

2017 YEAR IN REVIEW

Strategic investments and a diverse portfolio of commodities have positioned the Port of Vancouver USA to take full advantage of opportunities 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, dock improvements and world-class staff. Fluctuations in currency and the global economy had an impact in 2017, but the port still saw an increase in tonnage, which contributed to a slight increase in operating revenue from \$35.9 million to \$36.0 million.

Despite slight declines in overall export tonnage, import tonnage in steel and dry-bulk commodities increased, giving the port its fourth consecutive record-tonnage year.

Operating Revenues (0.3 percent increase from 2016)*

* 2017 - \$36,018,976

* 2016 – \$35,909,165

* 2015 – \$38,163,903

Operating expenses (3.8 percent decrease from 2016)*

* 2017 - \$28,699,409

* 2016 – \$29,846,353

* 2015 – \$29,463,411

Net profit (21.8 percent increase from 2016)*

* 2017 - \$7,382,567

* 2016 – \$6,062,812

* 2015 – \$8,700,492

Total net asset increase in 11 years (230 percent increase over 2006)*

* 2017 – \$452 million

* 2006 – \$137 million

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

Global demand drives cargo tonnage increase

The port recorded 7.5 million metric tons in 2017, a slight increase over the 2016 record of 7.49 million metric tons. With more imports, 2017 numbers reached 1.24 million metric tons, up from 1.17 million metric tons in 2016 – a 6.5 percent increase overall.

Total cargo tonnage (0.1 percent increase from 2016)

* 2017 – 7,499,333 metric tons

* 2016 – 7,488,352 metric tons

* 2015 – 6,957,221 metric tons

Vessel calls (4.4 percent decrease from 2016)

* 2017 – 392 vessels

* 2016 – 410 vessels

* 2015 – 424 vessels

Total rail cars (0.46 percent increase from 2016)

* 2017 – 65,398 rail cars

* 2016 – 65,100 rail cars

* 2015 – 55,874 rail cars

Exports decline slightly in 2017

The port saw significant increases in some bulk commodities last year, including copper, bentonite clay and wheat, but overall exports were down 1 percent from 2016. Despite a slight decline in corn exports, grain continues to be the Port of Vancouver's largest export by volume.

Below is a sample of the port's export cargo from 2015 through 2017.

Overall exports (1 percent decrease from 2016)

* 2017 – 6,255,332 metric tons

* 2016 – 6,319,936 metric tons

* 2015 – 5,540,913 metric tons

Copper exports (11.7 percent increase from 2016)

* 2017 – 256,006 metric tons

* 2016 – 229,173 metric tons

* 2015 – 131,561 metric tons

Bentonite clay exports (9.1 percent increase from 2016)

* 2017 – 144,041 metric tons

* 2016 – 132,021 metric tons

* 2015 – 171,658 metric tons

Jet fuel exports (67.4 percent decrease from 2016)

* 2017 – 13,531 metric tons

* 2016 – 41,544 metric tons

* 2015 – 31,275 metric tons

Wheat, soybeans and corn exports (0.5 percent decrease from 2016)

* 2017 – 5.30 million metric tons

* 2016 – 5.33 million metric tons

* 2015 – 4.56 million metric tons

Wheat exports (17.9 percent increase from 2016)

* 2017 – 2,584,903 metric tons

* 2016 – 2,191,813 metric tons

* 2015 – 2,239,322 metric tons

Soy exports (2.6 percent increase from 2016)

* 2017 – 1,452,655 million metric tons

* 2016 – 1,415,264 million metric tons

* 2015 – 1,176,880 million metric tons

Corn exports (26.6 percent decrease from 2016)

* 2017 – 1,264,019 million metric tons

* 2016 – 1,722,033 million metric tons

* 2015 – 1,150,976 million metric tons

Scrap metal exports (38.6 percent decrease from 2016)

* 2017 – 212,944 metric tons

* 2016 – 346,855 metric tons

* 2015 – 395,058 metric tons

Pulp exports (15.6 percent decrease from 2016)

* 2017 – 68,848 metric tons

* 2016 – 81,569 metric tons

* 2015 – 123,149 metric tons

Impressive gains in overall import tonnage in 2017

Some imports, such as steel and dry bulks, increased in 2017, raising the port's overall import tonnage by 6.5 percent.

Overall imports (6.5 percent increase from 2016)

* 2017 – 1,244,001 million metric tons

* 2016 – 1,168,415 million metric tons

* 2015 – 1,416,308 million metric tons

Steel imports (14.8 percent increase from 2016)

* 2017 – 712,834 metric tons

* 2016 – 621,142 metric tons

* 2015 – 770,627 metric tons

Jet fuel imports (1.1 percent increase from 2016)

* 2017 – 64,188 metric tons

* 2016 – 63,516 metric tons

* 2015 – 62,106 metric tons

Wind energy imports (96.6 percent decrease from 2016)

* 2017 – 393 metric tons

* 2016 – 11,434 metric tons

* 2015 – 0 metric tons

Pulp imports (decrease from 2016)

* 2017 – 0 metric tons

* 2016 – 7,000 metric tons

* 2015 – 23,496 metric tons

Subaru of America Inc. (0.43 percent increase from 2016)

* 2017 – 87,978 vehicles

* 2016 – 87,600 vehicles

* 2015 – 90,183 vehicles

Industrial occupancy at the port continues to exceed 99 percent. Construction is nearly complete on the port's 125,000-square-foot light-industrial facility at Centennial Industrial Park, and the building should be ready for occupancy in March 2018. The port's 50-plus tenants offer a wide range of products and services, from wood paneling and aluminum extrusion to food transportation and electronics recycling. Tenant businesses employ thousands of people and contribute significantly to the local economy and tax base.

For the seventh year in a row, the port continued its commitment to renewable energy through the purchase of Renewable Energy Credits (RECs) equal to 100 percent of its estimated annual electricity

usage for the buildings in which it controls its utilities. The port also continues its innovative stormwater management with biofiltration technology that enables the port to meet regulatory requirements to control zinc, oil and other runoff contaminants. Other efforts include floating treatment wetlands in the port's Terminal 4 stormwater retention pond to assist in reducing copper and zinc.

The port continues to invest in its Terminal 1 waterfront redevelopment project, which includes plans for a hotel, public marketplace, commercial and retail space, public art and a connection to the city's Renaissance Trail. In June 2017 the Vancouver City Council unanimously approved the port's Concept Development Plan. In August 2017 the port signed a lease with hotel developer Vesta Hospitality, which expects to break ground on a 160-room AC by Marriott Hotel in late 2018.

This March, the Washington State Legislature appropriated \$1.3 million for Terminal 1. These funds will be used for soil stabilization, which is necessary for a portion of the development and extension of the city's Renaissance Trail. This funding is in addition to a \$485,000 Transportation Alternatives Program grant for the trail expansion.