

# Revised Economic Contributions and Fiscal Impacts of the Port of Centralia's Industrial Parks

# Overview

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The Port of Centralia (the Port) hired EConorthwest to update its 2022 study on the future fiscal and economic impacts (contributions) of its industrial parks. The updated study not only provides new forecasts for these impacts but also evaluates similar impacts for the center of downtown Centralia (downtown) and includes a summary of vehicle accessibility.<sup>1</sup>

The Port oversees three parks: Park I, Park II, and Park 3. Parks I and II host a variety of businesses, including manufacturers and distribution centers. Park 3, called Centralia Station, is a planned mixed-use development. All three parks, as well as downtown, include some residential housing. However, this study does not include taxes paid by residents other than property taxes.

The updated study forecasts property tax revenues using the existing business mix along with confirmed upcoming additions. Some developments are not yet reflected in current property tax records. These include the recently opened WinCo Foods store in Park 3 and a large multi-building distribution center under development by a major logistics property company (LPC) in Park I. For this analysis, the fiscal impacts for 2026 assume that both properties are included.

The analysis uses current tax rates but also incorporates inflation into the estimates. Actual fiscal and economic effects from the properties could differ if tax rates change.

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<sup>1</sup> Central downtown approximately covers city blocks touching Tower Avenue and Pearl Avenue from W. Cherry Street to W. 6<sup>th</sup> Street.

## Findings

Our research finds:

- Historically, the unemployment rate in Lewis County typically ranged between two to six percentage points higher than the state average. Due in part to significant job growth at the industrial parks, that gap has narrowed to less than one percentage point. In some recent months, Lewis County's unemployment rate has even been lower than Washington's.
- In 2026, businesses in the industrial parks are projected to employ about 3,145 workers, earning a combined \$239 million in wages and benefits.
- The three industrial parks contain roughly 9.9 million square feet of paved vehicle areas, compared to about 800,000 square feet in downtown Centralia.
- When complete, LPC will occupy more than 4.3 million square feet of building space and, once fully staffed, is expected to employ about 761 management, office, and distribution center workers.
- The three industrial parks are expected to generate about \$27.3 million in state and local tax revenue, while the central part of downtown will contribute about \$8.7 million.
- Through local employment and purchases of goods and services, businesses in the industrial parks will support more than \$1 billion in total economic output in the local economy.

## Information Used in This Analysis

The Port provided a list of all properties within its industrial parks, including property tax identification numbers and assessed values. For some business properties, the Port also supplied reported employee counts. Where employee data was not available, ECONorthwest applied alternative methods to estimate employment levels.

Although the industrial parks include some residential structures and vacant land, our analysis only accounts for the property tax revenues generated by these residential parcels. We did not make assumptions about the household spending or taxes other than property taxes paid by households living in those properties.

## Local Economy

Centralia is in Lewis County, just five miles from the border of Thurston County. The two counties share a common labor force and consumer base. For this reason, ECONorthwest defined the local economy as the combined area of Lewis and Thurston Counties when measuring economic contributions.

## Impact model

To perform the analysis, ECONorthwest used the 2023 IMPLAN economic impact model for Lewis and Thurston Counties. IMPLAN starts with employment estimates for businesses in the industrial parks and downtown, then projects how their local spending—on workers, goods, and services—circulates through and affects the local economy.

The model's results represent economic contributions: the total amount these businesses generate in local employment, wages and salaries, and overall economic output.<sup>2</sup> Results were adjusted for inflation.

## Economic Census

To support the analysis, we used economic census data for the City of Centralia, which includes 2022 employment and sales figures by sector as reported to the U.S. Census Bureau in 2022. In cases where city-level data was unavailable due to confidentiality restrictions, we relied on data for Lewis County as a proxy.

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<sup>2</sup> Economic contributions refer to the total, or gross, effects a business has on the local economy. In contrast, economic impacts measure the net effects—accounting for gains and losses. We measure net effects only when a new business replaces an existing one. That situation does not apply here.

## Location Data

We also incorporated cell phone mobility data from Placer.ai, which tracks foot traffic patterns of visitors and employees by location. In addition, property tax records from the Lewis County Assessor's Office were used to estimate district-level property tax contributions and the square footage of paved parking areas.

## Tour of Downtown Businesses

To obtain the most up-to-date information on the types of businesses and the availability of street parking in downtown Centralia, we conducted a walking survey of the entire area during the early afternoon of June 27, 2025.

## WinCo and LPC Assumptions

Property taxes for the WinCo and LPC properties were estimated using comparable buildings, with adjustments made for their respective sizes. All tax figures were further adjusted for inflation to generate 2026 estimates.

For the LPC project, the estimates assume that the entire development will be completed, fully staffed, and operating in 2026. While this scenario is hypothetical, since actual completion will take several years, it provides a full picture of what is ultimately going to be developed.

When completed, the LPC project will include more than 4.3 million square feet of building space, functioning as a warehouses, storage, and distribution center. To estimate employment, we used data from comparable facilities in Washington State. On average, these businesses employ 177 workers per million square feet. Applying this ratio, a fully staffed LPC facility would be expected to employ about 761 workers.

According to a Bureau of Labor Statistics (BLS) survey conducted in May 2024, 74 percent of workers in these types of facilities are employed in transportation and material moving occupations. In non-metropolitan western Washington, which includes Lewis County, the average annual wage for these occupations was \$50,800.

By comparison, 51 percent of workers in the manufacturing sector held production positions, with an average annual wage of \$53,900. However, employment in manufacturing has been declining as automation and artificial intelligence play an increasing role.

Figure 1 shows long-term employment trends in Washington State for both industries. Since 1990, manufacturing employment has declined at an average annual rate of 0.6 percent, while employment in warehouses, storage, and distribution centers has grown at an average annual rate of 3.1 percent.

**Figure 1: Washington State, employment comparison, monthly data, January 1990 through July 2025**

*Source: Washington State Employment Security Department.*

## Timing Adjustments

The data used in this analysis come from different years. Property tax rates are from 2025. According to Lewis County's Deputy Assessor, the 2025 property tax values are based on property assessments as of January 1, 2024. Economic census data are from 2022, and the IMPLAN model is based on 2023 data.

The LPC development is still in its early stages and will not be completed for some time. To address the differences in timing among these data sources, we adjusted all prices for inflation.

## Inflation and Local Unemployment Trend

To create a consistent frame of reference, we chose 2026 as the presentation year for this report. Past dollar values were adjusted for inflation using EConorthwest’s internal inflation forecast, which is shown in Table 1.

**Table 1: Consumer price and inflation forecast**

*Sources: BLS through June 2026 and EConorthwest forecast through December 2027.*

The Port of Centralia developed industrial parks to create local jobs in sectors that pay above average wages. The need for more jobs was important because Lewis County has had persistently higher unemployment than the state.

Between 1990 and 2019, Lewis County's monthly unemployment rate has generally been between 2 percent and 6 percent higher than the state's (Figure 2). The gap has narrowed substantially since then and, in some months, the unemployment rate in Lewis County was less than the state's. The narrowing in the gap is in large part due to new jobs at the industrial parks.

**Figure 2: Annual Unemployment Rate Gap Between Lewis County and the State of Washington, 1990 – 2025**

*Sources: EConorthwest calculation of the difference between the monthly unemployment rate in Lewis County and the state of Washington from January 1990 through June 2025 using data from the BLS August 4, 2025.*



## Vehicle Accessibility

Figure 3 is a map highlighting the three industrial parks and the primary section of downtown Centralia. The map shows vehicle volumes on major thoroughfares and daytime populations for the 12 months through June 30.

**Figure 3: Industrial Parks and Central Downtown, Traffic Volumes on Major Access Roads and Average Daily Daytime Population**

*Source: Placer.ai July 2025 (July 1, 2024- June 30, 2025)*

The Lewis County Assessor's Office recorded the square footage of land areas with asphalt and concrete pavement for all properties as of January 1, 2024. That date was before the completion of the WinCO store and LPC development. We estimated the values of those. For downtown properties, we walked the entire area and visually estimated the available street parking. The total paved areas are shown on Table 2.

**Table 2: Paved Areas for Vehicles**

*Sources: Lewis County Assessor's Office and EConorthwest downtown survey.*

## Fiscal and Economic Analysis

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In this analysis, EConorthwest measured economic contributions starting with what would occur at the industrial parks and downtown. They are called direct contributions. The IMPLAN model predicts how those direct effects will trigger spending and employment elsewhere in the local economy of Lewis and Thurston Counties. Information from the model in combination with property tax records were used to estimate fiscal impacts.

### Direct Employment by Location

The first step in our research is to estimate direct employment (including proprietors and self-employed) by sector. An economic impact model requires these figures, entered by sector (industry category).

Table 3 is a summary of 2026 employment forecast by sector for the industrial parks and downtown. The employment data used in the analysis was categorized in more detail.

#### Table 3: 2026 Employment Forecast

*Sources: Port of Centralia, U.S. Census, Dunn & Bradstreet, Placer.ai, and EConorthwest.*

We identified 43 businesses that would be operating in the industrial parks in 2026 that would employ 3,145 workers. Of these 2,215 will be working transportation, warehousing, and distribution.

We estimate that there are over 152 individual businesses with 939 people working in downtown Centralia.

There is residential housing in the industrial parks and downtown. An unknown number of residents likely are self-employed and work at home. They could not be accounted for in this analysis. However, we did estimate the employment of proprietors of small downtown businesses.

## Direct Economic Contributions

IMPLAN estimated the economic output and labor income generated by the businesses. Economic output represents the total revenue of each sector. For retail and wholesale businesses, this figure is calculated net of the cost of goods sold, which prevents double counting.

Table 4 summarizes EConorthwest's forecast of the direct economic contributions in 2026 for the three industrial parks and downtown. Businesses in the industrial parks are projected to employ 3,145 workers. Downtown employment is estimated at 939, including business proprietors.

**Table 4: Direct Economic Contributions for the Industrial Parks and Downtown, 2026**

*Sources: EConorthwest using data from the State of Washington, U.S. Economic Census, Lewis County Assessor's Office, and others.*

Businesses in the industrial parks are forecast to generate \$691.1 million in economic output in 2026, compared to \$154.8 million for downtown. Total labor income is also projected at \$239.4 million for the industrial parks and \$57.3 million for downtown.

## Direct State and Local Tax Forecast

ECONorthwest obtained tax data from the Lewis County Assessor's Office for parcels located in the industrial parks. These data included both real estate and personal property, with the latter generally referring to business equipment. The Lewis County Assessor's Office also provided real estate property tax data for parcels in central downtown, and ECONorthwest estimated the personal property taxes for those parcels.

Private entities that lease public land from the Port do not pay real property taxes directly to Lewis County. Instead, the State of Washington imposes a leasehold excise tax on the use of public property by private parties, which serves as a substitute for property tax. In 2026, we estimate these tenants will pay \$121,105 in leasehold excise taxes. Tax proceeds are split between the state and local governments.

Because private firm data are confidential and total tax figures were not available, ECONorthwest used an indirect method to estimate other taxes. The analysis drew on the most recent Washington Department of Revenue business activity tax return totals by industry (2023) and data from the 2022 U.S. Economic Census for businesses in Centralia and Lewis County. From these sources, ratios of taxes to employment were calculated. These ratios were then applied to the estimated employment of individual businesses to generate the tax estimates.

Table 5 summarizes the state and local taxes that businesses and property owners are forecast to pay in 2026. Property taxes are expected to total about \$14.6 million in the industrial parks and \$1 million in central downtown. Note that property taxes include residential land and buildings. However, other state and local taxes paid by households are not included in the table.

**Table 5: Direct State & Local Tax Forecast for the Industrial Parks and Downtown, 2026**

*Sources: Lewis County Assessor’s Office, the Washington State Department of Revenue Detailed Tax Data by Industry and Tax Classification report, Port of Centralia lease forecast, and the ECOnorthwest IMPLAN analysis.*

Business and occupation (B&O), sales and use, utility, and other taxes are projected at \$12.7 million for the industrial parks and \$7.8 million for downtown. In total, state and local taxes from the industrial parks are forecast at \$27.3 million, while the central downtown area is expected to generate about \$8.7 million.

## Total Economic Contributions

Table 6 summarizes the projected 2026 economic contributions of businesses in the industrial parks and central downtown. In addition to the direct contributions reported in (Table 4), industrial park businesses are expected to indirectly support 886 jobs and generate 790 induced jobs, resulting in a total of 4,821 jobs in the local market. Central downtown businesses are projected to support a total of 1,271 jobs.

**Table 6: Total Local Economic Contributions, 2023**

*Sources: Data from Table 4, 2023 IMPLAN model for the economy of Lewis and Thurston Counties, and adjustment for inflation by EConorthwest.*

We forecast that the industrial parks will generate more than \$1 billion in economic output and \$357 million in labor income for the economies of Lewis and Thurston Counties. Their total contribution to state and local taxes is expected to exceed \$51 million.

Central downtown is projected to directly generate \$155 million in economic output, with a total local economic contribution of \$223 million. It will contribute \$79 million in labor income and \$12.7 million in state and local taxes.