor Income	Total Value Added --- dollars ----	Output (sales)
Direct Effect	213	\$5,261,971	\$10,840,913	\$19,205,819
Indirect Effect	83	\$3,654,029	\$5,594,705	\$11,638,549
Induced Effect	167	\$5,053,843	\$8,839,760	\$14,860,238
Total Effect	925	\$13,969,843	\$25,275,378	\$45,704,606

### Labor Income, Output (sales), and Value Added

The direct effects of commercial fishing are \$14 million in labor income, \$19 million in total sales, and \$11 million in total value added.

The total economic impacts are significantly higher

Indirect and Induced impacts sum to nearly \$9 million in labor income, \$27 million in total sales, and \$14 million in total value added. Value added is the sum of labor income, other property income, and indirect business taxes.

### Total Value Added and Total Output (in dollars) / U.S.

<u>Description</u>	<u>Direct</u>	<u>Indirect</u>	<u>Induced</u>	<u>Total</u>
Total Value Added	\$10,840,913	\$5,594,705	\$8,839,760	\$25,275,378
Labor Income	\$5,261,971	\$3,654,029	\$5,053,843	\$13,969,843
Employee Compensation	\$2,016,486	\$3,116,318	\$4,420,834	\$9,553,638
Proprietor Income	\$3,245,485	\$537,711	\$633,009	\$4,416,206
Other Property Income	\$4,529,117	\$1,580,526	\$3,013,875	\$9,123,518
Indirect Business Taxes	\$1,049,825	\$360,150	\$772,042	\$2,182,016
Output (sales)	\$19,205,819	\$11,638,549	\$14,860,238	\$45,704,606

The income multiplier is 2.7. The output multiplier is 2.4.

## Tax Impact (dollars)

Ventura Harbor /  
2011

Description	Employee Compen- sation	Indirect Business Tax	House- holds	Corpora- tions
<b>STATE AND LOCAL</b>				
Dividends				\$5,026
Social Ins Tax: Employee Contribution	\$7,506			
Social Ins Tax: Employer Contribution	\$17,390			
Indirect Bus Tax: Sales Tax		\$829,528		
Indirect Bus Tax: Property Tax		\$814,934		
Indirect Bus Tax: Motor Vehicle License		\$17,217		
Indirect Bus Tax: Severance Tax		\$21,173		
Indirect Bus Tax: Other Taxes		\$119,799		
Indirect Bus Tax: State & Local Nontaxes		\$95,120		
Corporate Profits Tax				\$113,021
Personal Tax: Income Tax			\$266,834	
Personal Tax: Non-Taxes (Fines- Fees)			\$74,119	
Personal Tax: Motor Vehicle License			\$16,043	
Personal Tax: Property Taxes			\$7,594	
Personal Tax: Other Tax (Fishing)			\$6,972	
<b>TOTAL</b>	<b>\$24,896</b>	<b>\$1,897,771</b>	<b>\$371,562</b>	<b>\$118,047</b>
<b>FEDERAL</b>				
Social Ins Taxes: Employee Contribution	\$754,295			
Social Ins Taxes: Employer Contribution	\$546,146			
Indirect Bus Taxes: Excise Taxes		\$137,959		
Indirect Bus Taxes: Custom Duty		\$54,124		
Indirect Bus Taxes: Fed Non-Taxes		\$92,162		
Corporate Profits Taxes				\$643,880
Personal Income Taxes			\$896,179	
<b>TOTAL</b>	<b>\$1,300,441</b>	<b>\$284,245</b>	<b>\$896,179</b>	<b>\$643,880</b>

Total taxes to Federal, state, and local organizations sum to \$5.5 million.

The total output impacts are determined from the value of commercial fishing at the dock, rather than the export value which includes much of the value added impact that is generated from the multiplier process.

The estimated impacts of Commercial Fishing on the U.S. economy are consistent with other impacts estimated by the California Ocean Fish Harvester's Economic Model, (COFHE model).<sup>4</sup>

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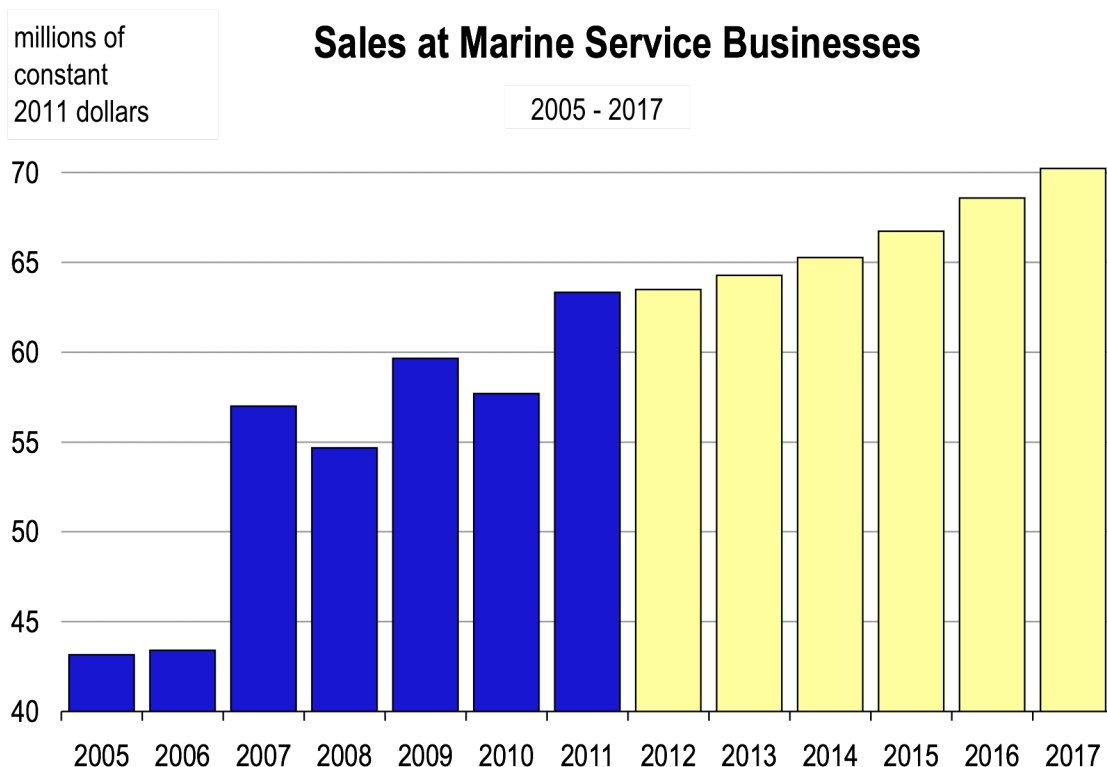
<sup>4</sup> "According to the COFHE model, the total output multiplier for every dollar generated by the purse seine fleet in the southern California region is 1.9. In 2011, the estimated ex-vessel value of the 53,944 tons of squid landed in the Ventura area was \$26.9 million. The majority of landings were delivered to the Ventura Harbor. The multiplied output value exceeded \$51 million, and the multiplied value expanded through the processing, wholesale, distribution, and export and retail chain may exceed four times the dockside value." Declaration of Ventura Port District, United States District Court, Northern District of California (San Francisco), Case No: 4:11-cv-06257-EMC, February 9, 2012, page 6.

For more details on the COFHE model, see:  
<http://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=30738&inline=true>

## 5. The Forecast

The economic significance of the Harbor is expected to increase over the next five years. As part of this assignment, the California Economic Forecast prepared a projection of sales at Harbor businesses. The projection assumes that sales at Harbor businesses will grow at rates that are comparable to similar organizations across Ventura County between 2012 and 2017.<sup>5</sup> The projection also incorporates the opening of a large restaurant that began operation in the summer of 2012.

In light of recent experience – in which Harbor businesses have outperformed the broader county – this assumption is clearly conservative. However, even under such a scenario, the impacts of the Harbor remain impressive.

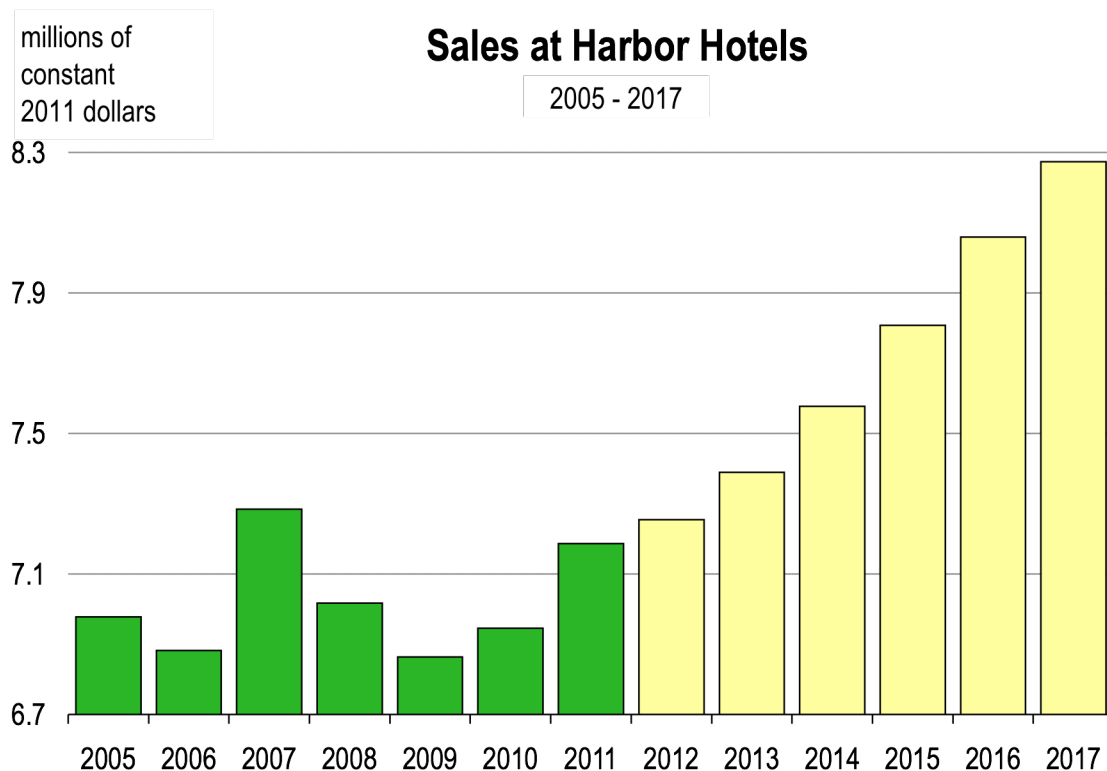


Over the coming years, marine services will remain the largest segment of activity at the harbor. Growing at an average rate of 1.7 percent per year, total inflation-

<sup>5</sup> The most recent forecast of the Ventura County economy over the next 5 years was prepared in February 2012 by the California Economic Forecast, and presented at the California Lutheran University Economic Outlook Conference on February 3, 2012 and March 29, 2012. See the reference "California Economic Forecast, 2012 Ventura County Economic Outlook."

adjusted sales will exceed \$70 million by 2017. This will be primarily driven by an increased demand for recreational services, which should prove beneficial to the various boating, diving, and excursion services offered at the Harbor.

This forecast also assumes that total squid landings by Ventura Harbor companies will remain constant at 2011 volumes, and that other seafood products will maintain a constant share of the harbor's total catch.

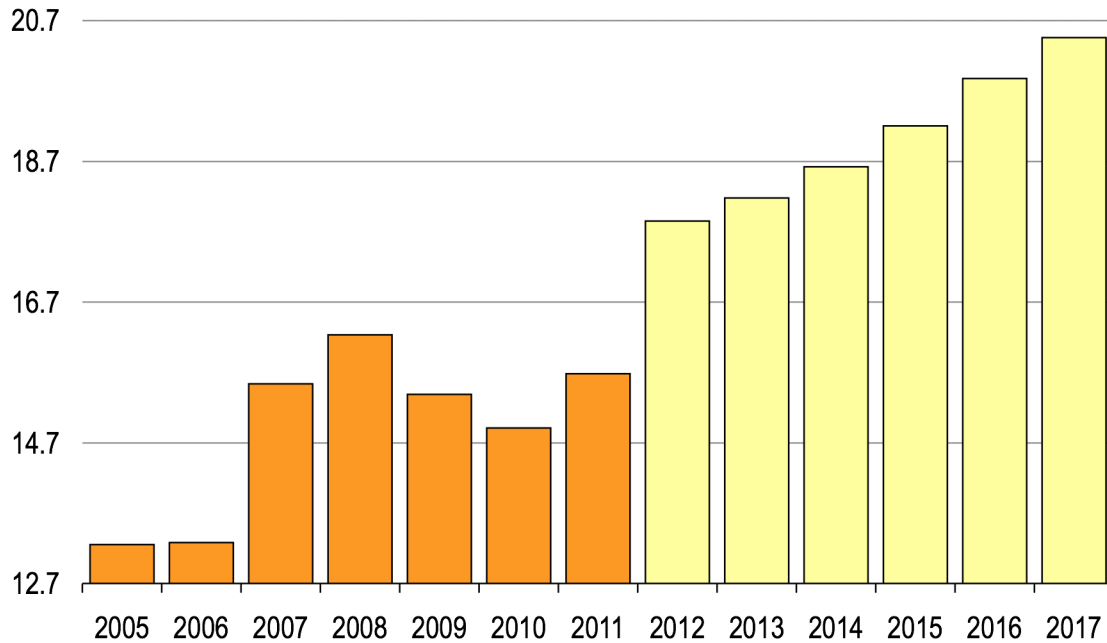


Sales at harbor hotels will experience relatively rapid growth. Across Ventura County, the tourism industry was hit particularly hard by the recent recession, as both business and leisure travel were cut substantially. During this process, hotel vacancy rates climbed higher, while average room rates sunk. The tourism industry has begun to rebound, but is still below its 2007 peak. However, as the economy heals and travel budgets are replenished, sales at harbor hotels should approach \$8.3 million by 2017.

millions of  
constant  
2011 dollars

## Sales at Restaurants and Shops

2005 - 2017



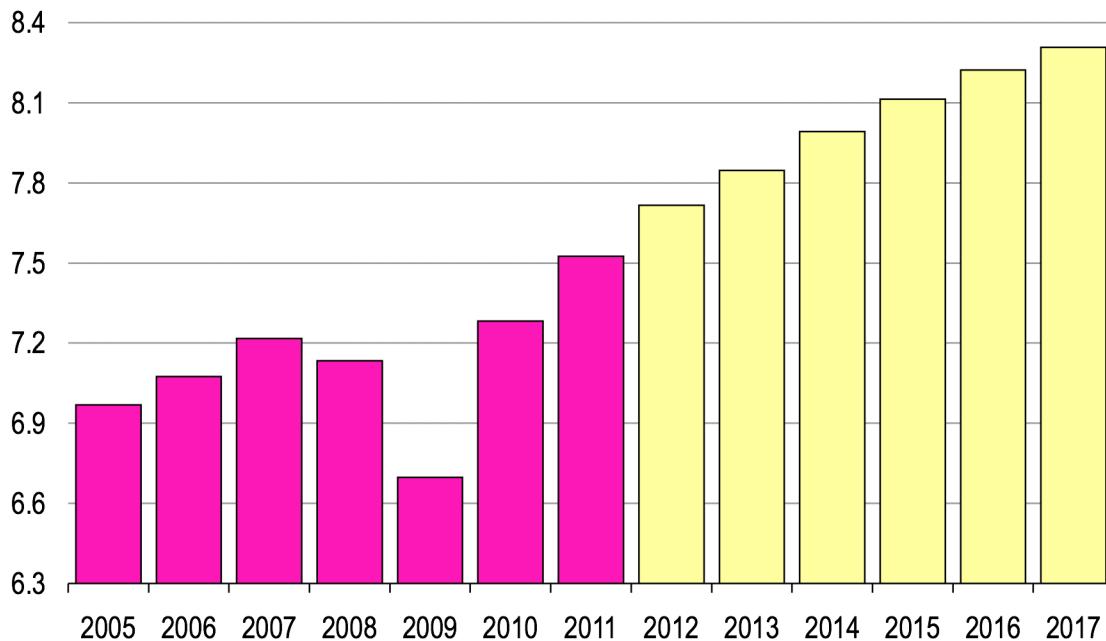
The harbor's restaurants and shops will be characterized by a rapid increase in sales, climbing from \$15.7 million in 2011 to \$20.5 million in 2017. In large part, the significant increase in projected sales during 2012 is the result of a new restaurant that opened in the summer of 2012. Because of this additional establishment, sales are expected to increase dramatically in 2012, and then more gradually from 2013-2017.

The shops, in addition, should experience relatively brisk growth. As the labor market continues to mend and household income rises, consumers will have more discretionary income to spend at retail establishments. This effect will lead to annual average sales growth of 3.1 percent for this business segment.

millions of  
constant  
2011 dollars

## Sales at Office and Real Estate Businesses

2005 - 2017



Over the next five years, the office and real estate segment of the harbor will grow at a moderate pace. Because real estate prices will remain below their 2007 peak, activity in this category will be somewhat adversely affected. However, the harbor's office establishments are heavily skewed towards one particular industry that should experience rapid growth: professional and business services. This sector – which includes law office, engineering establishments, computer services companies, and others – has been a leader in the recent economic recovery, and this trend is expected to continue.

The development of additional real estate parcels would boost the Harbor's economic activity in the future, beyond our forecast. Currently, there is a large-scale project in the planning process that would consist of 300 new apartments, a 21,300 square-foot commercial retail building, 104 public boating slips, approximately 2.44 acres of waterfront park space, and a public boardwalk.

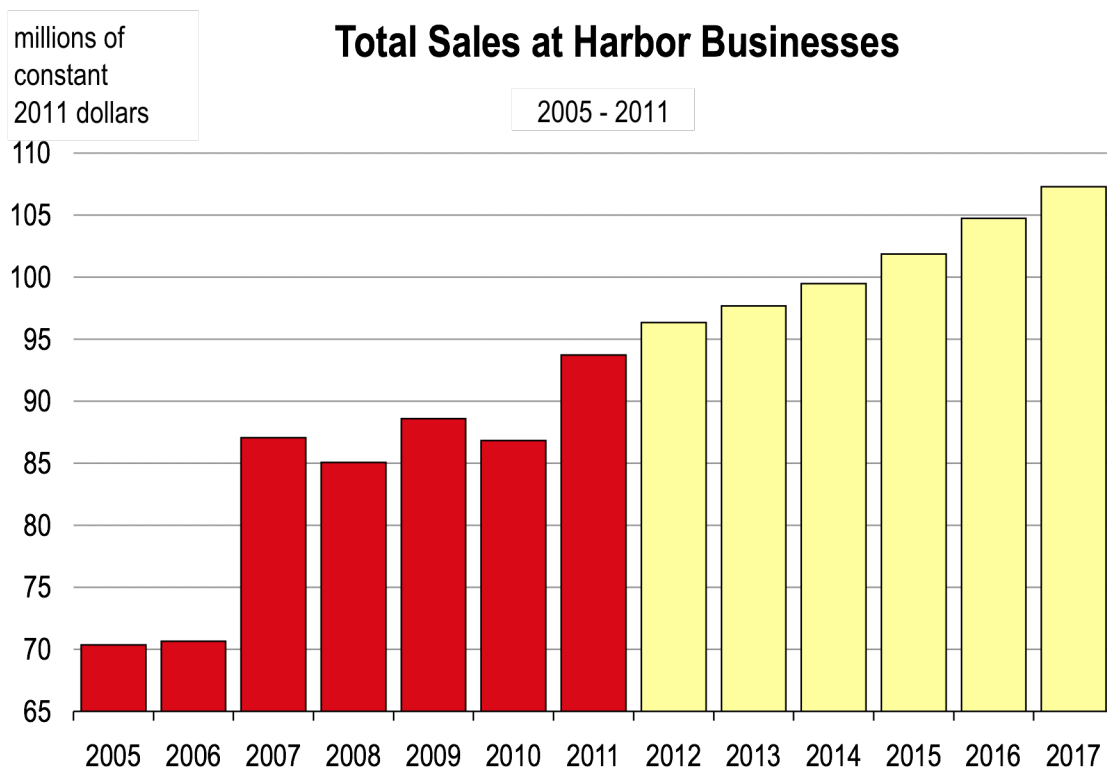
The project design was approved at a joint meeting between the Design Review Committee and the Planning Commission on August 17, 2010. The California Coastal Commission granted a permit for the project in April, 2012, and construction could start as early as 2016. If this project proceeds as planned, total sales in the Harbor's real estate and retail segments would increase substantially.



The total value of goods and services (total sales) at harbor businesses is expected to grow at a healthy pace over the next five years. With an annual average rate of 2.4 percent, total sales, adjusted for inflation, should surpass \$108 million by 2017.

The inflation rate over the next 5 years is forecast to average 2.3 percent per year. Consequently, the nominal pace of growth in Ventura Harbor business would average approximately 4.7 percent per year.

To reiterate, this is a relatively conservative estimate, because over the previous five years, the total value of goods and services increased at a significantly more rapid pace. In any event, it is expected that, through 2017, the Ventura Harbor will continue to provide significant contributions to the economies of the City of San Buenaventura, Ventura County, and California.



Direct Sales at Ventura Harbor, 2011-2017			
	2011 Sales (\$ millions)	2017 Sales (\$ millions)	Annual Average Growth Rate (%)
Full-Time Marine Services	57.1	63.2	1.7
Marine Services Contractors	3.6	3.9	1.2
Channel Islands NPS	2.6*	3.1*	3.0
Hotels	7.2	8.3	2.4
Restaurants	13.0	17.2	4.8
Shops	2.7	3.2	3.1
Office and Real Estate	7.5	8.3	1.7
<b>Total</b>	<b>93.7</b>	<b>107.9</b>	<b>2.4</b>

\*Spending by National Park visitors outside of Ventura Harbor businesses

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California Fish Harvester Economic Model. <http://nrm.dfg.ca.gov/FileHandler.ashx?DocumentID=30738&inline=true>

California Economic Forecast, "2012 Ventura County Economic Outlook," February 2012.

## Appendix

<b>Ventura Harbor Squid Production</b>				
<b>Year</b>	<b>Total Offloaded (metric tons)</b>	<b>Total Ex-Vessel Value (\$)</b>	<b>Export Price (\$ per metric ton)</b>	<b>Total Export Value (\$)</b>
2005	8,298	4,380,312	1,161	9,633,480
2006	5,530	2,991,174	1,170	6,470,136
2007	18,257	10,607,506	1,153	21,049,786
2008	10,038	7,076,220	1,168	11,724,829
2009	30,650	17,668,806	1,185	36,320,557
2010	30,265	15,936,062	1,180	35,712,148
2011	29,392	15,535,185	1,575	46,291,887

Source: Ventura Harbor

<b>Ventura Harbor Seafood Production, all Varieties</b>				
<b>Year</b>	<b>Total Offloaded, less Squid (metric tons)</b>	<b>Total Ex-Vessel Value, less Squid (\$)</b>	<b>Total Offloaded, all Varieties (metric tons)</b>	<b>Total Ex-Vessel Value, all Varieties (\$)</b>
2005	379	1,401,203	8,677	5,781,515
2006	523	287,620	6,053	3,278,794
2007	643	2,796,439	18,900	13,403,945
2008	827	3,139,446	10,866	10,215,666
2009	755	3,051,517	31,405	20,720,323
2010	1,461	2,760,122	31,725	18,696,184
2011	404	3,400,948	29,795	18,936,133

Source: Ventura Harbor