

## 2015 Year in Review

Strategic decisions over the past decade have positioned the Port of Vancouver USA to take full advantage of upticks in the global economy. Leveraging revenue, tax dollars, and federal and state grant funds, the port continues to invest in critical infrastructure and assets, including rail, equipment and dock improvements.

For the second year in a row, the Port of Vancouver delivered a record year in revenue. Operating income rose from \$37.5 to \$38.2 million, making 2015 the best revenue year in the Port of Vancouver's 104-year history.

As expected, operating expenses also grew in 2015 to accommodate new staff and investments in infrastructure and facilities.

Operating income (1.6 percent increase from 2014)\*

2015 - \$38,163,903

2014 – \$37,547,076

2013 – \$29,878,920

Operating expenses (11.3 percent increase from 2014)\*

2015 - \$30,021,673

2014 – \$26,967,334

2013 – \$21,120,365

Net profit (23 percent decrease from 2014)\*

2015 - \$8,142,230

2014 – \$10,579,742

2013 – \$8,756,496

Total net asset increase in 11 years (220 percent increase over 2004)\*

2015 - \$406 million

2004 - \$127 million

\*These numbers have not yet been confirmed by the Washington State Auditor's Office

## **Global demand drives impressive cargo tonnage increase**

Tonnage in 2015 was at 6.95 million metric tons, an increase from 6.6 million metric tons in 2014. The port's cargo mix and tonnage is a good reflection of the national and global market, namely because materials essential to many industries move across its docks. This includes steel, bentonite clay and wood pulp – all commodities that increased last year.

Grain exports are another indicator of the global market. As economies worldwide mature, consumers are demanding more grain products. All grains exported through the port saw gains in 2014, with impressive increases in corn and soybeans. These increases were made possible by partnership between the port and United Grain Corp., and both organizations' willingness to invest in infrastructure to support the efficient movement of these products in a very competitive market.

It was a great year for imports at the Port of Vancouver. Overall import volume increased by more than 12 percent in 2015. Much of the increase was fueled by major gains in steel slabs and project cargo, which require the port's unique equipment capabilities and laydown space. Tenant Subaru of America had its best year ever at the port, with more than 90,000 automobiles imported from Japan, a 10 percent increase over 2014.

Total cargo tonnage (5.4 percent increase from 2014)

2015 – 6,957,221 metric tons

2014 – 6,598,830 metric tons

2013 – 4,480,604 metric tons

Vessel calls (6.2 percent decrease from 2014)

2015 – 424 vessels

2014 – 452 vessels

2013 – 335 vessels

Total rail cars (0.7 percent decrease from 2014)

2015 – 55,874 rail cars

2014 – 56,291 rail cars

2013 – 45,584 rail cars

### **Steady growth in exports continues**

Grain – wheat, corn and soybeans – continues to be the largest export commodity at the Port of Vancouver by volume, and grain overall saw a 6.5 percent overall increase from 2014. One factor affecting this increase is the growth of United Grain Corp.; the bulk agricultural commodity handler has continuously invested in its facility to take advantage of increased rail capacity from the port's West Vancouver Freight Access project. While corn and especially soybeans saw impressive gains in 2015, wheat exports declined slightly due to fluctuations in currency and the global economy.

Below is a sample of the port's export cargo from 2013 – 2015.

Overall exports (3.9 percent increase from 2014)

2015 – 5,540,913 metric tons

2014 – 5,335,007 metric tons

2013 – 3,900,687 metric tons

Copper exports (65.8 percent decrease from 2014)

2015 – 131,561 metric tons

2014 – 385,088 metric tons

2013 – 366,206 metric tons

Bentonite clay exports (47.5 percent increase from 2014)

2015 – 171,658 metric tons

2014 – 116,414 metric tons

2013- 99,457 metric tons

Jet fuel exports (0.1 percent decrease from 2014)

2015 – 31,275 metric tons

2014 – 31,294 metric tons

2013- 34,291 metric tons

Wheat, soybeans and corn exports (6.4 percent increase from 2014)

2015 – 4.56 million metric tons

2014 – 4.29 million metric tons

2013 – 2.8 million metric tons

Wheat exports (13.5 percent decrease from 2014)

2015 – 2,239,322 metric tons

2014 – 2,588,643 metric tons

2013 – 1,970,112 metric tons

Soy exports (58.7 percent increase from 2014)

2015 – 1,176,880 million metric tons

2014 – 741,675 metric tons

2013 – 391,984 metric tons

Corn exports (19.5 percent increase from 2014)

2015 – 1,150,976 million metric tons

2014 – 962,909 metric tons

2013 – 447,007 metric tons

Scrap metal exports (12.3 percent increase from 2014)

2015 - 395,058 metric tons

2014 – 351,675 metric tons

2013 – 424,868 metric tons

### **Imports reach record numbers in 2015**

It was a great year for imports at the Port of Vancouver. Overall import volume increased by more than 12 percent in 2015. Much of the increase was fueled by major gains in steel slabs and project cargo, which require the port's unique equipment capabilities and laydown space. Tenant Subaru of America had its best year ever at the port, with more than 90,000 automobiles imported from Japan, a 10 percent increase over 2014. Subaru has been a great tenant for decades and has enjoyed steady year-over-year growth. We are happy to report that Subaru signed a lease extension in 2015, extending its partnership with the Port of Vancouver through at least 2030.

The port also saw increases in two of its newer commodities: urea and steel slabs. Urea, an ingredient used as, or in, natural fertilizers, continues to increase in volume, landing at just under 114,000 metric tons in 2015. The addition of steel slabs two years ago has also increased the port's import numbers; in 2015, the port imported more than 598,000 metric tons of steel slabs, a 41 percent increase over 2014.

Here are some of examples of the port's tremendous year in import cargo.

Overall imports (12.1 percent increase from 2014)

2015 – 1,416,308 million metric tons

2014 – 1,263,823 million metric tons

2013 – 579,918 metric tons

Steel imports (30.6 percent increase from 2014)

2015 – 770,627 metric tons

\*Steel slabs comprise 598,308 metric tons of overall 2015 steel imports

2014 – 590,170 metric tons

Steel slabs comprise 424,071 metric tons of overall 2014 steel imports

2013 – 99,225 metric tons

Jet fuel imports (5 percent decrease from 2014)

2015 – 62,106 metric tons

2014 – 65,503 metric tons

2013 – 70,000 metric tons

Wind energy imports (100 percent decrease from 2014)

2015 – 0 metric tons

2014 – 25,228 metric tons

2013 – 7,470 metric tons

Pulp imports (67.9 percent decrease from 2014)

2015 – 23,496 metric tons

2014 – 73,282 metric tons

2013 – 60,082 metric tons

2012 – 55,888 metric tons

Subaru of America Inc. (10.4 percent increase from 2014)

2015 – 90,183 vehicles

2014 – 81,718 vehicles

2013 – 69,378 vehicles

### **Industrial occupancy remains high**

Industrial occupancy at the port exceeds 99 percent. The port's tenants offer a wide range of products and services – everything from wood paneling and aluminum extrusion to food transportation and electronics recycling. There was a slight decrease in the amount of rail cars and vessels that came through the port in 2015. One contributing factor is the Columbia River Channel Deepening Project, completed in 2010. The project deepened the river's navigation channel to 43 feet, allowing larger ships carrying more cargo to traverse the river.

### **Environmental innovation, community investments continue**

For the fifth year in a row, the port continued its commitment to renewable energy through the purchase Renewable Energy Credits (RECs) equal to 100 percent of its purchased electricity. The port also continued its innovative stormwater management efforts, using of biofiltration technology to meet regulatory requirements to control zinc, oil and other runoff contaminants. The port's innovative stormwater management also included the installation of floating wetlands in its Terminal 4 stormwater retention pond to help reduce heavy metals, such as copper and zinc.

The port is continuing work on a multiuse trail for bicycle and pedestrian access along Lower River Road. In June 2015, state and local partners, walkers, bicyclists and port staff cut the ribbon on a new section of trail near the port's administrative offices. The port secured a Transportation Alternatives Grant for the next section of multiuse trail, which will connect the newly constructed portion with an existing trail at Farwest Steel. These projects are part of the port's overall plan to construct approximately 3.7 miles of safer passage for bicyclists and pedestrians along Lower River Road. When complete, the trail will connect downtown Vancouver to the Flushing Channel at Vancouver Lake. Future segments of the path will be funded as the port's western properties, such as Columbia Gateway, are developed, or as additional grant funds are acquired.

The port is in its second year of working with two local non-profit groups: Vancouver Watersheds Alliance and Friends of Trees. Under unique mitigation agreements, these non-profits plant trees on behalf of the port to help mitigate for development of port properties and improve urban tree canopy by establishing trees throughout the city of Vancouver. The port purchased 450 trees to be used toward mitigation in 2015.