Sitka Economic Development Association

Who We Are:
- 501(c)(3) non-profit
- 11 member Board of Directors
- 1 ½ FTE Staff
- City contract to assist with management of the Gary Paxton Industrial Park and CBS Bulk Water Assets
SEDAs MISSION

The mission of the Sitka Economic Development Association (SEDA) is to:

• Foster a business climate that is receptive and conducive to existing and new business;
• Help promote the creation of family wage jobs; and
• Enhance the quality of life for Sitkans.
QUALITY OF LIFE

A high quality of life comes only when basic needs are met:

• Jobs – that can pay the bills
• Energy – affordable & reliable
• Housing – affordable
• Transportation
• Education
• Public Safety
• Health Care
Economic Development...

• the *deliberate effort* to improve the economy of a specified geographic area.

• the efficient and effective use of available resources.

“Change is inevitable. Progress is optional.” —Tony Robbins
SEDA’s ROLE

Primary Industry
Exports goods & services outside the local economy & brings new money in

Support Industry
Supplies goods, raw materials, parts & services to Primary Industry

Economic Foundations
- Human Resources
- Natural Resources
- Technology
- Physical Infrastructure
- Business Climate
- Quality of Life & Social Capital
A BUCKET ECONOMY

Sitka’s Economy

New Money Enters the Local Economy

Primary Industries

Transfer Payments

Economic Leakage

Balance in the Bucket Determines the Health of the Local Economy
SEDA’s ECONOMIC STRATEGY

- Economic Growth to Increase NEW Money:
  - Support existing primary industries that have high wages, lots of local activity, high resident employment, and year-round jobs
  - Support development of new primary year-around industries
  - Support existing seasonal primary industries to provide revenues for investing in development of year-around, high wage industries

- Leakage Capture Strategies:
  - Support retention and expansion of existing support industries
  - Encourage new support industry development – i.e. marine services
  - Buy local and create local
• Enhance Sitka’s Maritime Sector
  • Everything Seafood and Ocean related
• Leverage Local Natural Resources & Assets
• Support Development of Workforce Housing
  • Increase Land availability and Density
• Maintain & Develop Essential Infrastructure
• Support Workforce Development & Vocational Education
• Prepare for Senior Growth
  • Projected aging community
• Support Other Economic Enterprises
Population trends:
- 5-year: -279 (-3%)
- 10-year: -676 (-7%)

Higher rate of decline than Juneau, Ketchikan, and Southeast

*30-year population decline: -8%*

*Source: Alaska Department of Labor and Workforce Development*
Population: Age Cohorts

65+ population increased by 34% over last decade

Sitka Population by Age Cohort, 2013 and 2022

- 65+ population increased by 34% over last decade (+34%)
- Working age population fell by 706 (-13%)
- Number of children declined by 410 (-18%)

Source: Alaska Department of Labor and Workforce Development
2022 marks highest number of employed Sitka residents (4,407)

Lowest annual unemployment rate on record in 2022 (3.0%)

Labor Force

Complete resident labor force recovery from pandemic


Employment | Unemployment

<table>
<thead>
<tr>
<th>Year</th>
<th>Employment</th>
<th>Unemployment</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013</td>
<td>4,602</td>
<td></td>
</tr>
<tr>
<td>2014</td>
<td>4,668</td>
<td></td>
</tr>
<tr>
<td>2015</td>
<td>4,592</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>4,372</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>4,455</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td>4,370</td>
<td></td>
</tr>
<tr>
<td>2019</td>
<td>4,404</td>
<td></td>
</tr>
<tr>
<td>2020</td>
<td>4,120</td>
<td></td>
</tr>
<tr>
<td>2021</td>
<td>4,496</td>
<td></td>
</tr>
<tr>
<td>2022</td>
<td>4,539</td>
<td></td>
</tr>
</tbody>
</table>

Source: Alaska Department of Labor and Workforce Development
### Workforce: Worker Residency

Over one-third of Sitka’s total workforce are nonresidents

<table>
<thead>
<tr>
<th>Location</th>
<th>Local Residents</th>
<th>Nonlocal Residents</th>
<th>Nonresidents</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sitka</td>
<td>57%</td>
<td>7%</td>
<td>36%</td>
</tr>
<tr>
<td>Juneau</td>
<td>69%</td>
<td>5%</td>
<td>16%</td>
</tr>
<tr>
<td>Ketchikan</td>
<td>61%</td>
<td>7%</td>
<td>21%</td>
</tr>
<tr>
<td>Alaska</td>
<td>64%</td>
<td>12%</td>
<td>19%</td>
</tr>
</tbody>
</table>

Local resident % decreased
- 2011: 67%
- 2017 to 2020: varied 60% - 62%

2020 to 2021 percent change:
- **Sitka:** -5%
- **Juneau:** -9%
- **Ketchikan:** -9%
- **Alaska:** -5%

Source: Alaska Department of Labor and Workforce Development
## Wage & Salary Employment: Selected Sectors

*Total change in jobs (9-month average)*

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Scenic &amp; Sightseeing Transportation</td>
<td>153</td>
<td>-61%</td>
<td>+71%</td>
<td>-33%</td>
<td>103</td>
</tr>
<tr>
<td>Accommodations</td>
<td>159</td>
<td>-35%</td>
<td>+38%</td>
<td>-10%</td>
<td>144</td>
</tr>
<tr>
<td>Eating &amp; Drinking Places</td>
<td>342</td>
<td>-21%</td>
<td>+35%</td>
<td>+6%</td>
<td>364</td>
</tr>
<tr>
<td>Seafood Processing</td>
<td>543</td>
<td>-18%</td>
<td>+26%</td>
<td>+3%</td>
<td>562</td>
</tr>
<tr>
<td>Construction</td>
<td>157</td>
<td>-15%</td>
<td>+32%</td>
<td>+12%</td>
<td>176</td>
</tr>
<tr>
<td>State Government</td>
<td>315</td>
<td>-11%</td>
<td>+9%</td>
<td>-3%</td>
<td>306</td>
</tr>
<tr>
<td>Retail Trade</td>
<td>454</td>
<td>-10%</td>
<td>+13%</td>
<td>+2%</td>
<td>462</td>
</tr>
</tbody>
</table>

Source: Alaska Department of Labor and Workforce Development
Wage & Salary Employment: Average Wages

When adjusted for inflation, wages have decreased

Inflation-Adjusted Annual Average Wages, Sitka and Alaska
2017 – 2022

2022 Sitka average wages: 13% below Alaska
- 2017: 19% below Alaska

Highest inflation-adjusted wages in 2020 ($58,300)
- 2020 – 2022: -5%

*Preliminary data, 9-month average

Sources: Alaska Department of Labor and Workforce Development and Bureau of Labor Statistics
In 2020, Alaska CPI deflated for the first time in decades

Inflation accelerated through 2022

Feb. 2023 inflation
- Alaska: 4.3%
- U.S.: 6.0%

Source: Bureau of Labor Statistics
Seafood Industry: Processing Employment

**2022 Q1-Q3 employment above 2019 levels, below 2021**

Seafood Processing Employment in Sitka, 2019 - 2022

9-month employment trends:

- 2019 – 2022: +18%
- 2021 – 2022: -12%

Source: Alaska Department of Labor and Workforce Development
Visitor Industry

2022 cruise visitation 74% above 2019, further growth expected in 2023

Sitka Cruise Passenger Counts, Actuals and 2023 Forecast

2022 actuals 17% below expected volumes

2023 forecast:
- 47% higher than 2022
- 155% higher than 2019

Port calls:
- 2022: 279 calls
- 2023: 308 calls (+29 ships)

Source: Cruise Line Agencies of Alaska
Other Key Industries

**Health Care**
- 2022 9-month average: 760 jobs
- Sitka Community Hospital transfer to SEARHC

**Coast Guard**
- 2021 uniformed military employment in Sitka: 248
- Virtually no change from previous year
Housing: Data Limitations

Due to small sample sizes, Sitka housing data can be unreliable

U.S. Census Bureau, American Community Survey
- 5-year averages
- Estimates based on surveys

Multiple Listing Service
- Only includes housing on market
- Due to small market size, average price data is easily skewed

Alaska Housing Finance Corporation
- Estimates based on surveys
- Limited availability by borough

AirDNA – Short-Term Rental Data
- Includes all listings on AirB&B and VRBO
- Does not include other platforms (i.e. Craigslist, Facebook Marketplace)
Housing: Trend Overview

Survey data suggest more owners, fewer renters

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vacant Units</td>
<td>15% (±3%)</td>
<td>17% (±3%)</td>
</tr>
<tr>
<td>Occupied Units</td>
<td>85% (±3%)</td>
<td>83% (±4%)</td>
</tr>
<tr>
<td><strong>Owner-Occupied</strong></td>
<td>57% (±4%)</td>
<td>63% (±4%)</td>
</tr>
<tr>
<td><strong>Renter-Occupied</strong></td>
<td>43% (±4%)</td>
<td>37% (±4%)</td>
</tr>
</tbody>
</table>

Data limitations:
- Estimates based on April surveys, do not reflect seasonal fluctuations
- High margin of error due to low sample sizes
- Estimated number of housing units virtually flat

Source: United States Census Bureau, American Community Survey
Housing: Vacancies by Type

Sitka has a lower vacancy rate than Alaska

Sitka Housing Vacancies by Type, 2017 and 2021

<table>
<thead>
<tr>
<th>Type</th>
<th>2017: 608 vacant units</th>
<th>2021: 704 vacant units</th>
</tr>
</thead>
<tbody>
<tr>
<td>For seasonal use</td>
<td>44</td>
<td>110</td>
</tr>
<tr>
<td>For rent</td>
<td>51</td>
<td>64</td>
</tr>
<tr>
<td>Rented, not occupied</td>
<td>9</td>
<td>33</td>
</tr>
<tr>
<td>For sale only</td>
<td>7</td>
<td></td>
</tr>
<tr>
<td>Sold, not occupied</td>
<td>33</td>
<td></td>
</tr>
<tr>
<td>All other vacancies</td>
<td>194</td>
<td>270</td>
</tr>
</tbody>
</table>

Source: United States Census Bureau, American Community Survey

High margin of error

More rental vacancies:
- Long-term rent: +32 units (+73%)
- Seasonal use: +106 units (+57%)

Fewer units for sale:
- -55 units (-86%)
Housing: Short-Term Rentals

Rapid growth in 2022, continued increase in 2023

Active Short-Term Rental Listings, Sitka, 2018 - 2023

- Q1 2023: 87 listings, highest on record
- +78% from Q1 2022
- 2022 average price: $267/night, including cleaning fees
  - +27% from 2018
  - 18% higher than nightly hotel rates

Source: Air DNA
Sitka rates rose above AK averages in 2017

- Highest rental rate of any surveyed borough in Alaska for the past three years

Ten-year trends, adjusted for inflation:
- Sitka: +$30
- Alaska: -$75

Adjusted rent: contract rent, plus electricity, heating, snow removal, etc.

Housing: Rental Rates

*Highest adjusted rental rates of any borough*


Source: Alaska Housing Finance Corporation
Housing: Affordability

More cost-burdened renters in Sitka

Cost-Burdened Owners, 2021

- Sitka: 22% (±10%)
- Alaska: 22% (±4%)

Cost-Burdened Renters, 2021

- Sitka: 49% (±21%)
- Alaska: 42% (±2%)

Source: United States Census Bureau, American Community Survey

High margin of error

• 49% of renters in Sitka are cost-burdened, and 22% of homeowners

Cost-burdened individuals: those spending 30% or more of their income on housing costs
Housing: New Housing Units

More new units per year from 2020 to 2022

New Housing Units in Sitka, 2013 - 2022

- Increase in single family housing unit construction in 2022
- Single-family housing includes attached units
  - 30 single-family units built in 2022

Source: Alaska Housing Finance Corporation
GARY PAXTON INDUSTRIAL PARK

Marine Industry
Manufacturing
Deepwater Port
Water Export
Seafood Industry
GPIP DEVELOPMENT

- Port Development/Marketing Multipurpose Dock
- Boat haul-out
- GPIP Port Facility
- Market remaining lots
- Bulk Water Export
- Bottling Plants
- Support Existing Businesses

The dock and future haul out at GPIP will direct future development.
DEEP WATER DOCK

18 foot wide ramp

Anti-corrosion barge

Length: 250 feet
Width: 74 feet
Concrete Deck
OTHER REVENUES – BULK WATER

Bulk Water Contracts

• 2009 – $100,000
• 2010 – $100,000
• 2011 – $75,000
• 2012 – $75,000
• 2013 – $1,000,000
• 2015 – $15,000
• 2017 – $1,250
• 2018 – $16,500
• 2019 - $1,250
• 2020 - $1,250
• 2021 - $10,000

Total $1,395,250
LAND USE AT GPIP
<table>
<thead>
<tr>
<th>Vessel Length</th>
<th>Number of Stalls</th>
</tr>
</thead>
<tbody>
<tr>
<td>20'</td>
<td>4</td>
</tr>
<tr>
<td>40'</td>
<td>21</td>
</tr>
<tr>
<td>50'</td>
<td>15</td>
</tr>
<tr>
<td>60'</td>
<td>13</td>
</tr>
<tr>
<td>70' - 80'</td>
<td>2</td>
</tr>
<tr>
<td>90' - 120'</td>
<td>2</td>
</tr>
<tr>
<td>TOTAL</td>
<td>83</td>
</tr>
</tbody>
</table>
Questions? Contact:

Garry White, Executive Director
747-2660

www.sitka.net

www.sawmillcove.com

www.sitkamarine.com