

# **Economic Impact of Port San Antonio and its Tenants, 2007**

**With Estimates for New Expansions in 2008**

**Mark A. Hager  
Javier Oyakawa**

**Center for Community & Business Research  
Institute for Economic Development  
University of Texas at San Antonio**

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Institute for  **Economic** Development  
The University of Texas at San Antonio

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# **Economic Impact of Port San Antonio and its Tenants, 2007**

## **Introduction**

In this study, we assess the economic impacts of the Port Authority of San Antonio (“Port San Antonio” or “the Port”) and its construction spending in 2007 and the impact of anticipated major new activity in 2008. Most of the activity at Port San Antonio results from the work of its tenant companies, so a major feature of the study is the estimation of tenant outputs based on their line of business and number of employees. This report is intended as a technical document that details the methodology and results of the study. Release of this report coincides with the release of a brochure by Port San Antonio that outlines most of the major findings of the study.

Port San Antonio is the entity founded to facilitate private redevelopment of Kelly Air Force Base. It develops and maintains buildings and infrastructure, and then seeks to fill the spaces with business tenants who can benefit from the logistical advantage that the Port Authority offers.

For the purpose of summarizing the economic impacts be attributable to Port San Antonio, we were engaged by the Port to collect source documentation, analyze, and estimate various aspects of economic activity in Bexar County and the State attributable to construction in and operation of the Port. Impact categories considered are operations and construction expenditures by the Port and its tenants. These expenditure estimates are analyzed using the standard economic analysis software IMPLAN. This software and underlying economic comparison data uses an input-output model to estimate secondary impacts of first round spending. We report results in terms of output (direct and secondary spending), jobs (direct and secondary), and payroll (direct and secondary). We also estimate local and state revenues and utilities charges derived from the economic activities of the Port and its tenants in 2007.

The Port anticipates two major developments in 2008: the addition of a new line of business at Boeing that will result in an estimated 440 jobs and an increase in Air Force operations that will result in an estimated 2,400 jobs.

## **Economic Value**

Economic value is created through monetary transactions. When San Antonio-area individuals and businesses purchase goods and services from outside the community, money leaks from the local economy. In contrast, when San Antonio businesses attract purchases of goods and services from individuals and businesses outside of the community, money is brought into the local economy. Economic growth comes from infusion of new money from outside the local economy, which is part of the reason why federal government contracts are so valuable.

Economic impact studies traditionally measure economic value by considering the expenditures associated with a particular enterprise or industry. The productivity of Port San Antonio and its tenant firms represents “direct” outputs that are a first-round measure of economic activity. This

productivity begets additional spending, which we refer to as “secondary” output or spending. Secondary spending accrues when the Port or its tenants invest in facilities improvements, pay subcontractors for services or suppliers for materials, and when their staff members (and the staff members of subcontractors and suppliers) spend their paychecks on mortgages, restaurants, and consumer goods. Secondary spending ripples through the economy, resulting in private transactions and tax and utilities revenues from users that are removed from the daily work of the Port and its tenants. However, these secondary effects would not ripple without the productivity of the Port and its tenants, so it can lay claim to the economic value. We concentrate on direct and secondary spending, also known as “output,” as the traditional measure of economic impact. However, we also translate output into estimated numbers of jobs supported. As with output, we also consider the secondary impacts of job creation and an estimate of the amount of payroll attributable to those jobs.

### **Economic Impact of Port of San Antonio Operations and Construction, Bexar County**

In its 2007 financial statements, Port San Antonio reports total revenues of \$34.7 million. We take this as an estimate of the total production output of the Port in the real estate and rental industry by its 103 employees.

We estimate total secondary output from operations of the Port in 2007 at \$32.0 million. This secondary output generates as estimated 263 local jobs. Total payroll associated with jobs supported by the Port is \$8.9 million.

Separate from its operational expenses, the Port also reports \$25.0 million spent on construction and capital improvements in 2007, a substantial increase over 2005 and 2006. This includes only construction projects managed by the Port; construction managed directly by tenants is considered separately below. A greater proportion of the 2007 construction and capital improvement costs were non-local compared with 2005 and 2006, an estimated 66 percent. Therefore, we take \$16.5 million as initial local secondary spending by the Port on construction. This spending generates an estimated additional \$11.7 million for a total Port-managed construction impact of \$28.2 million.

We estimate total secondary jobs from Port-managed construction in 2007 at 306. Total payroll associated with these impacts and other secondary ripples is \$9.5 million.

So, with a direct production value of \$34.7 million Port of San Antonio generates secondary outputs of \$60,193,520. While the Port directly employs only 103 employees, its operations and construction spending supports an additional 569 jobs. Direct payroll associated with Port operations is \$6.2 million. Total payroll (including secondary impacts) associated with Port operations and construction is \$24.4 million.

### **Economic Impact of Port of San Antonio Tenants, Bexar County**

A large majority share of the economic impact of Port San Antonio is due to its tenants. Our estimation of the aggregate economic impact of tenants is *not* based on the actual reported outputs (sales, or expenditures) of individual tenants. Many businesses consider this information

<b>Port San Antonio Tenants in 2007</b>	<b>Employees</b>	<b>Line of business</b>	<b>NAICS</b>	<b>Aggregated Sector</b>
Lockheed Martin Corporation	505	Aircraft engine maintenance	488190	Aerospace MRO (Transportation & Warehousing)
Boeing Company	1,411	Aircraft manufacturer, overhaul, maintenance	334511	Aerospace Manufacturing
EG&G KDC	82	Third party logistic provider	493110	Transportation & Warehousing (Except Aerospace MRO)
Gore Design Systems	192	Aircraft interiors	336413	Aerospace Manufacturing
Chromalloy Power Services Corp.	329	Gas turbine engine repair and service	541330	Aerospace MRO (Transportation & Warehousing)
Air Force Medical Operation Agency	71	Medical supply logistics	541614	Government Military
ACS State Solutions	316	Call center, payment processing center	561422	Administrative, and support services
HEB Grocery Company	0	Grocer logistic site (warehouse)	445110	None (No employees)
General Dynamics, Corp.	45	Government contractor	488190	Aerospace MRO (Transportation & Warehousing)
Pratt & Whitney San Antonio, Inc.	107	Jet engine maintenance	488190	Aerospace MRO (Transportation & Warehousing)
General Services Administration - ESC	86	Government services	921190	Local Government
Worldwide Technology, Inc	36	Logistic provider	493110	Transportation & Warehousing (Except Aerospace MRO)
IFCO Systems North America, Inc	106	Pallet manufacturer	321920	Manufacturing
Parent Child Inc.	41	Child care	624410	Health & social services
General Electric Company (Davis)	5	Electronics equipment calibration and repair	488190	Aerospace MRO (Transportation & Warehousing)
Clayton Group / Custom Fab	25	Manufacturer ductile iron pipe	332996	Manufacturing
Rail Car America, Inc. (Gunderson, Greenbrier)	71	Rail car repair	336510	Manufacturing
Trajen (Atlantic Aviation)	15	Aviation fuel	324110	Aerospace MRO (Transportation & Warehousing)

<b>Tenant</b>	<b>Employees</b>	<b>Line of business</b>	<b>NAICS</b>	<b>Aggregated Sector</b>
Fiesta Warehousing & Distribution Co.	26	Third party logistic provider	488190	Transportation & Warehousing (Except Aerospace MRO)
Amigos Canning	44	Food manufacturing	311422	Manufacturing
AVChem, Inc.	7	Aerospace maintenance and modification	488190	Aerospace MRO (Transportation & Warehousing)
Standard Aero	631	Aircraft engine maintenance	488190	Aerospace MRO (Transportation & Warehousing)
Carnot Enviromental Services (Intertek)	18	Engine testing services	488190	Transportation & Warehousing (Except Aerospace MRO)
Aerospace Products S.E., Inc.	13	Airplane parts supplier	488190	Aerospace MRO (Transportation & Warehousing)
Home Complex, Inc.	4		423210	Wholesale trade
Steves & Sons	3	Door manufacturer	332321	Manufacturing
MapCo Inc.	8	Construction	236220	Construction
Alamo Community College Dist	383	Community college	611210	Educational services
Avance - San Antonio	13	Early head start program	624410	Health & social services
Boeing Service Company	25	Airframe maintenance and modification	336413	Aerospace Manufacturing
General Electric Supply Company (GexPro)	13	Aviation supplies	45299006	Aerospace MRO (Transportation & Warehousing)
Triple S Operations	73	Steel distribution	42351036	Wholesale trade
Operational Technologies Corp	5	Telecommunications	44311223	Professional-scientific & technical services
San Antonio Federal Credit Union	15	Banking	52213003	Finance & insurance
BAE Systems	15	Government contractor	54161814	Professional-scientific & technical services
Dolgencorp of Texas, Inc.	11.7	Retail merchandise	45299013	Retail Trade
Classic City Mechanical	32	Construction drilling		Construction
Titan Development	218.0	Real estate developer		Real estate & rental
Senator Hutchison	3	Senator office	92112009	Federal Government

<b>Tenant</b>	<b>Employees</b>	<b>Line of business</b>	<b>NAICS</b>	<b>Aggregated Sector</b>
General Services Administration - FEMA	30.0	emergency preparedness	92112009	Federal Government
William C. Velasquez Institute	3	Nonprofit	81391002	Other services
USATSM Incorporated	2	Aircraft maintenance	48111201	Transportation & Warehousing (Except Aerospace MRO)
COSA - Emergency Management	5.0	emergency preparedness	92216003	Local Government
Witte Musuem	0	Warehouse	71211001	None (No employees)
Atlantic Aviation	17	Aviation fuel	44122905	Aerospace MRO (Transportation & Warehousing)
Southwest Voters Education	5	Education	81391002	Other services
J. Sanchez Contracting	34	Contractor	23611505	Construction
San Antonio Water System	14	City Utility	22131003	Utilities
Joe W. Fly Company	8	Supply center	44131022	Professional-scientific & technical services
A&D Tests, Inc.	3	Alcohol and drug testing services	62151103	Health & social services
Z-Core Enviromental	13	Environmental consultant	54171131	Professional-scientific & technical services
Cartsmith	1	Golf cart repair		Manufacturing
Santa Barbara Development	4.2	Real estate developer		Real estate & rental
Corr Instruments, LLC.	3	Corrosion monitor systems	45114008	Professional-scientific & technical services
ABX Logistics	1	International logistics	48851011	Transportation & Warehousing (Except Aerospace MRO)
Rail Link International, Inc.	2	Transload operator	48211102	Transportation & Warehousing (Except Aerospace MRO)
Northwest Cleaning Services	44	Janitorial services	56172001	Administrative, and support services
Vargas Plumbing Company	1.9	plumbing company	23822025	Construction

<b>Tenant</b>	<b>Employees</b>	<b>Line of business</b>	<b>NAICS</b>	<b>Aggregated Sector</b>
Geo Marine	61.9			Administrative, and support services
Encore Support Systems	2.8	Aviation consultant		Professional-scientific & technical services
Capital Excavation Company	1.0	Excavation crew for Frio City Ramp	23731012	Construction
Tekzone	2	Government service provider		Telecommunications
AETC	0.1	Air Force		None (No employees)
COSA Fire Department	15	Fire department	92216003	Local Government
American Red Cross	37.8	emergency preparedness	62199907	Health & social services
Rail Link, Inc.	2	Rail switcher	48211102	Transportation & Warehousing (Except Aerospace MRO)
Dollar General	6	Retail merchandise store	45299013	Retail Trade
Air Force Real Property Agency	79	Air Force		Government Military
Air Force News Agency	148	Air Force		Government Military
Cryptologic Systems Group	575 est.	Air Force		Government Military
Defense Fuels Agency	575 est.	Air Force		Government Military
Defense Information Systems Agency	575 est.	Air Force		Government Military
Red Horse Civil Engineering Squadron	575 est.	Air Force		Government Military
Inter-American Air Force Academy	575 est.	Air Force		Government Military
<b>TOTAL</b>	<b>8,426</b>			

Notes: Employee numbers provided by survey from Port San Antonio; numbers with one decimal place are missing and estimated from square footage of rented space. Individual employee counts for Air Force units were not provided for all units, so missing units are allocated a portion of a reported total.

proprietary and refuse to share it with researchers. Consequently, our estimates are based on the assignment of average outputs calculated by IMPLAN for companies with a given line of business and number of employees. For example, in the table of tenants that follows, Boeing Company is the largest employer with 1,411 employees. Its line of business places it into category 334511 of the North American Industrial Classification System (NAICS), which corresponds to the Bureau of Labor Statistics category of Aerospace Manufacturing. Given this information, IMPLAN calculates the average expected output for a company of this size and type in Bexar County, Texas, in 2007. This value may either over- or under-estimate the true output for the Boeing Company. However, in the aggregate, we expect that over-estimates for some companies are balanced by under-estimates for others. As such, we report aggregates rather than individual economic impacts for specific companies.

With 8,426 employees spread across the given industries, we estimate 2007 aggregate direct output among Port San Antonio tenants at nearly \$1.5 billion. Secondary spending from tenant operations is \$913.9 million. This secondary spending is associated with the generation of 7,664 jobs.

Although they do not track it specifically, Port San Antonio estimates approximately \$31.2 million in construction and capital improvements managed by tenants in 2007. This includes new building by Titan Development at \$24.5 million, Air Force capital improvements at \$1.2 million, various tenant capital programs at \$3.0 million, and various leasehold improvements at \$2.5 million. As with the Port-managed construction and capital improvement projects, some of these payments leak immediately from Bexar County and have no local economic value. We estimate that 68 percent of tenant-managed construction and capital improvement payments were initially spent in Bexar County, which is \$21.2 million in first round (although still secondary) spending. This spending then generated an additional \$14.8 million in secondary spending, for a total tenant-managed construction impact of \$36.0 million. This spending is associated with 391 additional jobs, mostly in the construction industry.

Total direct jobs in Port and tenant operations is 8,529. Secondary jobs from Port and tenant operations, together with construction managed by both the Port and its tenants, is 8,623. So, Port of San Antonio lays claim to 17,152 jobs in 2007.

Tenant payrolls sum to an estimated \$514.5 million. Together with the payroll supported by Port San Antonio operations at \$6.2 million, total direct payroll attributable to Port San Antonio and its tenants in 2007 is \$520.7 million.

Secondary payroll from Port and tenant operations, together with construction managed by both the Port and its tenants, sums to \$292.6 million. So, total (direct and secondary) payroll supported by the Port of San Antonio and its tenants in 2007 is \$813.3 million.

Direct spending by the Port and its tenants is \$1.5 billion. Secondary output from operations and managed construction is \$1.0 billion. So, total economic output (impact) supported by Port of San Antonio and its tenants in 2007 is \$2.5 billion.

The following table summarizes the direct, secondary, and total impacts for output, number of jobs, and payroll.

### Summary of Economic Impacts, Bexar County

#### Direct Output

Port San Antonio Operations	\$ 34,690,137
Tenants	\$ 1,452,685,799
<b>Total Direct Output</b>	<b>\$ 1,487,375,936</b>

#### Secondary Output

Port San Antonio Operations	\$ 32,001,910
Construction Managed by Port Tenants	\$ 28,191,610
Construction Managed by Tenants	\$ 913,880,999
	\$ 35,960,721
<b>Total Secondary Output</b>	<b>\$ 1,010,035,239</b>

<b>Total Output</b>	<b>\$ 2,497,411,175</b>
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#### Direct Jobs

Port San Antonio Operations	103
Tenants	8,426
<b>Total Direct Jobs</b>	<b>8,529</b>

#### Secondary Jobs

Port San Antonio Operations	263
Construction Managed by Port Tenants	306
Construction Managed by Tenants	7,664
	391
<b>Total Secondary Jobs</b>	<b>8,623</b>

<b>Total Jobs</b>	<b>17,152</b>
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#### Direct Payroll

Port San Antonio Operations	\$ 6,207,408
Tenants	\$ 514,540,670
<b>Total Direct Payroll</b>	<b>\$ 520,748,078</b>

#### Secondary Payroll

Port San Antonio Operations	\$ 8,684,612
Construction Managed by Port Tenants	\$ 9,487,073
Construction Managed by Tenants	\$ 262,270,748
	\$ 12,135,939
<b>Total Secondary Payroll</b>	<b>\$ 292,578,372</b>

<b>Total Payroll</b>	<b>\$ 813,326,449</b>
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## Local and State Revenues and Local Utilities, Bexar County

In this section, we estimate revenues that accrue to local and state government as a result of the operation of the Port and its tenants, as well as the activities of businesses and individuals who spend money derived from their operations. We also consider the value of electricity and gas attributable to the economic activity of the Port and its tenants.

### Total Government and Utilities Revenues, Including Secondary Effects, Bexar County

#### Local Revenue

Port San Antonio Operations	\$	682,816
Construction Managed by Port	\$	401,480
Tenants	\$	50,599,906
Construction Managed by Tenants	\$	507,048
<b>Est. Local Revenue</b>	<b>\$</b>	<b>52,191,250</b>

#### State Revenue

Port San Antonio Operations	\$	595,988
Construction Managed by Port	\$	330,703
Tenants	\$	43,303,984
Construction Managed by Tenants	\$	417,086
<b>Est. State Revenue</b>	<b>\$</b>	<b>44,647,760</b>

#### Electricity and Gas

Port San Antonio Operations	\$	1,853,286
Construction Managed by Port	\$	178,096
Tenants	\$	18,041,688
Construction Managed by Tenants	\$	225,614
<b>Est. Electric Utility and Gas</b>	<b>\$</b>	<b>20,298,684</b>

Local revenues are derived from primarily from property taxes and sales taxes. Land properties at Port San Antonio are exempt from property tax, but other tangible property (especially equipment) is not. Based on our review of county tax records, we estimate that Port San Antonio tenants pay an average property tax of 2.7 percent, which amounts to \$1.8 million in taxes on tangible property. Local government also benefits from a portion of sales taxes.

The values in the table above represent total amounts from all economic activity, both direct and all secondary outputs. So, the \$52.2 million in local revenues accrues not only from taxes on tangible property and sales taxes paid initially to local suppliers, but also such things as property taxes paid on houses owned by employees of the Port, its tenants, and their suppliers, and the sales taxes paid on consumer goods.

State revenues also derive partially from sales taxes, but also from motor vehicle taxes and specialty taxes such as severance taxes associated with preservation of natural resources. The

Port's tenants are the major source of state revenue, accounting for \$43.3 million of the total \$44.6 million in revenues generated for the state.

Electricity and gas values represent expenses for consumers (including the Port and its tenants), but revenues for local electricity and gas suppliers. We estimate 2007 gas and electricity usage valued at \$20.3 million.

### **Wages**

We consulted the Texas Workforce Commission (TWC) to estimate wages paid by tenants in different industries at Port San Antonio. The average wages are annualized based on information available from the first three quarters of 2007. Average military wages are not presented through the TWC, so we use the average federal government wage as a proxy for military wages.

	Average Wage	Employees
Federal Government	\$57,079	3,173
Aerospace MRO	\$53,439	1,732
Aerospace Manufacturing	\$48,161	1,628
Administrative and Waste Services	\$27,577	421
Other Schools and Instruction	\$41,600	383
Real Estate and Rental and Leasing	\$35,204	325
Other Manufacturing	\$40,317	250
Other Transportation and Warehousing	\$50,509	124
Local Government	\$37,440	106
Health Care and Social Assistance	\$34,528	95
Construction	\$39,312	77
Wholesale Trade	\$55,241	77
Professional and Technical Services	\$53,109	47
Federal Government	\$57,079	33
Retail Trade	\$25,983	18
Finance and Insurance	\$61,533	15
Utilities	\$32,621	14
Other Services	\$24,648	9
Telecommunications	\$132,097	2
		8,529

Based on this estimation, the average wage for Port San Antonio tenants in 2007 was \$50,257. This compares favorably with the average wage in Bexar County in 2007, which was \$37,440.

### **New Major Tenant Activities in 2008, Bexar County Impacts**

Port San Antonio expects its 2008 tenant base to be essentially the same as its 2007 tenant base, with two major exceptions. One is the addition of a new line of work at Boeing for final completion and assembly of the 787 Dreamliner. The Port expects Boeing to add 440 jobs for this new line. Also, the Air Force will see a substantial increase in workers as a result of base

consolidations. Although the exact number of new workers is unknown, we calculate our estimates from the lower estimate of 2,400.

We estimate direct output of \$496.3 million as a result of 2,840 new workers in aerospace manufacturing and Air Force operations. The associated secondary output is valued at \$312.1 million for a total economic output (impact) of \$808.4 million. This represents a 32 percent increase in output over 2007.

Secondary spending is associated with an increase of 2,771 jobs in Bexar County. The 2,840 direct jobs and 2,771 jobs sum to 5,611 jobs attributable to the new activity at Boeing and the Air Force.

The new activity and its secondary ripples further represent \$15.8 million in local revenues, \$13.7 million in state revenues, and an additional \$7.5 million in electricity and gas charges.

### **State-Level Effects**

State-level effects are always equal to or greater than county-level effects. They are equal when all spending and impacts happen in the county, with no immediate leakage beyond the county's borders. This is virtually the case for the impacts of Port San Antonio operations, since real estate and rental companies (the category in which Port San Antonio is analyzed) predominantly have local impacts. However, construction spending and tenant productivity have broader state impacts because a portion of first-round spending immediately leaves the county. For purposes of this study, all non-local spending is presumed to happen outside of Bexar County, but inside of the State of Texas.

As noted above, Port San Antonio reports that two-thirds of the \$25.0 million in 2007 construction and capital improvement contracts (those managed by the Port) went to local contractors. This leaves \$8.5 million that contributed nothing locally, but did contribute to state-level impacts. Construction managed by the Port contributed a total impact of \$45.4 million, a substantial increase over the total county-level impact of \$28.2 million. The same finding is evident in construction projects carried out by tenants. Whereas the Bexar County total impact was \$36.0 million, the state level was \$56.8 million. Secondary output from tenant productivity, due to a large extent to the payment of non-local vendors and suppliers, were also substantially larger, with approximately \$94 million in state impact above the county-level impact. Total output at the county level summed to just under \$2.5 million. Total output at the state level exceeds \$2.6 million.

Number of jobs, payroll, and tax revenues reflect similar increases at the state level. Total jobs supported is 17,152 at the county level, and 17,616 at the state level. Total payroll is \$813.3 million at the county level, and \$828.1 million at the state level. Local revenues is \$15.8 million at the county level, and \$16.6 million at the state level. State revenues is \$13.7 million at the county level, and \$14.4 million at the state level.

## Summary of Economic Impacts, State of Texas

### Direct Output

Port San Antonio Operations	\$ 34,690,137
Tenants	\$ 1,452,685,799
<b>Total Direct Output</b>	<b>\$ 1,487,375,936</b>

### Secondary Output

Port San Antonio Operations	\$ 32,550,238
Construction Managed by Port Tenants	\$ 45,449,618
Construction Managed by Tenants	\$ 1,007,983,910
<b>Total Secondary Output</b>	<b>\$ 1,142,752,603</b>

**Total Output** \$ 2,630,128,539

### Direct Jobs

Port San Antonio Operations	103
Tenants	8,426
<b>Total Direct Jobs</b>	<b>8,529</b>

### Secondary Jobs

Port San Antonio Operations	263
Construction Managed by Port Tenants	461
Construction Managed by Tenants	7,786
<b>Total Secondary Jobs</b>	<b>9,087</b>

**Total Jobs** 17,616

### Direct Payroll

Port San Antonio Operations	\$ 6,207,408
Tenants	\$ 514,540,670
<b>Total Direct Payroll</b>	<b>\$ 520,748,078</b>

### Secondary Payroll

Port San Antonio Operations	\$ 8,727,398
Construction Managed by Port Tenants	\$ 14,896,185
Construction Managed by Tenants	\$ 265,117,067
<b>Total Secondary Payroll</b>	<b>\$ 307,346,726</b>

**Total Payroll** \$ 828,098,805

The most notable difference between county-level and state-level impacts is in electric utilities and gas. Total county-level impacts on electricity and gas payments is \$20.3 million. This impact nearly doubles to \$36.7 million when calculated at the state level. This result comes partly from CPS Energy’s production facilities outside of Bexar County, which produce economic value for the state that does not accrue directly to the county. CPS derives substantial energy production from its nuclear power plant near Houston and wind farms west of Abilene.

### **Total Government and Utilities Revenues, Including Secondary Effects, State of Texas**

#### **State Revenue**

Port San Antonio Operations	\$	604,893
Construction Managed by Port	\$	529,517
Tenants	\$	44,626,108
Construction Managed by Tenants	\$	661,393
<b>Est. State Revenue</b>	<b>\$</b>	<b>46,421,910</b>

#### **Local Revenue**

Port San Antonio Operations	\$	693,070
Construction Managed by Port	\$	643,135
Tenants	\$	52,202,214
Construction Managed by Tenants	\$	803,308
<b>Est. Local Revenue</b>	<b>\$</b>	<b>54,341,727</b>

#### **Electricity and Gas**

Port San Antonio Operations	\$	2,093,292
Construction Managed by Port	\$	522,630
Tenants	\$	33,423,419
Construction Managed by Tenants	\$	652,791
<b>Est. Electric Utility and Gas</b>	<b>\$</b>	<b>36,692,132</b>

### **New Major Tenant Activities in 2008, State Impacts**

The increase in Boeing and Air Force business activities in 2008 will have a slightly greater economic impact on the state than on Bexar County alone. Secondary output expands by \$45 million, increasing the total output from \$808.4 million at the county level to \$853.7 million at the state level. Total jobs increases from 5,611 at the county level to 5,725 at the state level. Total direct payroll grows from \$202.5 million to \$206.8 million.

Local and state revenues reflect small increases when considered at the state rather than the county level. State revenues increase from \$13.7 million at the county level to \$14.4 million at the state. Local revenues grow from \$15.8 million at the county level to \$16.6 million at the state. The increase in electricity and gas value grows substantially when we consider the state as a whole rather than just Bexar County. The Bexar County value is \$7,523,906, but the state effect is nearly double, at \$13.3 million.

## **Methodological Note**

The purpose of this study was to provide an estimate of the short run economic impacts on the Bexar County and Texas economies by the construction and operations of Port San Antonio and its tenants in 2007 and 2008.

All input data, including Port of San Antonio operations, employment numbers for tenants, and lines of business were provided by the Port of San Antonio. These values are inputs for IMPLAN, an input/output modeling software, which uses an approach first developed by the United States Forest Service in 1979, and now supported by the Minnesota IMPLAN Group. The 2004 IMPLAN benchmark data were used for this study. The model incorporates benchmark tables provided by the Bureau of Economic Analysis as well as other statistical data to model transactions occurring within the metropolitan area. IMPLAN is, in a sense, a general accounting system of the economic transactions taking place between industries, businesses, and consumers in an economy and estimates the impacts on total output, which can be translated into employment estimates. The secondary output and jobs effects reported in this study are estimated by IMPLAN. By expanding the analysis beyond the direct impacts, IMPLAN provides a more complete picture of the economic effects of transactions.

### Contact

Center for Community & Business Research  
UTSA Institute for Economic Development  
<http://ccbr.iedtexas.org>