



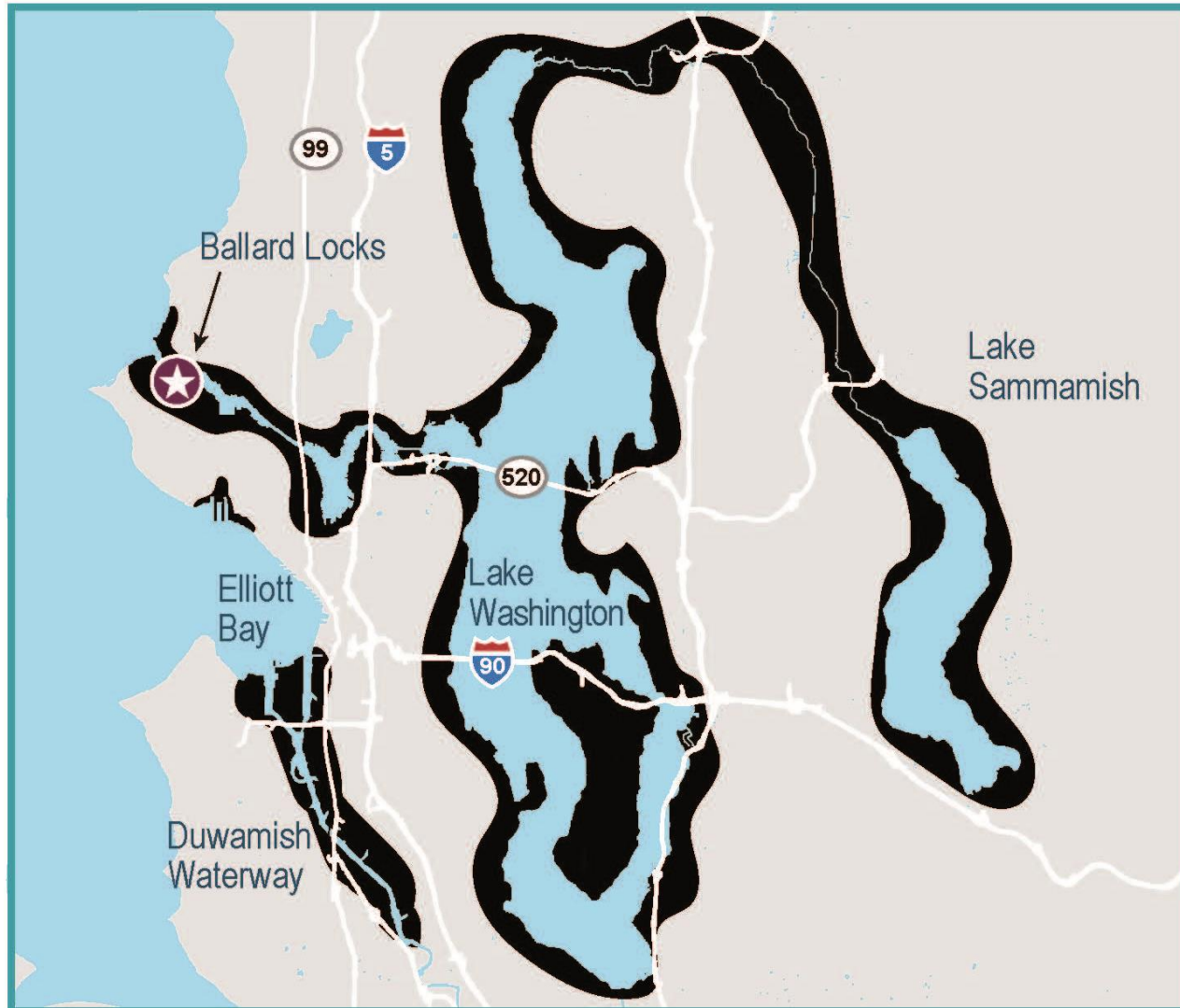
Economic Impact of the Hiram M. Chittenden Locks

Lake Washington
Ship Canal Users
Group

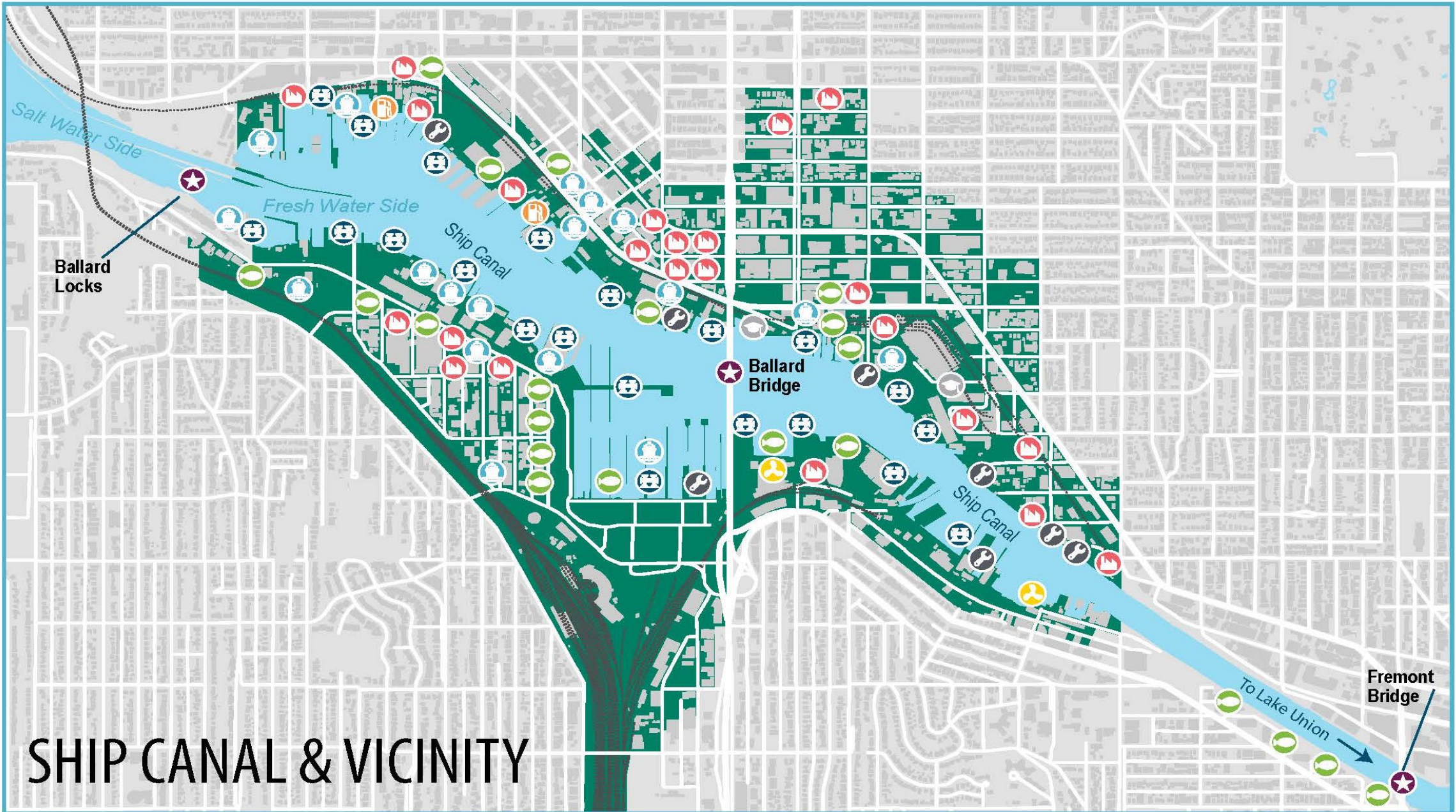
Prepared for:

Seattle City Council

LOCKS ECONOMIC IMPACT AREA



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SHIP CANAL & VICINITY

Reason for the Study

- The Ballard Locks are 100 years old and need **\$30 to \$60 million in new investment** to make major systems reliable and safe.
- Loss of Congressional earmarks and increased competition for limited Corps funds.
- Army Corps budget process prioritizes investment on the basis of “**Value to the Nation**” (VTN), driven mainly by cargo tonnage.
- Value of the Locks is not accurately captured by Corps VTN formula.
- **Ballard Locks provides many benefits not accounted for in the VTN**; many are unique among USACE locks systems.
- Users needed to tell the story of the Locks and the economic value of the marine industrial network around the facility.

Ballard Locks Study Funders

Ballard Alliance

Ballard Oil Company

City of Kenmore

City of Kirkland

City of Seattle

Coastal Transportation

Covich-Williams

CSR Marine

Ferguson Terminal

Foss Maritime Company

Fremont Dock Company

Kirby Corporation

Lake Union Drydock Co.

Malone Law Group PS

Nautical Landing Marina

The Nordic Heritage Museum

Northwest Marine Trade Assn.

Northwest Yacht Brokers Assn.

O'Hara Corporation

Pacific Fishermen Shipyard

Port of Seattle

Puget Sound Ports Council,
Maritime Trades Department
AFL-CIO

Seattle Marine Business
Coalition

Stabbert Maritime

The American Waterways
Operators

Western Towboat

United Catcher Boats

US Seafood

Vigor



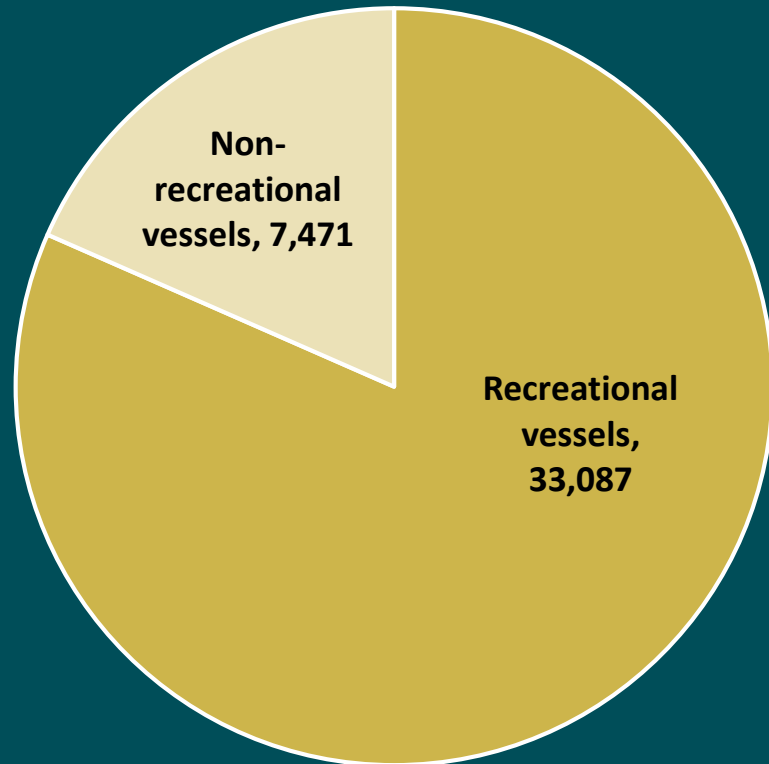
Ballard Locks Budget and Funding

- Routine Operations and Maintenance Budget
 - Between \$8.0 and \$8.4 million/yr from 2011 through 2017.
- Non-routine Repairs and Upgrades Expenditures
 - Avg of \$1.8 million/yr over the same period
 - Major projects remain unfunded

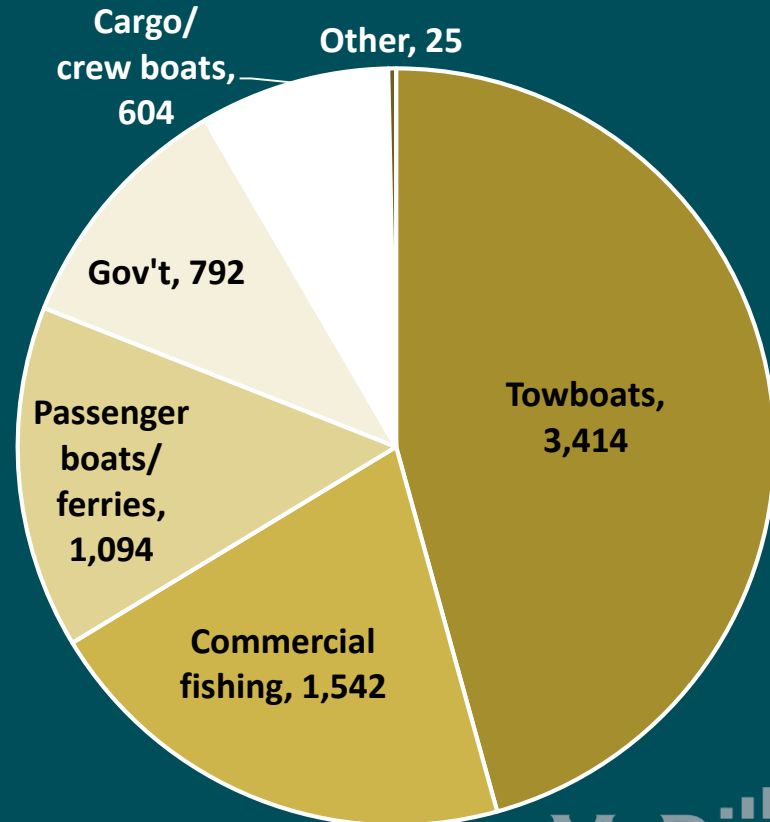


Locks Traffic

Recreational vs. Non-Recreational Vessels, 2015



Non-Recreational Vessels by Type, 2015



Total Vessel Transits: 40,558
Total Tonnage: 1,088 KT

Source: USACE



Value of the Ballard Locks

- Economic Value
- Environmental and Public Infrastructure Value
- Tribal Obligations
- Public Safety



Economic Value

- Busiest in nation in vessel transits – 40,000/yr
- 12th busiest in commercial transits – 7,500/yr
- Supports \$1.2 billion in economic activity
- Tide-free, freshwater environment reduces maintenance costs and prolongs vessel life for 700 commercial and roughly 4,000 recreational vessels



Economic Value (cont.)

- Indirectly supports an estimated \$785 million in seafood exports
 - 2016: 271 vessels 40'+ made ~1,600 transits of Locks
 - 200+ homeported in Washington
 - ~40% of active North Pacific fishing vessels over 58' moored and/or serviced annually inside the Locks
 - Vessels that transited the locks earned over \$500 million in 2016
- One of Seattle's most popular visitor attractions
 - 1.25 million visitors annually
 - \$38 million in visitor-related economic activity



Environmental and Public Infrastructure Value

- Locks, spillway, and fish ladder safeguard \$125+ million in salmon habitat protection and restoration
- The only point of access and egress for salmon migrating in/out of the Lake Washington/Cedar/Sammamish watershed
- Controls water levels in Lake Washington and Lake Union to maintain SR 520, I-90, and 75 miles of shoreline in lakes and canal
- Access point for major infrastructure projects including 520 floating bridge and Ballard/Wallingford stormwater tunnel

Tribal Obligations

- Locks are key to meeting federal responsibilities under treaties with Muckleshoot and Suquamish tribes.
- Muckleshoot fishing boats use the Locks annually (range of 20-80 vessels/year).
- Muckleshoot biologists work in partnership with USACE to monitor and manage fish runs.
 - Coho (21k/year)
 - Sockeye (115k/year)
 - Chinook (11k/year)



Public Safety

- Rapid access between lakes and Puget Sound saves money and increases effectiveness for Seattle Fire Department, Seattle Harbor Patrol, U.S. Coast Guard, and King County Sherriff
- A major Locks failure due to earthquake or flooding could jeopardize billions of dollars in public infrastructure and threaten human life
 - Full extent of safety impacts currently under study by USACE
 - Report anticipated in Fall 2017



Summary of Business Impacts

| Business Impacts | Value |
|-----------------------------------------------------------|----------------------|
| Total annual gross revenues connected to the Locks | \$1.2 billion |
| Direct locks-dependent annual payroll | \$120 million |
| Direct locks-dependent jobs | 3,000 |
| Locks-dependent annual federal tax revenues | \$15 million |

A long-term closure would be astronomical for us...Contracts would be lost. All of the shipyards would shut down. We would have to lay off workers.

– Tug and Barge Company

A three-month closure would mean laying off half of our workforce. Any longer, we would go out of business.

– Shipyard Owner

Quite frankly, if we didn't have the facility inside the Locks, there are not many options to do business in the Seattle area.

– Construction Company

The Locks are critical for marine firefighting and emergency response.... Without the Locks, it would significantly impact marine operations for firefighting.

– Seattle Fire Department

Honestly, we could not afford a three-month closure. I don't think it would be viable. We are providing a critical interstate transportation service that would no longer exist.

– Tug and Barge Company



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