



# **The Economic Contribution of Port Canaveral to Florida in 2023**

*Prepared for:*

**Canaveral Port Authority**



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# *I. Executive Summary*

## *a) Introduction*

Business Research and Economic Advisors (BREA) was engaged by the Canaveral Port Authority (CPA) to conduct an analysis of the economic contribution of Port Canaveral to the state of Florida during 2023. The objective of the study was to quantify employment, wages, expenditures and taxes that were directly and indirectly related to the activities of each of CPA's four key segments, Cruise, Cargo, Land/Lease, and Recreation. In addition, the contribution of Government agencies operating at Port Canaveral were analyzed as a separate entity. This study was designed as a refresh of the one conducted by BREA for the 2018 fiscal year.

## *Business Lines*

In all, there are four business lines (segments) that the Canaveral Port Authority has identified under which port activity can be classified and will serve as the basis for this report. There are also numerous local and federal government agencies that have operations at the port, which will also be analyzed separately from the business lines. Each business line contributes to the economic impact of the port in a unique way and will be discussed in this report within that framework both individually and collectively. The five segments are:

1. **Cruise** – This segment comprises all passenger, crew and cruise line spending related to passenger and crew visits to the Cape Canaveral and Orlando area, and expenditures with local businesses, vendors and contractors that support cruise line operations in the port.
2. **Cargo** – This segment comprises the spending related to the operations of moving and storing cargo through and in the port, and the transportation and/or distribution of goods between the port and locations throughout the state.
3. **Real Estate** – This segment comprises the operational expenses of the non-cruise and cargo related tenant and sub-tenant businesses and/or organizations who lease CPA owned buildings or land.

4. **Recreation** – This segment comprises the local spending related to people visiting CPA parks, recreational facilities and attractions. For the 2023 study this is predominantly Jetty Park.
5. **Government** – There are numerous local and federal government agencies that have operations at the port. These agencies perform many functions and have local operating budgets that include the payroll of their members. The Brevard County Sheriff's Office provides law enforcement and seaport security services while Canaveral Fire Rescue provides fire and emergency medical services. The U.S. Coast Guard has a station located in the port to safeguard commercial and recreational boating activities in the area. Agencies within the Department of Homeland Security ensure that the people and products entering and exiting the country are properly accounted for and inspected. The U.S. Department of Defense has naval support operations at Port Canaveral. The Military Sealift Command provides logistical support to various military installations around the world and has an office located in the port, and the Navy operates the Naval Ordnance Test Unit which supports the US Fleet Forces Command.

The CPA manages these business lines with internal divisions that perform a variety of operational and support functions. Within CPA's budget these functions are either defined to a particular business line or are agnostic to a segment. Where a business segment was not specifically identified, BREA has allocated these data based on the segment's share of CPA's total revenues. BREA has assigned CPA's revenues, expenses and jobs across the four business lines as shown in **Table ES-1**.

Table ES-1 – CPA Operations Assignment

Business Line	CPA Revenues	CPA Operating Expenses	CPA Capital Expenditures	Total CPA Expenses	CPA Jobs
Cruise	\$ 153,389,825	\$ 37,436,386	\$ 38,868,134	\$ 76,304,519	165
Cargo	\$ 16,992,712	\$ 4,147,248	\$ 23,070,742	\$ 27,217,991	18
Recreation	\$ 4,299,342	\$ 3,484,754	\$ 5,478,550	\$ 8,963,304	21
Real Estate	\$ 9,625,205	\$ 2,349,132	\$ 1,067,659	\$ 3,416,791	10
<b>Total 2023</b>	<b>\$ 184,307,084</b>	<b>\$ 47,417,520</b>	<b>\$ 68,485,085</b>	<b>\$ 115,902,605</b>	<b>215</b>
<b>As a Share of Total</b>					
Cruise	83%	79%	57%	66%	77%
Cargo	9%	9%	34%	23%	9%
Recreation	2%	7%	8%	8%	10%
Real Estate	5%	5%	2%	3%	5%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

\*Note - In this table, and tables throughout the report, totals may not add due to rounding

\*Note: Operating and Capital Expenses included in this analysis may not sum to CPA’s totals.

The CPA’s operating and capital budgets shown above also contribute to the economic impact of each business segment. Thus, CPA’s contribution to the overall local and state economy is greater than its 215 direct employees and \$115.9 million in total direct expenditures.

The major drivers of this Economic Impact Analysis include:

- Port Canaveral will have welcomed an estimated 3.0 million embarking, multi-day cruise passengers in 2023 and 369,000 port-of-call passengers, an increase of 44 percent and 2 percent, respectively from the 2018 study. In addition, Victory Casino ships are expected to have approximately 154,300 single-day cruise passengers. In all, it is expected that the total passenger movements (embarking, disembarking, port-of-call, and single day) will be 6.5 million during 2023. That is an increase of about 36 percent from the 4.8 million passenger movements in 2018 study.
- It is estimated that 6.9 million tons of cargo will be moved through Port Canaveral in 2023, up approximately 19 percent since the 2018 analysis. Three commodities, petroleum, lumber, and granite/rock- account for about 78 percent of the total cargo volume.
- The Canaveral Port Authority owns and maintains a portfolio of retail, commercial and land property. In 2023 there were approximately 225 tenants and subtenants.
- The Canaveral Port Authority owns and operates Jetty Park and Exploration Tower. While Exploration Tower was closed for most of the 2023 year, Jetty Park will

accommodate nearly 12,000 overnight parties, representing 35,565 individuals at their camping facilities in 2023.

### *b) The Direct Economic Contribution of Port Canaveral*

BREA estimates a total of \$3.0 billion in direct expenditures across the 5 segments in 2023. Table ES-2, shows the distribution of this direct industry output<sup>1</sup> across the 5 key segments and the associated impacts to the Central Florida regional economy. In total, this output generated an estimated 22,729 jobs paying annual wage income of 1.1 billion. These direct expenditures also generated \$102.5 million in state and local tax revenues.

**Table ES-2 - Direct Economic Contributions, by Business Line**

<b>Business Line</b>	<b>Direct Expenditures (Thousands)</b>	<b>Direct Jobs</b>	<b>Direct Wages (Thousands)</b>	<b>Direct Tax Revenues (Thousands)</b>
Cruise	\$ 1,995,943	17,038	\$ 759,744	\$ 69,137
Cargo	\$ 622,665	2,485	\$ 179,352	\$ 16,321
Real Estate	\$ 231,825	1,809	\$ 79,391	\$ 7,225
Govn.'t Org.	\$ 158,304	1,240	\$ 107,817	\$ 9,811
Recreation	\$ 16,128	157	\$ 7,485	\$ 681
<b>Total 2023</b>	<b>\$ 3,024,865</b>	<b>22,729</b>	<b>\$ 1,133,789</b>	<b>\$ 102,494</b>
<b>As a Share of Total</b>				
Cruise	66%	75%	67%	
Cargo	21%	11%	16%	
Real Estate	8%	8%	7%	
Govn.'t Org.	5%	5%	10%	
Recreation	1%	1%	1%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

<sup>1</sup> The term “output” is used interchangeably with the term “expenditures” throughout this report.

### c) *The Total Economic Contribution of Port Canaveral*

BREA’s model was used to estimate the total contribution the \$3.0 billion in direct spending made to the economy of Florida during 2023. The total contribution analysis consists of three elements: i) the direct economic contribution, ii) the indirect economic contribution and iii) the induced economic contribution. The total impact the combined activities at Port Canaveral had in the economy of Florida was nearly \$6.1 billion and supported 42,666 jobs. The total impact by business line is shown below in **Table ES - 3**.

**Table ES-3 - Total Economic Contributions, by Business Line**

<b>Business Line</b>	<b>Total Expenditures (Thousands)</b>	<b>Total Jobs</b>	<b>Total Wages</b>	<b>Total Tax Revenues (Thousands)</b>
Cruise	\$ 4,009,156	30,570	\$1,391,018	\$ 126,583
Cargo	\$ 1,234,860	5,632	\$ 353,736	\$ 32,190
Real Estate	\$ 462,813	3,366	\$ 154,058	\$ 14,019
Govn't Org.	\$ 315,535	2,814	\$ 183,709	\$ 16,717
Recreation	\$ 33,425	284	\$ 12,761	\$ 1,161
<b>Total 2023</b>	<b>\$ 6,055,789</b>	<b>42,666</b>	<b>\$2,095,281</b>	<b>\$ 189,509</b>
<b>As a Share of Total</b>				
Cruise	66%	72%	66%	
Cargo	20%	13%	17%	
Real Estate	8%	8%	7%	
Govn't Org.	5%	7%	9%	
Recreation	1%	1%	1%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	

The total contributions are led by the cruise segment, which accounts for 66 percent of the total expenditures related to Port Canaveral throughout the state, and 72 percent of the jobs.

Cargo is second in its contribution, generating 20 percent of the total expenditures across the state related to the port, yet only 13 percent of all jobs. The real estate segment contributes about 8 percent of all expenditures and 8 percent of all jobs related to the port throughout the state.

In general, for each \$1 million in direct expenditures at Port Canaveral about 14 total jobs paying an annual average salary of about \$49,100 were supported.

## *II. Introduction*

### *a) A Regional Perspective: Central Florida and the State*

The objective of this study was to estimate the economic contribution, or impact Port Canaveral has on the local and state economies during 2023. The information and data included in this report are presented, in part, to provide an understanding of how the port related activity of each the four business lines and government agencies impact the local and state economy and the breadth of industries impacted. This study has been funded by the Canaveral Port Authority.

For the purposes of this study the local economy can be thought of, generally, as Central Florida and includes the Orlando and Cape Canaveral areas. Due to the interconnectivity of various regional industries, the port plays a role in directly connecting much of the economy throughout the Central Florida region.

Additionally, businesses and organizations with operations that are directly affected by the port are interconnected with other industries throughout the state. For example, business and financial services used by those enterprises directly affected by the port could be located in South Florida, and goods consumed by employees of local businesses could be produced around the state. Additionally, commodities imported through or produced at the port are distributed not just to central Florida but other parts of the state as well. Therefore, while the majority of direct expenditures occur in the local economy, those direct expenditures have a state-wide impact.

The economic contribution of Port Canaveral was measured in terms of annual expenditures, employment, wage and salary distributions, and state and local tax collections that resulted from the various activities related to the port.



Activities related to the port are classified by those that occurred as a result of:

- the local spending of cruise passengers on accommodations, food and beverage service, retail purchases, sightseeing and other tourism related spending;
- the portion of airfare purchases by cruise passengers that are provided to the air transportation industry in Florida;
- local operational and capital expenditures by cruise lines and shippers in providing their services at the port;
- transportation of commodities and passengers to and from port facilities and other parts of the state;
- moving, loading, inspecting and warehousing of commodities at the port;
- the offering of marine services such as steamship agency, husbandry, tug operations, pilotage and others;
- operational expenses of tenant and sub-tenant businesses who lease CPA owned offices, warehouses, and land;
- the local spending of patrons of CPA parks, recreational facilities and attractions on food and beverage service, retail purchases, sightseeing and other tourism related spending;
- the operational and capital expenses of CPA in supporting the functions of the port;
- the local spending due to the operating budgets of various government agencies that operate at the port.

## b) *Data Sources*

This study had two broadly categorized phases; 1) the gathering of the direct expenditures related to each of the business lines, and 2) building an economic model that estimates the demands of those expenditures across both the local and statewide economy for each business line. The sources for the direct expenditure data included:

- 2023 financial, employment, and wage data from CPA;
- operational data, such as cruise passenger counts and commodity volume, and associated revenues and expenses from CPA;
- interviews with the major cruise lines at the port<sup>2</sup>;
- surveys of multi-day cruise passengers and crew members<sup>2</sup>;
- surveys of CPA park visitors<sup>2</sup>;

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<sup>2</sup> Data was collected for the 2018 study and was inflated utilizing current economic data, (e.g., CPI, PPI, census, etc.). BREA also factored in the updated passenger, crew and visitor counts.

- surveys of CPA tenants and subtenants<sup>2</sup>, including terminal operators, marine service providers, marinas, etc.;
- interviews with government agencies related to the port;
- U.S. Bureau of Economic Analysis (BEA);
- U.S. Bureau of Labor Statistics (BLS);
- U.S. Census Bureau.

The above data formed the basis for BREA's modeling of the economic contribution of Port Canaveral. The following sections discuss the methodology underlying this study in more depth.

### *c) Methodology and Concepts*

BREA's proprietary model uses input/output data available from The U.S. Bureau of Economic Analysis (BEA) to estimate the number of jobs and wages required to support a given level of industry spending. The model quantifies, by sector, the number of jobs required at the prevailing market wages for a given amount of spending in that sector. It also quantifies the additional indirect and induced spending that will take place with related industries that support that sector.

The total economic contribution is the result of the direct, indirect, and induced impacts.

Direct impacts are defined as spending that occurs directly with businesses at the port, including CPA itself. The indirect economic impacts are the result of business-to-business purchases made by these businesses to support their operations, such as:

- machinery & equipment;
- raw materials;
- utility services;
- financial and insurance products.

The induced economic impacts are derived from the spending by employees of the directly and indirectly impacted firms, for household and consumer goods and services such as:

- groceries;
- furniture;
- automobiles;
- housing;
- medical services.

### *III. Business Line Analysis*

#### **a) Cruise Segment**

The basis of the analysis of the economic contribution for the cruise segment includes passenger and crew surveys that were conducted in 2019 both onboard the cruise ships and in the terminals of the key cruise lines; surveys conducted with the major cruise lines that homeport at Port Canaveral; and the spending and contribution of CPA and Victory Cruises for this segment. These data were inflated using Consumer Price Indices (CPI) and Producer Price Indices (PPI) data obtained from the US Census Bureau and the Bureau of Labor Statistics (BLS). BREA also utilized CPA's estimated 2023 passenger and crew counts, ship voyages and Average Lower Berth Days (ALBDS) to derive new spending estimates.

As highlighted in Tables ES-1 and ES-2 earlier, the cruise segment represents more than 80 percent of CPA's revenues, and two-thirds of the direct economic contribution to the local and state economy.

Combining the expenditures of CPA and Victory Cruise data with the passenger and crew surveys, data on expenditures by cruise lines for port fees and services, payments to local tour operators for passenger shore excursions purchased onboard the cruise ships, and other provisions purchased locally by the cruise lines, enabled BREA to develop estimates of the total cruise tourism expenditures.

It should be noted, where duplication of expenditures was reported by the cruise lines and the CPA, (e.g., port charges and fees), BREA only counted entries once. Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income, were then estimated for the region.

## **Cruise Tourism Expenditures**

Cruise tourism expenditures in Canaveral are composed of a broad range of spending including:

- onshore expenditures by passengers, which were concentrated in accommodations, food & beverages, retail purchases and attractions or tours in both the Cape Canaveral area and in Orlando;
- onshore expenditures by crew, which were generally concentrated in retail purchases; food and beverages; and local transportation;
- expenditures by cruise lines for port services, such as dockage fees and linesmen, utilities such as water and power; marine services like ship cleaning and maintenance; and navigation and towing services;
- purchases of supplies, such as food, fuel and others, by the cruise lines from regional suppliers;
- expenditures by CPA in support of cruise operations;
- spending by Victory Cruises and their passengers.

Based on data collected from the Canaveral Port Authority, just over 3.0 million cruise passengers will embark on multi-day cruises, 154,000 embark aboard single-day cruises, and 369,000 will arrive aboard port-of-call cruise ships during 2023. BREA estimates about 295,200 transit passengers (80%) will disembark and visit the Port Canaveral area. Based on analysis of the ships calling on the port, BREA estimates there will be about 1.2 million crew arrivals and 29 percent, or 353,400 will disembark and visit the Port Canaveral area throughout the year.

These passenger and crew visits, along with the expenditures by the cruise lines will generate approximately \$2.0 billion in direct cruise tourism expenditures in Central Florida during 2023. The contribution of expenditures by passengers, crew and cruise lines to this total is discussed below.

On a per passenger basis, the average expenditure by embarking passengers is \$297, including airfare. The average spend by passengers with an overnight stay in the area is significantly higher than those who arrived at the port the day of their cruise (\$462 vs \$75). On average, each port of call passenger who disembark their ship spends \$88 during their visit to the Cape Canaveral area.

A summary of spending by passenger type is listed in **Table 1** below.

**Table 1 – Spending by Multi-Day Cruise Passenger Type**

Passenger Type	Embarking			Transit
	Combined	Day of Cruise	Overnight Stay	
Share of Embarks	100%	43%	57%	N/A
<b>Spend Categories</b>				
Accommodations	\$ 97.95	-	\$ 170.63	-
Food & Beverages	\$ 54.53	\$ 5.27	\$ 91.08	\$ 7.35
Tours and Attractio	\$ 34.50	\$ 1.34	\$ 59.10	\$ 39.27
Parking	\$ 14.57	\$ 20.39	\$ 10.25	-
Transportation	\$ 10.36	\$ 7.48	\$ 12.49	\$ 23.26
Retail Purchases	\$ 4.93	\$ 0.50	\$ 8.22	\$ 4.60
Other	\$ 39.33	\$ 16.46	\$ 56.30	\$ 13.07
<b>Subtotal</b>	<b>\$ 256.17</b>	<b>\$ 51.44</b>	<b>\$ 408.08</b>	<b>\$ 87.54</b>
Airfare	\$ 41.03	\$ 23.24	\$ 54.22	--
<b>Total</b>	<b>\$ 297.20</b>	<b>\$ 74.68</b>	<b>\$ 462.30</b>	<b>\$ 87.54</b>

Among all embarking multi-day cruise passengers, expenditures are concentrated in two categories: accommodations, and food & beverage, which account for 51 percent of their onshore expenditures. Overall, it is estimated that 57 percent of the embarking passengers will spend an overnight in the Canaveral area. Of those with an overnight stay, 92 percent will stay in paid accommodations, thus, approximately half (52%) of all passengers will stay in paid accommodations either pre or post cruise. On average, those with an overnight stay spent just over two nights (2.3) in area accommodations. Those who stay in paid accommodations spend an average of \$202 per night. This equates to about \$98 per person across all embarking cruise passengers. Spending on food and beverages averages nearly \$55 per person when spread across all embarking passengers, while spending on attractions and tours equates to about \$35 per passenger.

Additionally, about 26 percent of embarking passengers are estimated to fly into the region for their cruise and spend an average of \$316 per person on airfare. For the purpose of this analysis, 50 percent of the average airfare was used as an allocation to Central Florida. This results in a per passenger spend of about \$41 when averaged across all embarking passengers.

In all, when factoring in Victory cruise passengers, embarking passengers contributed approximately \$872.6 million in direct expenditures to the economy in Central Florida<sup>3</sup>.

Of the approximately 295,200 port of call (or transit) passengers who went ashore, the average spend per person is about \$88. This translates to approximately \$70 per transit passenger arrival.

Transit spending is concentrated in two categories, tours & attractions, and ground transportation. Combined these two categories account for about 71 percent of transit spending.

Transit passengers contribute approximately \$25.8 million in direct expenditures to the economy in Central Florida.

Combined, the total passenger spending accounts for about 45 percent of the direct cruise industry spending in Central Florida and 30 percent of the direct spending across all business lines, up significantly from 25 percent in the prior study.

Crew spending estimates were derived from on-board surveys completed by crew members. The average spending per crew member who goes ashore is \$110.01. Two thirds (66%) of crew expenditures are in the retail purchases of items such as personal care products and clothing. Combined, crew spend an average of \$62.59 for goods in these categories.

An estimated 353,400 crew will disembark and visit Cape Canaveral in 2023 (29% of arrivals) and will spend a total of \$38.9 million. Crew spending accounts for about 2.0 percent of the direct cruise industry spending in Central Florida.

Cruise lines made payments to local businesses for a variety of goods and services. Net payments to local vendors for shore excursions have been included with passenger expenditures. However, cruise lines make other local expenditures, including payments for port fees and taxes, navigation services, utilities and provisions and other supplies. Based upon data provided by the cruise lines, we estimated that the cruise lines, including Victory Cruises, will spend a total of \$982.3 million throughout Central Florida during the 2023 cruise year. Cruise line

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<sup>3</sup> This total spend by embarking passengers excludes over \$41 million in parking fees collected by CPA. This was withheld in order to avoid double counting.

spending accounts for about 49 percent of the direct cruise industry spending related to Port Canaveral.

A summary of direct expenditures for the cruise industry segment is shown in **Table 2**.

**Table 2 -Direct Expenditures\* by Cruise Industry Segment**

	<b>Direct Expenditures (Thousands)</b>
<b>Passenger Total</b>	\$898,483
Embarking	\$ 872,643
Port of Call	\$ 25,841
<b>Crew</b>	\$38,876
<b>Cruise Line</b>	\$982,279
<b>CPA</b>	\$76,305
<b>Total</b>	<b>\$ 1,995,943</b>

*\*Note - The total for embarking passengers includes spending for Victory passengers and excludes an amount for parking revenue received by CPA. Cruise lines total includes Victory Cruise expenditures.*

**Economic Contribution of Cruise Tourism Expenditures**

As shown in **Table 3**, the \$2.0 billion in total cruise tourism expenditures in Port Canaveral supported the direct employment of 17,038 residents of the region paying \$759.8 million in annual wages. The direct employment and wage impacts of cruise tourism are concentrated in the transportation, and administrative \$ support services sectors, which account for about 53 percent of the employment 54 percent of wage impacts. The remainder of the direct employment and wage impacts are generated by the spending in the other sectors of the economy.

**Table 3 -Direct Economic Contribution by Sector - Cruise Segment**

Sector	Direct Expenditures (Thousands)	Direct Jobs (FTE)	Direct Wages (Thousands)
Transportation	\$ 674,864	6,329	\$ 298,271
Accommodations	\$ 294,843	1,855	\$ 83,585
Admin & Support Svcs.	\$ 226,945	2,687	\$ 110,506
Wholesale Trade	\$ 207,754	565	\$ 53,797
Food & Beverage Svcs.	\$ 173,916	1,870	\$ 58,501
Retail Trade	\$ 164,736	1,709	\$ 58,809
Amusements, Recreation, Arts & Ent	\$ 118,793	1,197	\$ 40,223
Professional, Scientific & Tech. Svcs.	\$ 59,063	401	\$ 31,268
Construction	\$ 44,225	332	\$ 19,427
Manufacturing	\$ 30,803	93	\$ 5,357
<b>Total 2023</b>	<b>\$ 1,995,943</b>	<b>17,038</b>	<b>\$ 759,744</b>

When combined with the indirect and induced contribution that results from the spending of directly affected local businesses and employees, cruise tourism expenditures generated a total employment contribution of 30,570 jobs and \$1.4 billion in wage income throughout Florida during 2023. The financial & business services, and personal & other sectors contribute 58 percent of the total employment, and 56 percent of the total wage impacts (See Table 4).

**Table 4 -Total Economic Contribution by Sector - Cruise Segment**

Business Line	Total Expenditures (Thousands)	Total Jobs (FTE)	Total Wages (Thousands)
Financial & Business Svcs.	\$ 1,282,825	8,967	\$ 428,299
Personal & Other Services	\$ 982,070	8,836	\$ 356,306
Transportation	\$ 817,405	7,751	\$ 348,410
Wholesale & Retail Trade	\$ 637,366	3,952	\$ 190,298
Manufacturing	\$ 163,135	529	\$ 34,698
Agric., Mining, Utilities & Construction	\$ 126,356	535	\$ 33,006
<b>Total 2023</b>	<b>\$ 4,009,156</b>	<b>30,570</b>	<b>\$ 1,391,018</b>

In total, the Cruise segment was responsible for the payment of approximately \$126.6 million in state and local taxes.



## b) Cargo Segment

The impacts for the cargo segment are a result of the movement, warehousing and distribution/transportation of the 6.9 million tons of commodities and the requisite local operations and capital expenditures at Port Canaveral. Not only is the total tonnage up about 19 percent from 2018, but the mix of commodities has changed, leading to significantly higher impacts than was noted in 2018.

The analysis of the economic contribution for the cargo business line included surveys of those firms that conduct their cargo-related business on port property or in support of the cargo moving, storage and distribution activities at the port; and economic data from the U.S. Census Bureau and the Bureau of Economic Analysis (BEA). Often, businesses supporting the cargo industry also provide service to the cruise industry (e.g., pilotage, towing or stevedoring). BREIA implemented measures to ensure no double counting of these expenditures occurred. The analyses also utilized the appropriate spending and contribution of the CPA for the cargo segment.

The cargo business spending accounts for about 21 percent of all direct output related to Port Canaveral.

### **Economic Contribution of Cargo Expenditures**

As seen in **Table 5** below, total cargo tonnage has experienced notable growth since 2018. CPA estimates a total of 6.9 million tons of cargo will move through Port Canaveral in 2023 compared to the 5.8 million tons<sup>4</sup> in 2018, growth of 19 percent. As mentioned in the executive summary, the top three commodities, petroleum, lumber, and granite/rock account for 78 percent of the tonnage in 2023. When compared to 2018, it is estimated that CPA will see the movement of lumber, a high impact commodity, increase by 4-fold to over 900k tons in 2023.

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<sup>4</sup> In 2023 CPA moved to a more precise method of calculating tonnage for petroleum. For the purpose of this report, the 2018 figures have been rebased using these new calculations.

**Table 5 - Commodity Tonnage, 2023 & 2018**

<b>Commodity</b>	<b>2023</b>	<b>2018</b>	<b>Change</b>
Petroleum	3,764,626	3,395,470	11%
Lumber	905,000	211,911	327%
Granite/Rock	696,715	496,774	40%
Slag/Sand	549,422	609,107	-10%
Limestone/Aggregate	520,173	467,564	11%
Salt	242,421	332,180	-27%
All Others	245,764	317,066	-22%
<b>Total</b>	<b>6,924,122</b>	<b>5,830,072</b>	<b>19%</b>
<b>Share of Total</b>			
Petroleum	54%	58%	
Lumber	13%	4%	
Granite/Rock	10%	9%	
Slag/Sand	8%	10%	
Limestone/Aggregate	8%	8%	
Salt	4%	6%	
All Others	4%	5%	
<b>Total</b>	<b>100%</b>	<b>100%</b>	

The majority (54%) of cargo tonnage at Port Canaveral is due to petroleum, and while the tonnage has increased, petroleum’s overall share has decreased by 4 percentage points. It should be noted that petroleum products require a relatively small amount of labor to carry out the functions of storage and distribution; therefore, petroleum has a much smaller set of expected employment and wage impacts than commodities like lumber, break bulk, and even other bulk commodities. This will factor into the overall economic impact of cargo activities attributed to a port and illustrates how the commodity mix seen in different ports can affect their contribution to a regional economy.

U.S. Census and BEA data were used to establish cargo values and the associated margins, or costs, in bringing those goods to market in 2023. These values provide the basis for which the associated direct expenditures are derived. Sixty-five percent of the output associated with the cargo segment is concentrated in the wholesale sector. About a quarter (27%) of the output is within the transportation industry. This is due to the high level of activities associated with moving and storing cargo and the ancillary services that assist with those activities including the

distribution of commodities out of the port via truck, pipeline or other means of transportation.

There are bulk commodities like salt and construction material that go through some production process at the port as a result of the import and export activity. These commodities contribute to expenditures in the manufacturing industry, and then to the transportation industry as they are distributed into the state or shipped out of the port to other locations.

Expenditures with various marine service providers such as pilotage and towing, stevedoring, vessel maintenance, marine construction, agents, freight forwarders, crane operators, and many others that support cargo operations were also estimated using a combination of survey and economic data. Most of the expenditures with these firms also contribute to the transportation sector as they support the water transportation sector, but some have been classified as construction and manufacturing. Finally, the portion of the CPA's operating budget attributable to the cargo business line was used, and contributes jobs and expenditures for operations, administration and improvements to the port.

As shown in **Table 6**, an estimated \$622.7 million in direct expenditures within the cargo segment in Port Canaveral supported the direct employment of nearly 2,500 individuals paying \$179.4 million in annual wages. The direct employment and wage impacts of the cargo segment are concentrated in the wholesale and transportation sectors, as described previously. These two sectors account for about 88 percent of the direct employment and 89 percent of direct wage impacts. The construction and manufacturing sectors each support between 4 to 7 percent of the direct employment and wage impacts generated by Port Canaveral's cargo industry. The remaining impacts are distributed among administrative, support, professional, scientific and technical services. Most of these are due to the CPA's contribution.

**Table 6 – Direct Economic Contribution by Sector - Cargo Segment**

Sector	Direct Expenditures (Thousands)	Direct Jobs (FTE)	Direct Wages (Thousands)
Wholesale Trade	\$ 402,915	1,068	\$ 102,036
Transportation	\$ 170,452	1,112	\$ 58,416
Manufacturing	\$ 25,248	108	\$ 6,946
Construction	\$ 20,976	165	\$ 9,656
Administrative & Support Svcs.	\$ 2,447	27	\$ 1,742
Professional, Scientific & Tech. Svcs.	\$ 626	5	\$ 557
<b>Total 2023</b>	<b>\$ 622,665</b>	<b>2,485</b>	<b>\$ 179,352</b>

When combined with the indirect and induced contribution, the cargo segment contributed a total impact of just over 5,600 jobs and \$353.7 million in wage income throughout Florida in 2023. The top two categories, wholesale & retail trade and financial & business services accounted for 64 percent of the total expenditures, 47 percent of the total employment, and 57 percent of the total wage impacts (See Table 7).

**Table 7 – Total Economic Contribution by Sector – Cargo Segment**

Sector	Total Expenditures (Thousands)	Total Jobs (FTE)	Total Wages (Thousands)
Wholesale & Retail Trade	\$ 485,566	1,348	\$ 102,582
Financial & Business Services	\$ 307,995	1,307	\$ 98,577
Transportation	\$ 225,807	1,472	\$ 77,177
Personal & Other Services	\$ 105,372	1,041	\$ 46,213
Manufacturing	\$ 61,502	197	\$ 12,516
Agric., Mining, Utilities & Constr.	\$ 48,619	267	\$ 16,671
<b>Total 2023</b>	<b>\$ 1,234,860</b>	<b>5,632</b>	<b>\$ 353,736</b>

In total, the Cargo segment was responsible for the payment of approximately \$32.2 million in state and local taxes.

## **Final Demand Impacts**

There are businesses that are largely involved in the final sale or use of the commodities that flow through Port Canaveral, which are not typically included in the direct economic impact analysis. These include but are not limited to businesses such as retail trade establishments, construction companies, or establishments that require petroleum products. BREAA categorizes these businesses and impacts as "final demand impacts". These are independent of the economic impact analysis but are worth noting as they do utilize commodities that flow through the port.

Given these factors for the commodities moved through Port Canaveral, BREAA has estimated that the final demand impacts associated with the commodities would lead to the support of an additional 2,734 jobs paying about \$104.0 million in annual wages. These are independent of the economic contribution noted in Table 7 above and are not directly attributable to Port Canaveral.

## c) Real Estate Segment

The impacts for the real estate line of business are a result of the demand for the goods and services produced by the various tenants and sub-tenants of the Canaveral Port Authority. Tenant and subtenant businesses operating on Port Canaveral property vary in size and type, ranging from one or two employees to hundreds of employees; and provide goods and services such as food & beverage, manufacturing, personal services, and professional and business services. The various marinas at Port Canaveral are also included in this section.

The analysis of the economic contribution for the real estate business line were online, in person, and telephone surveys conducted with the businesses located on port property, excluding those businesses and expenditures associated with the other business lines (e.g., cruise or cargo). The analysis also utilized the spending and contribution of CPA to the real estate segment.

Given the direct spending estimates, the economic contribution of these expenditures, as measured by employment and wage income were then estimated for the Port Canaveral area. As with the other segments, the process began with the collection of economic data for the regional area and state, as previously described. Utilizing these data, BREAA developed an economic impact model which estimated the direct and total employment and wage impacts specific to the real estate business line.

The spending with the real estate tenants and sub-tenants accounts for about 8 percent of all direct spending related to Port Canaveral.

### **Economic Contribution of Real Estate Expenditures**

As shown in **Table 8** below, the variety of goods and services offered by the tenant and subtenant businesses touch upon a broad range of sectors.

The \$231.8 million in direct expenditures with the real estate tenants and sub-tenants in Port Canaveral supported the direct employment of 1,809 residents of Central Florida paying \$79.4 million in annual wages. The direct employment and wage impacts of the real estate segment are concentrated in the recreation, transportation & wholesaling, and wholesale trade. These 3 sectors account for about 55 percent of the direct employment and 52 percent of direct wage impacts. The

remainder of the direct employment and wage impacts was generated by spending in the remaining sectors.

**Table 8 -Direct Economic Contribution by Sector - Real Estate Segment**

Sector	Direct Expenditures (Thousands)	Direct Jobs (FTE)	Direct Wages (Thousands)
Recreation	\$ 46,611	470	\$ 15,411
Transportation & Warehousing	\$ 40,734	266	\$ 15,704
Wholesale Trade	\$ 39,684	259	\$ 10,275
Food & Beverage Service	\$ 24,556	288	\$ 8,259
Accommodations	\$ 22,800	143	\$ 6,462
Professional, Scientific & Tech. Svcs.	\$ 19,326	128	\$ 9,680
Personal & Other Svcs.	\$ 15,955	61	\$ 6,677
Retail Trade	\$ 9,638	139	\$ 3,455
Manufacturing	\$ 9,538	27	\$ 1,666
Administrative & Support Svcs.	\$ 1,453	15	\$ 993
Construction	\$ 969	8	\$ 447
Real Estate	\$ 562	5	\$ 363
<b>Total 2023</b>	<b>\$ 231,825</b>	<b>1,809</b>	<b>\$ 79,391</b>

When combined with the indirect and induced contribution that results from the spending of directly affected local businesses and their employees, there is a total contribution of 3,366 jobs and \$154.1 million in wage income during 2023. The personal & other services, and financial & business services sectors accounted for 68 percent of the total employment, and 65 percent of the total wage impacts (See Table 9). These sectors consist primarily of businesses that support other business operations and provide goods and services to the household consumer.

**Table 9 -Total Economic Contribution by Sector - Real Estate Segment**

Sector	Total Expenditures (Thousands)	Total Jobs (FTE)	Total Wages (Thousands)
Personal & Other Services	\$ 154,110	1,455	\$ 55,698
Financial & Business Services	\$ 137,433	828	\$ 44,750
Wholesale & Retail Trade	\$ 78,955	396	\$ 22,754
Manufacturing	\$ 24,800	76	\$ 5,977
Transportation	\$ 55,928	563	\$ 21,839
Agric., Mining, Utilities & Constr.	\$ 11,586	48	\$ 3,040
<b>Total 2023</b>	<b>\$ 462,813</b>	<b>3,366</b>	<b>\$ 154,058</b>

In total, the Real Estate segment was responsible for the payment of \$14 million in state and local taxes.



## d) Recreation Segment

The impacts for the recreation line of business are a result of consumer spending while visiting CPA's Jetty Park and beach, and to a lesser extent Exploration Tower. To determine consumer spending at Jetty Park, BREA utilized the survey responses from individuals who had spent an overnight at Jetty Park in 2018/19. As with the other survey data in this 2023 report, BREA inflated the spending figures utilizing BLS and US Census data. These new figures were then analyzed with the CPA's budgeted 2023 overnight visitors.

The spending within the recreation business line accounts for about 1 percent of the direct spending at Port Canaveral.

### Jetty Park Analysis

Based on the updated CPA budget, an estimated 11,855 parties will spend an overnight at the Jetty Park campground. This is up about 16 percent from the 2018 study. It is anticipated that each party consists of 3 individuals. Thus, a total of 35,565 individuals will spend an estimated 5 nights at Jetty Park in 2023. CPA estimates 84 percent will stay in an RV, 14 percent in tents, and 2 percent in cabins. Not including the cost of the camping fees, each party will spend a total of \$604 for the duration of their stay.

As with other segments of this study, BREA excluded expenditures that were paid to CPA. Thus, the \$3.2 million camping fees were accounted for under CPA revenue, and not here. Including the camping fees, the average party spend would be \$870 at Jetty Park and across the region.

### Economic Contribution of Recreation Expenditures

Similar to each of the other business lines, BREA took every effort to avoid double counting spending estimates for food and beverage, and the Jetty Park fees.

As shown in **Table 10**, along with CPA's contribution, the estimated 35,565 overnight visitors to Jetty Park generate about \$16.1 million in direct spending. These expenditures support the direct employment of 157 residents of the region, paying \$7.5 million in annual wages. The direct employment and wage impacts of the recreation segment are concentrated in the construction, and amusement & recreation sectors. These two sectors account for about 57 percent of the direct expenditures, 54 percent of the direct employment and 63 percent of direct wage impacts.

The CPA’s expenditures in this segment include a \$5 million capital expenditure for improvements to Jetty Park. This had a direct impact on the construction expenditures, jobs, and wages. In all, CPA contributed nearly \$9 million, or 56 percent of the direct expenditures in the recreation segment.

**Table 10 -Direct Economic Contribution by Sector - Recreation Segment**

Sector	Direct Expenditures (Thousands)	Direct Jobs (FTE)	Direct Wages (Thousands)
Construction	\$ 5,381	40	\$ 2,363
Amusements, Recreation, Arts & Ent	\$ 3,835	45	\$ 2,381
Retail Trade	\$ 2,655	28	\$ 940
Food & Beverage Svcs.	\$ 2,456	26	\$ 826
Other Svcs.	\$ 834	9	\$ 349
Admin & Support Svcs.	\$ 649	7	\$ 440
Professional, Scientific & Tech. Svcs.	\$ 166	1	\$ 141
Wholesale Trade*	\$ 81	0	\$ 21
Transportation	\$ 71	1	\$ 23
<b>Total 2023</b>	<b>\$ 16,128</b>	<b>157</b>	<b>\$ 7,485</b>

\*Note - Direct FTE jobs in wholesale trade were equal to less than .5

Adding the indirect and induced contribution to these direct expenditures results in a total employment contribution of 284 jobs and \$12.8 million in wage income supported by the operations of CPA’s recreational facilities during 2023. The personal & other services, and financial & business services sectors contribute 58 percent of the total expenditures, 60 percent of total employment, and 61 percent of the total wage impacts for this segment (See Table 11).

**Table 11 -Total Economic Contribution by Sector - Recreation Segment**

Sector	Total Expenditures (Thousands)	Total Jobs (FTE)	Total Wages (Thousands)
Personal & Other Services	\$ 10,522	115	\$ 4,971
Financial & Business Svcs.	\$ 8,779	56	\$ 2,833
Wholesale & Retail Trade	\$ 5,438	47	\$ 1,811
Manufacturing	\$ 1,730	6	\$ 338
Transportation	\$ 789	6	\$ 246
Agric., Mining, Utilities & Const.	\$ 6,167	54	\$ 2,561
<b>Total 2023</b>	<b>\$ 33,425</b>	<b>284</b>	<b>\$ 12,761</b>

In total, the Real Estate segment was responsible for the payment of approximately \$1.2 million in state and local taxes.

## e) Government Segment

There are several government organizations that operate in Port Canaveral. Local agencies include the Brevard County Sheriff’s Department and Canaveral Fire Rescue, while federal agencies include divisions within the Department of Homeland Security, the U.S. Coast Guard, Military Sealift Command and the Naval Ordnance Test Unit.

The economic contribution for the government segment utilized conversations with representatives from each respective agency, except for the Department of Homeland Security and the Military Sealift, which were estimated.

Due to operational confidentiality concerns, as well as the varying scale and scope of each agency, the estimates of the economic contribution for these government agencies are reported in aggregate. Separately, part of the Canaveral Port Authority’s operating expenses were provided to the local municipalities in charge of funding police and fire protection. To avoid double counting, this amount was deducted from any contribution that would have been attributed to CPA.

**Table 12 – Direct Contributions – Government**

Sector	Total Expenditures (Thousands)	Total Jobs (FTE)	Total Wages (Thousands)
<b>Government Operations</b>	\$ 158,304	1240	\$ 107,817
<b>Total 2023</b>	<b>\$ 158,304</b>	<b>1,240</b>	<b>\$ 107,817</b>

As can be seen in **Table 12** above, government operations are given their own industry. For the purpose of this study, expenditures for government agencies are limited to the operating costs of the agency and do not include capital expenditures. The \$107.8 million in wages paid to 1,240 local and federal government employees accounts for approximately 68 percent of the direct expenditures.

Because the direct expenditures are concentrated in the administration of the agency and in employee income, the indirect effects are concentrated in those industries that primarily support administrative work and household consumption. These would include financial and business services and retail and personal services for household consumption. As shown in **Table 13**, there was \$315.5 million in total expenditures due to government operations. These expenditures supported 2,814 jobs earning \$183.7 million in compensation.

**Table 13 - Total Contributions - Government**

Sector	Total Expenditures (Thousands)	Total Jobs (FTE)	Total Wages (Thousands)
Personal & Other Services	\$ 202,993	1,954	\$ 138,140
Financial & Business Services	\$ 52,564	392	\$ 26,423
Wholesale & Retail Trade	\$ 27,900	292	\$ 10,718
Agric., Mining, Utilities & Constr.	\$ 15,257	86	\$ 4,356
Manufacturing	\$ 10,352	42	\$ 1,996
Transportation	\$ 6,468	48	\$ 2,075
<b>Total 2023</b>	<b>\$ 315,535</b>	<b>2,814</b>	<b>\$ 183,709</b>

Personal and other services accounted for 64 percent of the total expenditures, 69 percent of the jobs, and 75 percent of the wages. Those industries in financial and business services accounted for 17 percent of the total expenditures, 14 percent of the jobs, and 14 percent of the wages. In total, the 4 remaining sectors accounted for 19 percent of the total expenditures, 17 percent of the jobs, and 10 percent of the wages.