



Greater Sitka Chamber of Commerce

NOVEMBER 1, 2023

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



SEDA's 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

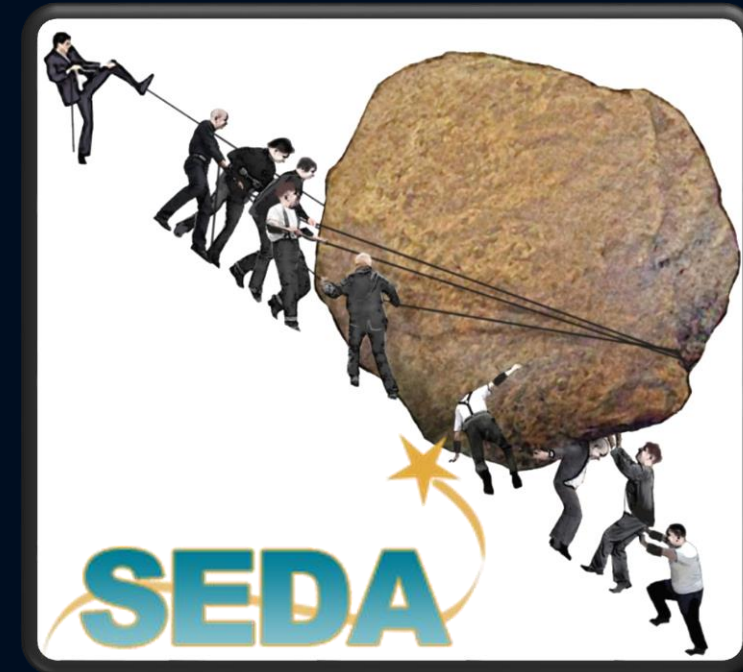
A high quality of life comes only when basic needs are met:

- Jobs – that can pay the bills
- Energy – affordable & reliable
- Housing – affordable
- Transportation
- Education
- Public Safety
- Health Care



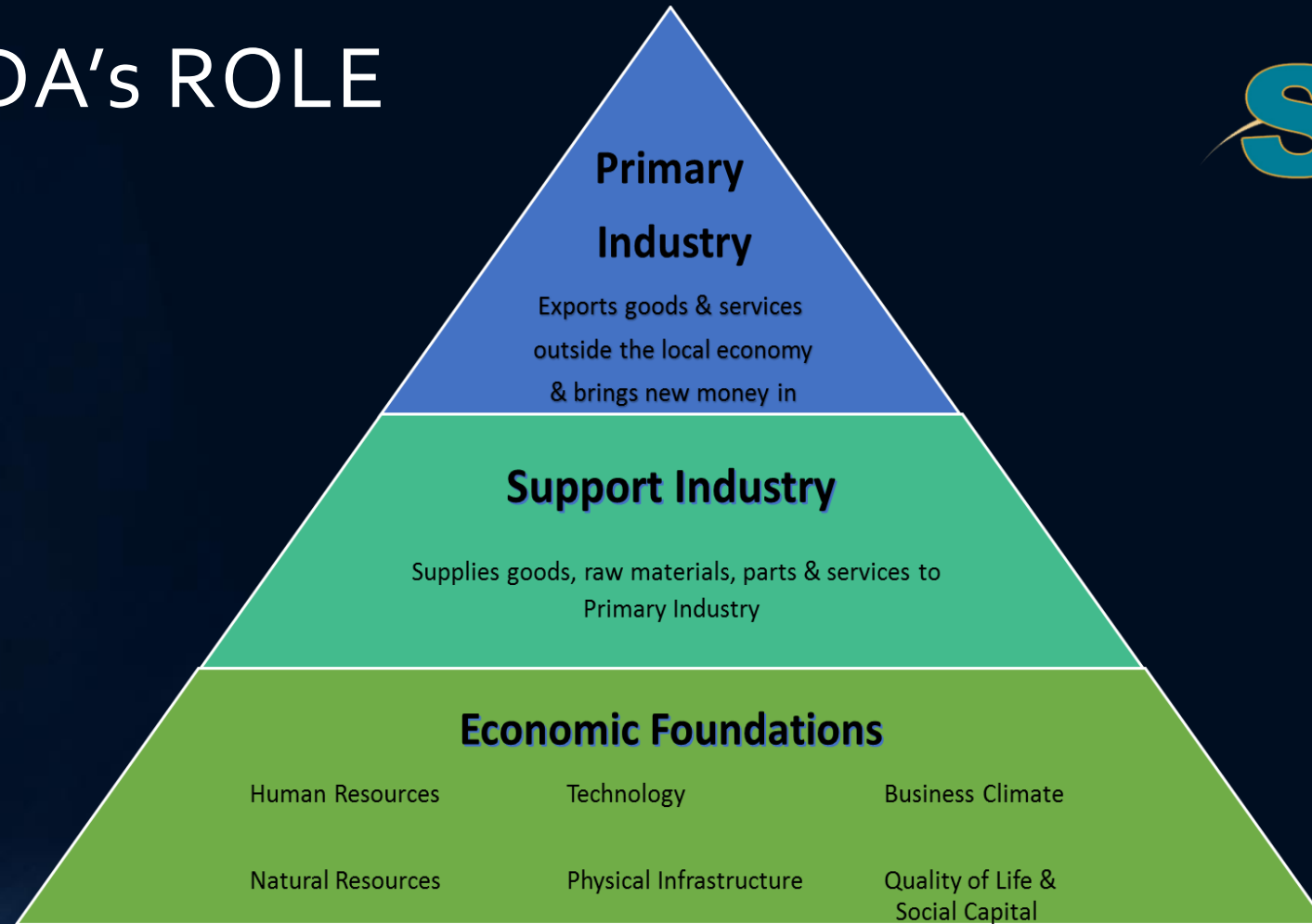
Economic Development...

- 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



A BUCKET 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



SEDA 2023 STRATEGIC PRIORITIES

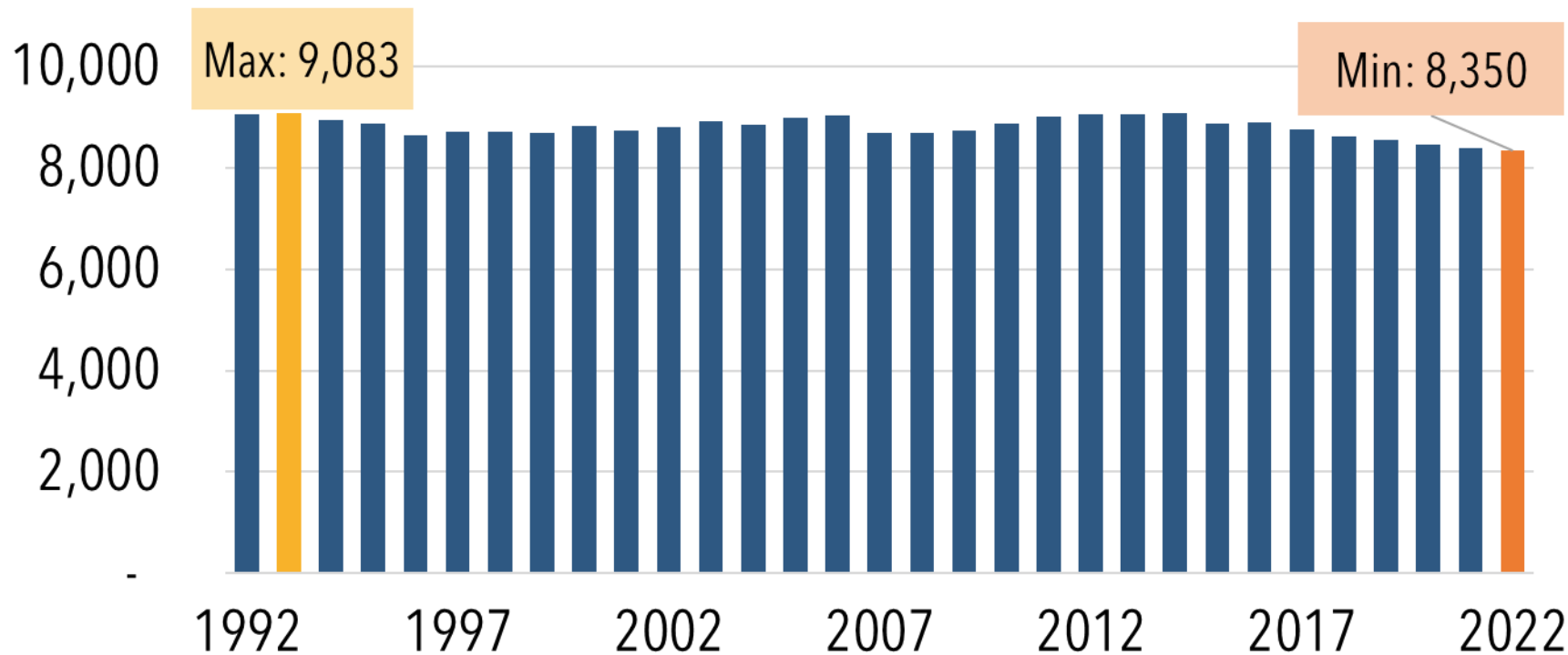
- Enhance Sitka's Maritime Sector
 - Everything Seafood and Ocean related
- Leverage Local Natural Resources & Assets
- Support Development of Workforce Housing
 - Increase Land availability and Density
- Maintain & Develop Essential Infrastructure
- Support Workforce Development & Vocational Education
- Prepare for Senior Growth
 - Projected aging community
- Support Other Economic Enterprises



Population

30-year population decline: -8%

Sitka City and Borough Population, 1992 - 2022



Population trends:

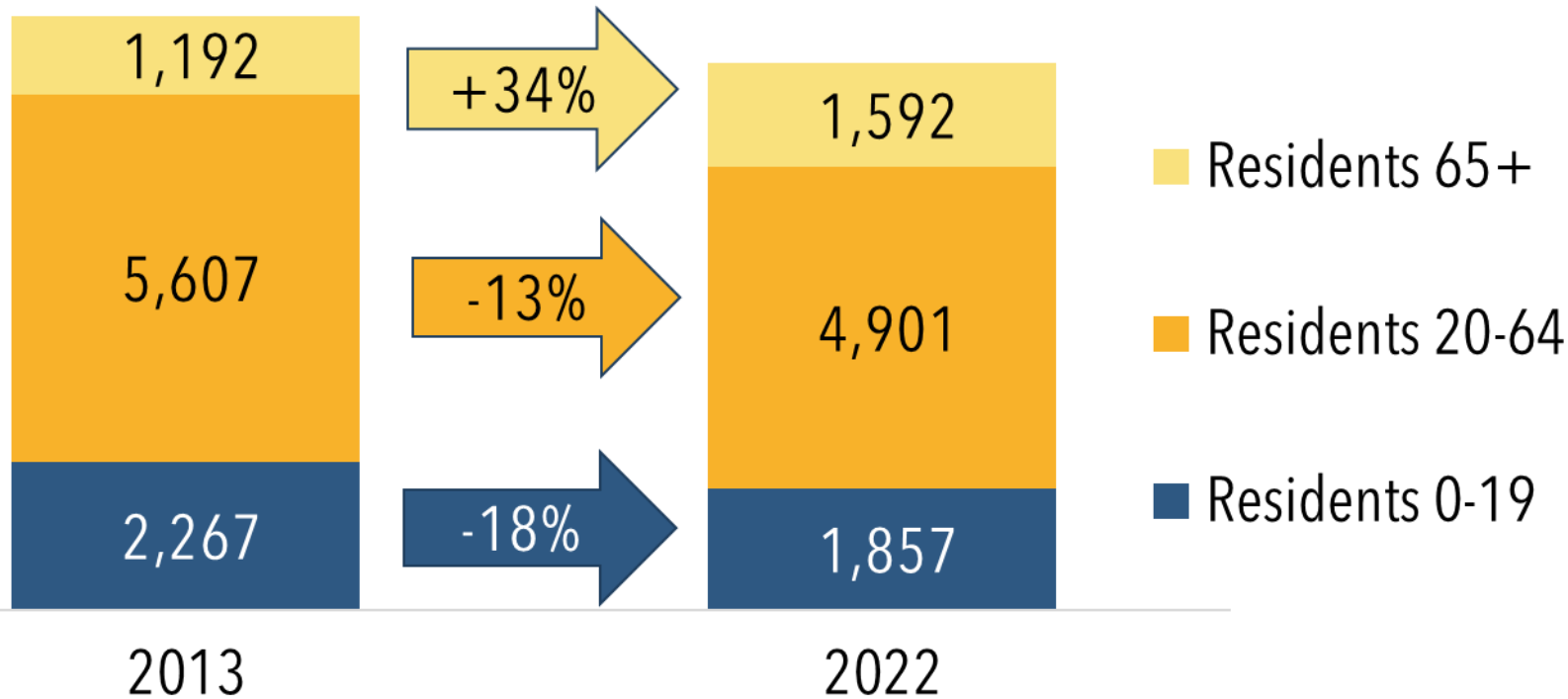
- 5-year: -279 (-3%)
- 10-year: -676 (-7%)

Higher rate of decline
than Juneau,
Ketchikan, and
Southeast

Population: Age Cohorts

65+ population increased by 34% over last decade

Sitka Population by Age Cohort, 2013 and 2022



Age cohort trends:

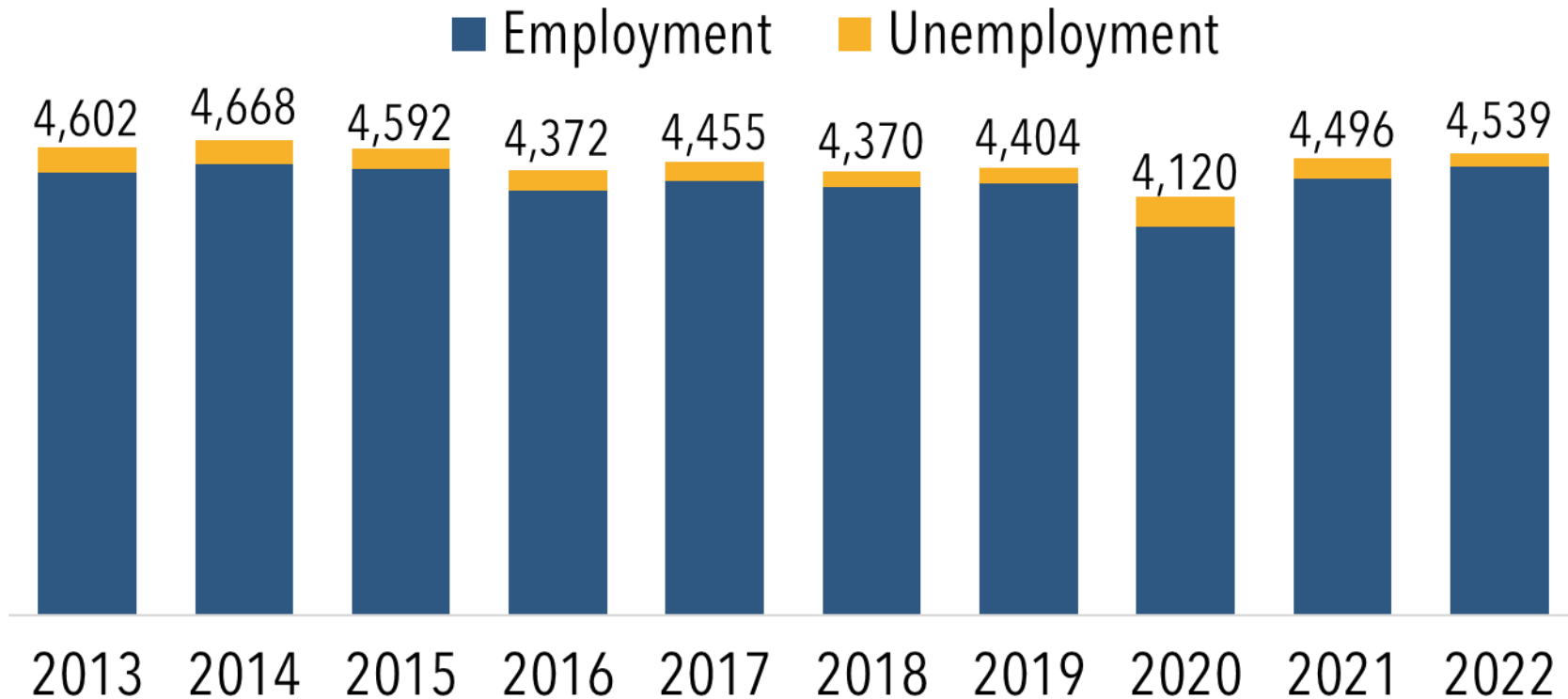
Overall population decline (-7%)

- 65+ population increases by 400 (+34%)
- Working age population fell by 706 (-13%)
- Number of children declined by 410 (-18%)

Labor Force

Complete resident labor force recovery from pandemic

Sitka Resident Labor Force, 2013 - 2022



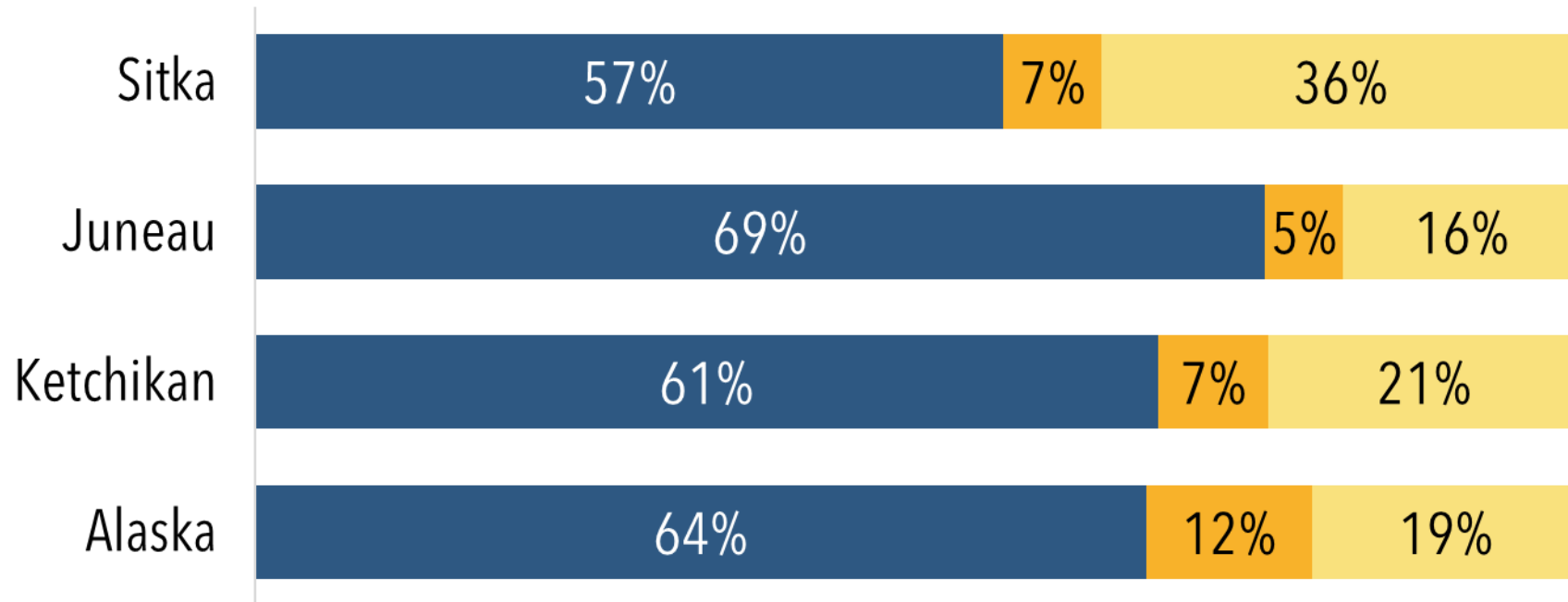
- 2022 marks highest number of employed Sitka residents **(4,407)**
- Lowest annual unemployment rate on record in 2022 **(3.0%)**

Workforce: Worker Residency

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

Worker Residency, All Sectors, 2021

Local Residents Nonlocal Residents Nonresidents



Local resident % decreased

- 2011: 67%
- 2017 to 2020: varied 60% - 62%

2020 to 2021 percent change:

- **Sitka: -5%**
- Juneau: -9%
- Ketchikan: -9%
- Alaska: -5%

Wage & Salary Employment: Selected Sectors

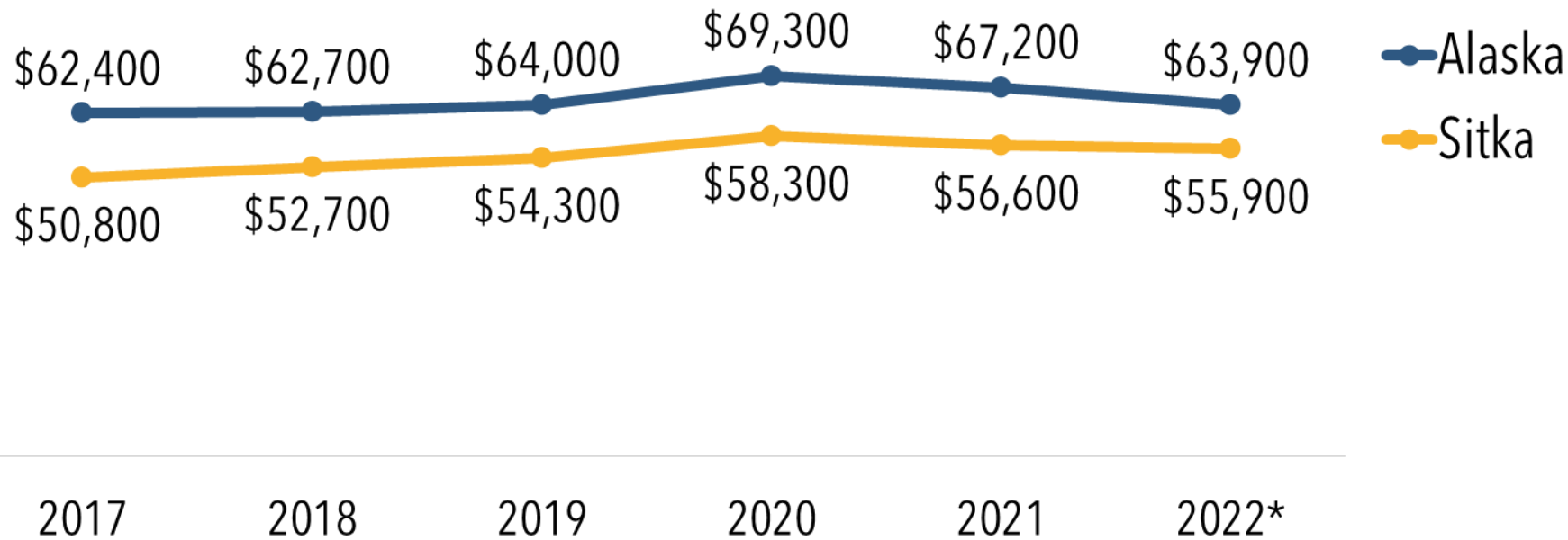
Total change in jobs (9-month average)

	2019 Jobs	2019-2020 Loss	2020-2022 Gain	2019-2022 Change	2022 Jobs
Scenic & Sightseeing Transportation	153	-61%	+71%	-33%	103
Accommodations	159	-35%	+38%	-10%	144
Eating & Drinking Places	342	-21%	+35%	+6%	364
Seafood Processing	543	-18%	+26%	+3%	562
Construction	157	-15%	+32%	+12%	176
State Government	315	-11%	+9%	-3%	306
Retail Trade	454	-10%	+13%	+2%	462

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%**

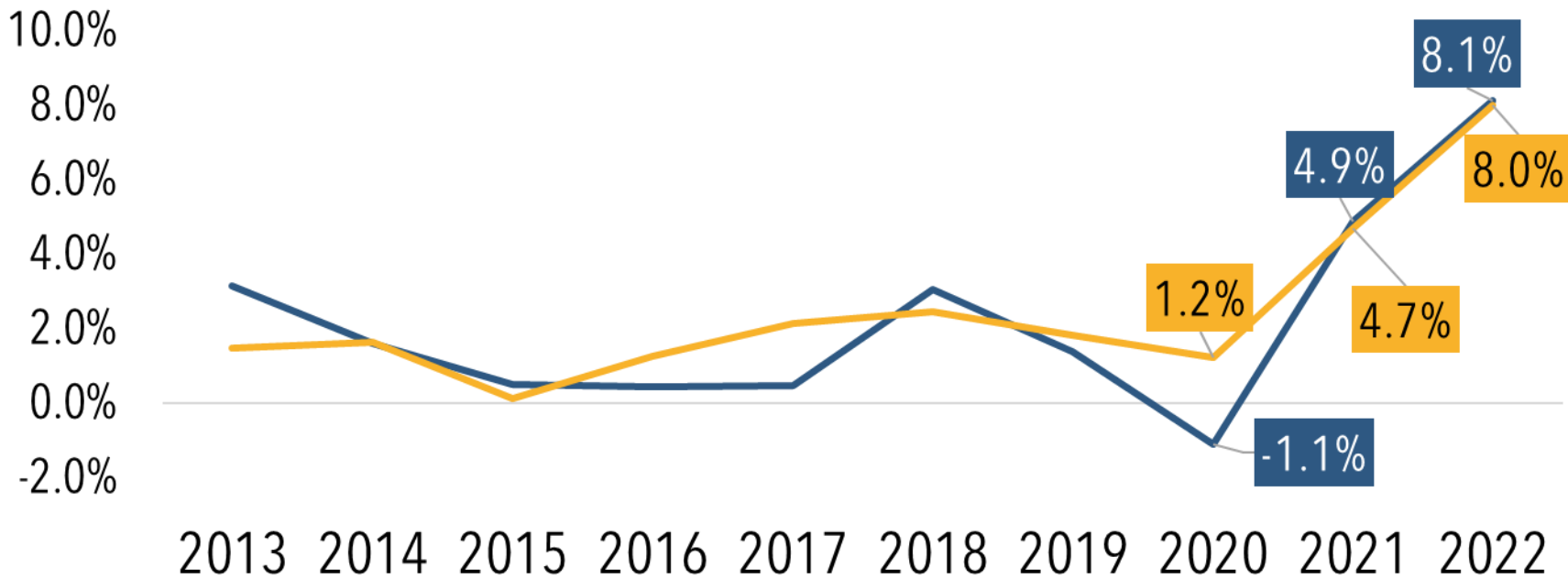
**Preliminary data, 9-month average*

Inflation

Highest inflation since 1980's, CPI continues to increase

Consumer Price Index, 2013 - 2022

— Alaska Percent Change — US Percent Change



In 2020, Alaska CPI **deflated** for the first time in decades

Inflation **accelerated** through 2022

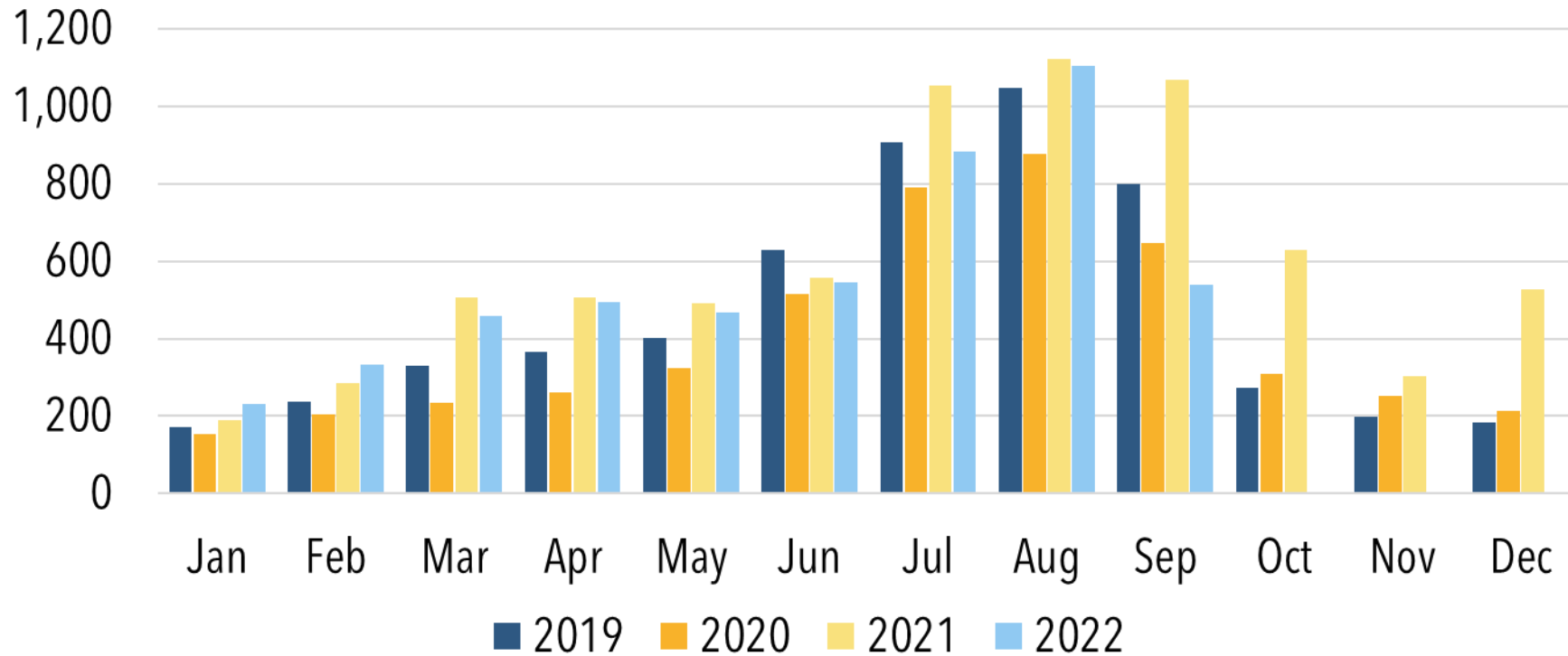
Feb. 2023 inflation

- Alaska: **4.3%**
- U.S.: **6.0%**

Seafood Industry: Processing Employment

2022 Q1-Q3 employment above 2019 levels, below 2021

Seafood Processing Employment in Sitka, 2019 - 2022



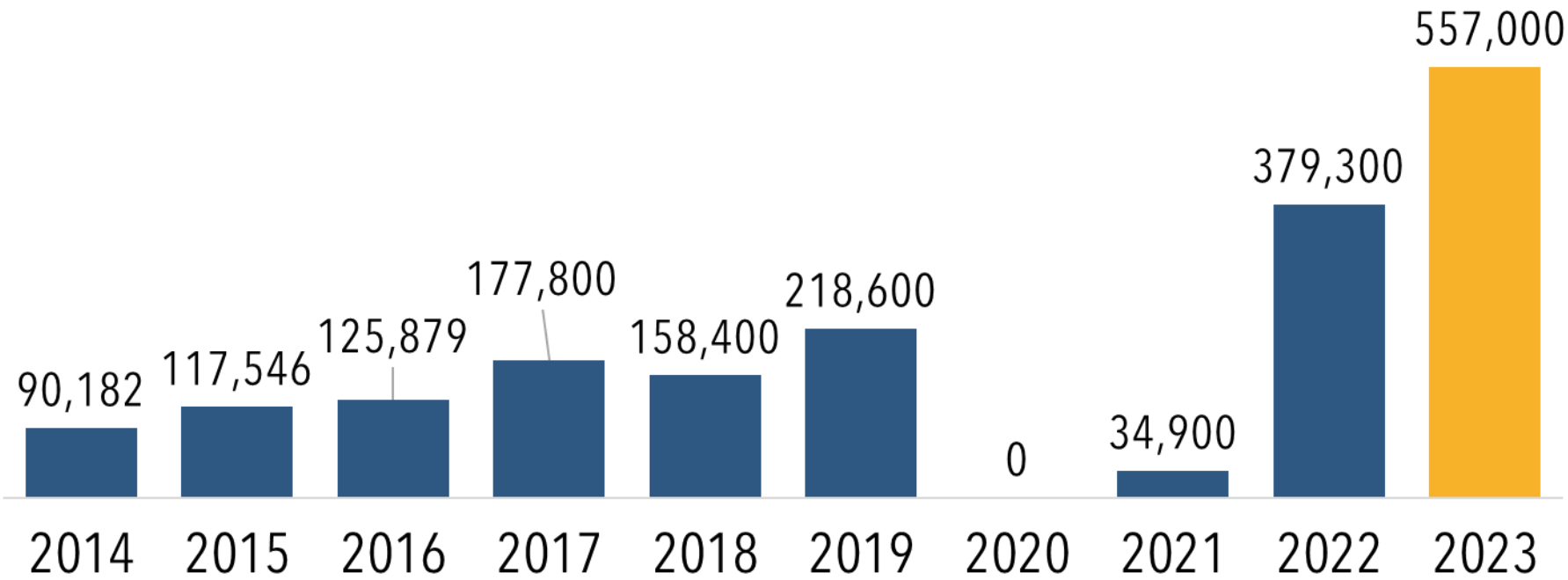
9-month employment trends:

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

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)**

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

Alaska Housing Finance Corporation

- Estimates based on surveys
- Limited availability by borough

Multiple Listing Service

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

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

	2017	2021
Vacant Units	15% ($\pm 3\%$)	17% ($\pm 3\%$)
Occupied Units	85% ($\pm 3\%$)	83% ($\pm 4\%$)
<i>Owner-Occupied</i>	<i>57% ($\pm 4\%$)</i>	<i>63% ($\pm 4\%$)</i>
<i>Renter-Occupied</i>	<i>43% ($\pm 4\%$)</i>	<i>37% ($\pm 4\%$)</i>

Data limitations:

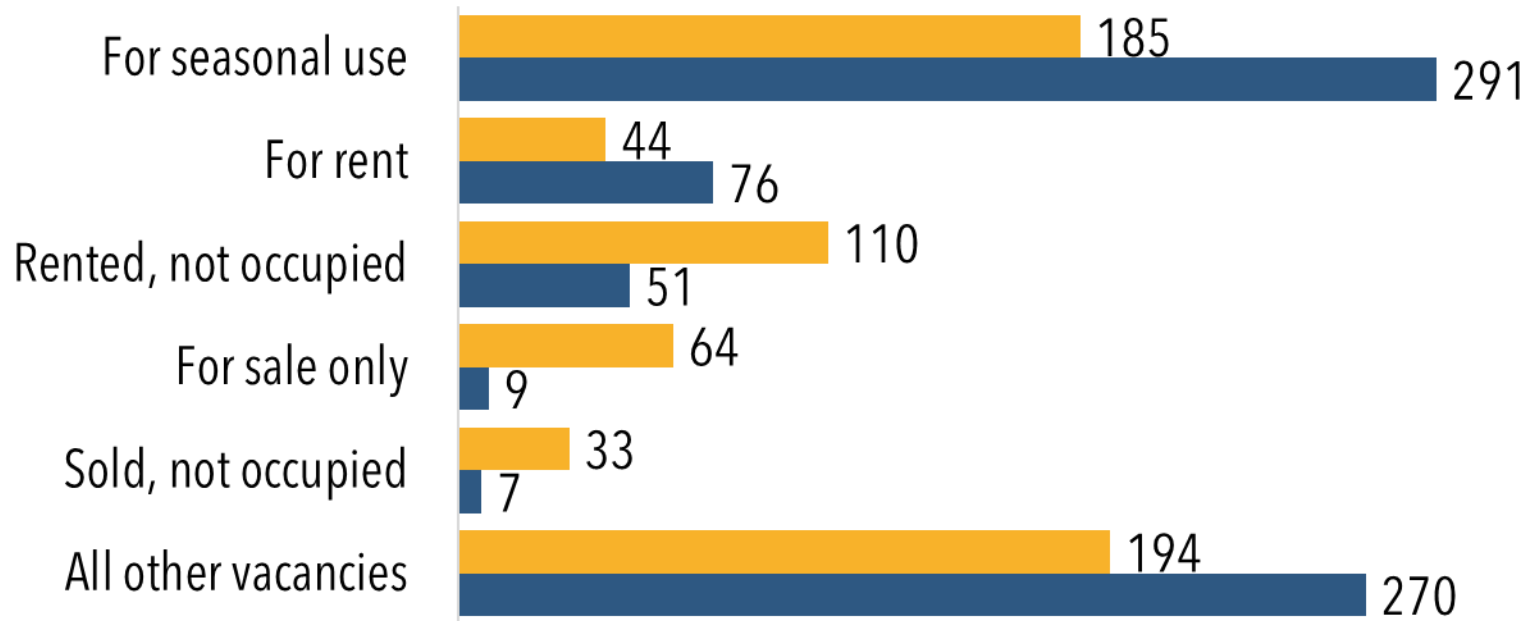
- Estimates based on April surveys, do not reflect seasonal fluctuations
- High margin of error due to low sample sizes
- Estimated number of housing units **virtually flat**

Housing: Vacancies by Type

Sitka has a lower vacancy rate than Alaska

Sitka Housing Vacancies by Type, 2017 and 2021

■ 2017: 608 vacant units ■ 2021: 704 vacant units



High margin of error

More rental vacancies:

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

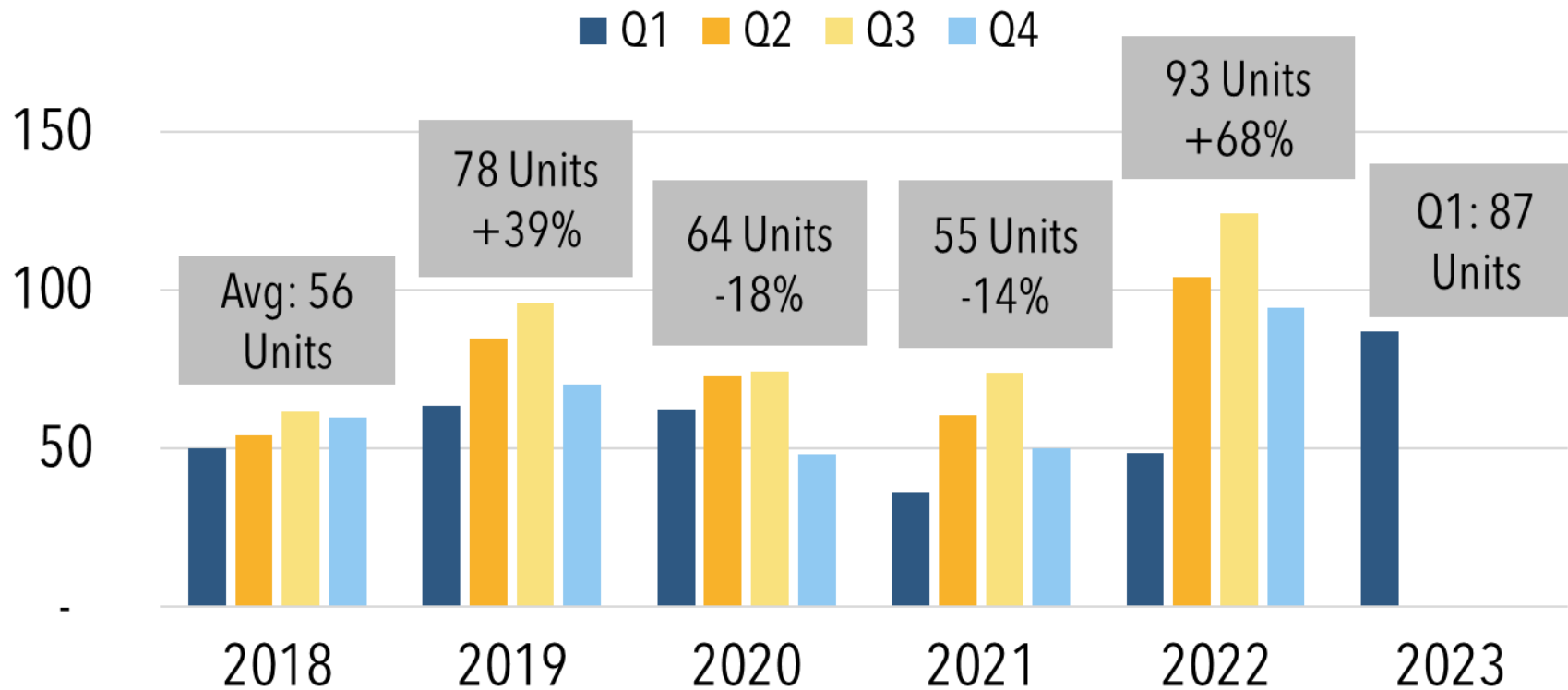
Fewer units for sale:

- -55 units (-86%)

Housing: Short-Term Rentals

Rapid growth in 2022, continued increase in 2023

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



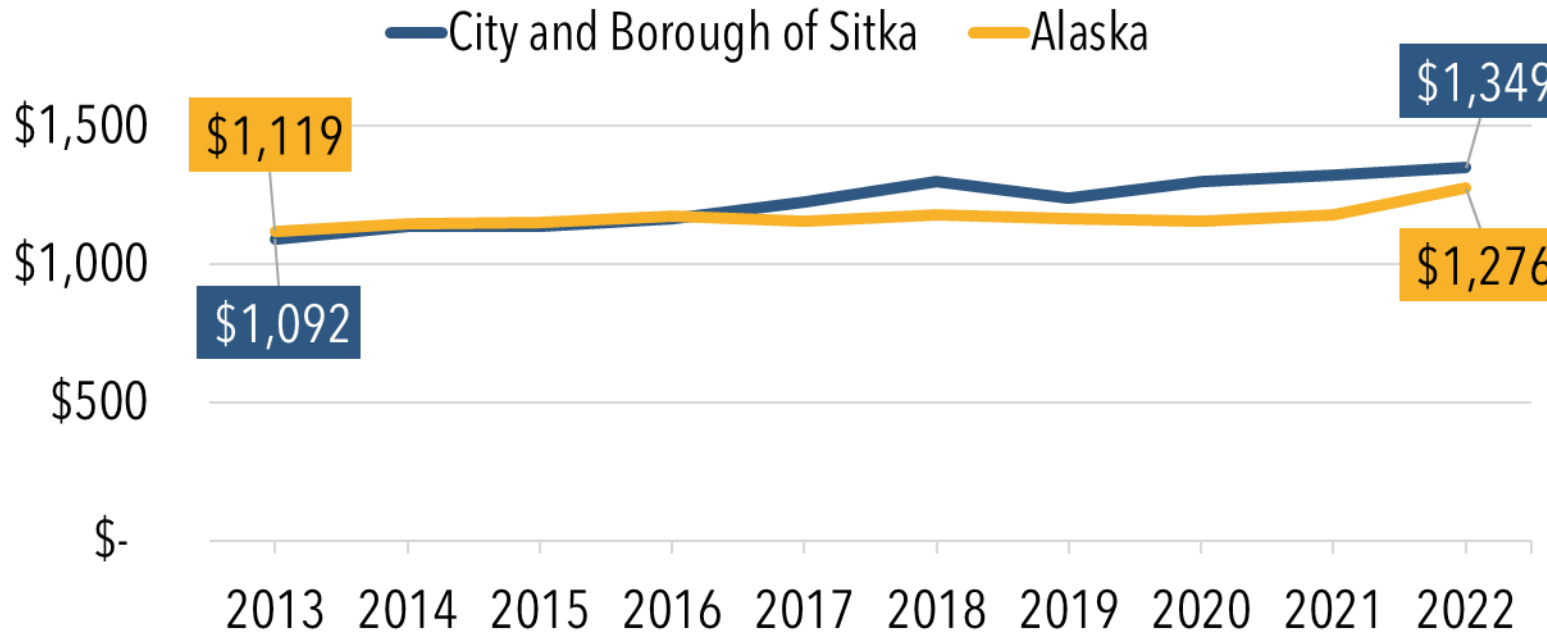
Only includes properties listed on AirB&B & VRBO

- 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

Housing: Rental Rates

Highest adjusted rental rates of any borough

Adjusted Monthly Rental Rates, Sitka & Alaska Statewide,
2013 - 2022



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**

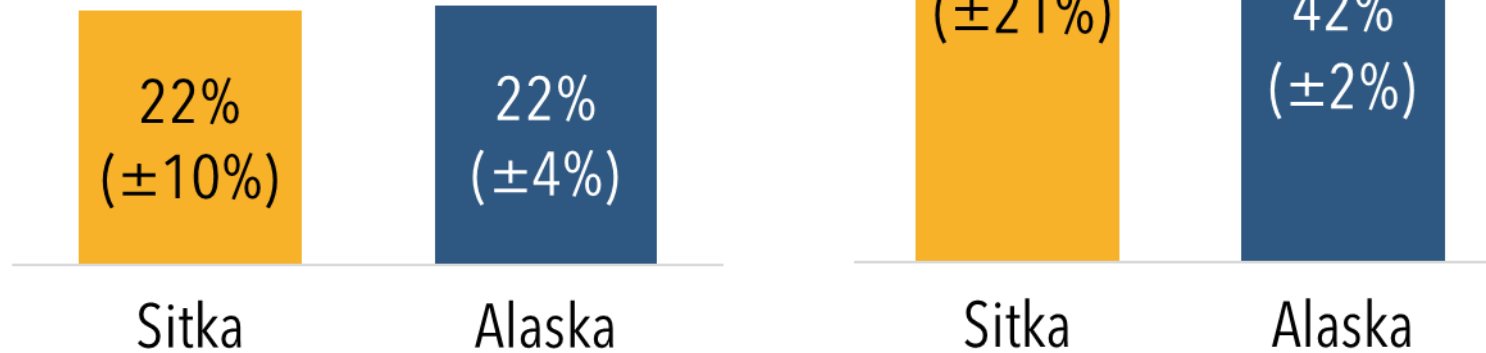
Adjusted rent: contract rent, plus electricity, heating, snow removal, etc.

Housing: Affordability

More cost-burdened renters in Sitka

Cost-Burdened Owners, 2021

Cost-Burdened Renters, 2021



High margin of error

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

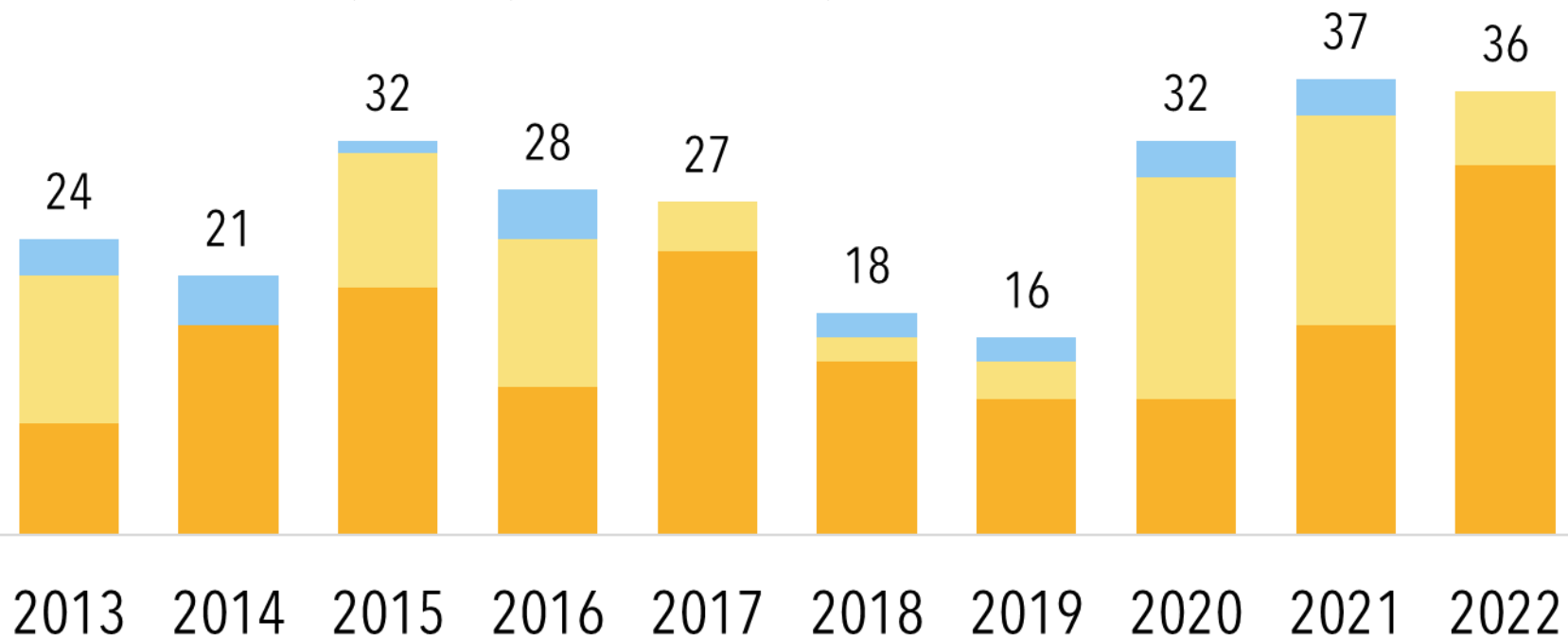
Cost-burdened individuals:
those spending 30% or more of their income on housing costs

Housing: New Housing Units

More new units per year from 2020 to 2022

New Housing Units in Sitka, 2013 - 2022

Single Family Multi Family Mobile Homes



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

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

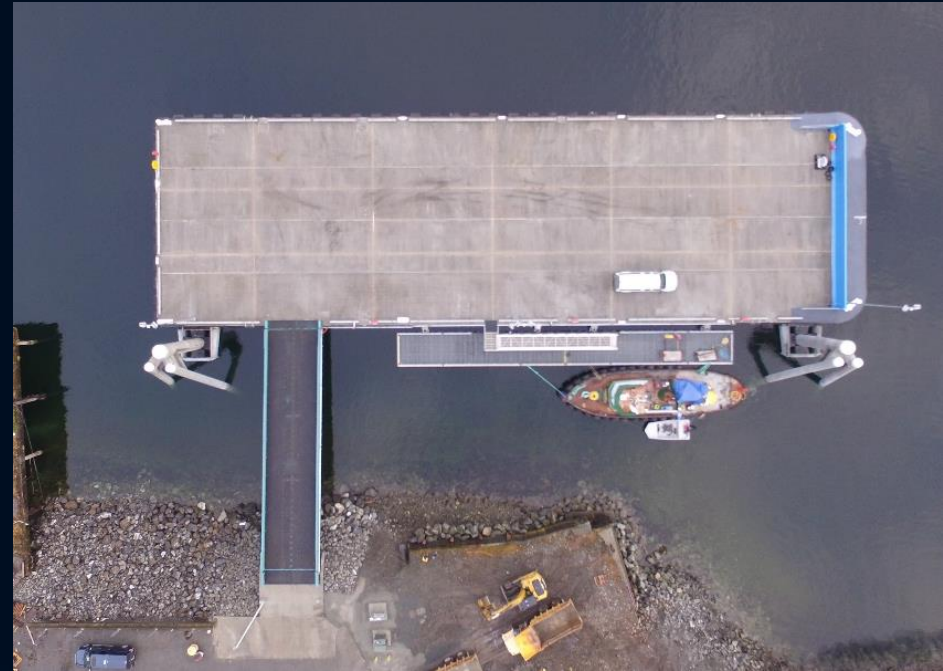
The dock and future haul out
at GPIP will direct future development.



DEEP WATER DOCK

18 foot wide ramp

Anti-corrosion barge



Length: 250 feet

Width: 74 feet

Concrete Deck

OTHER REVENUES – BULK WATER

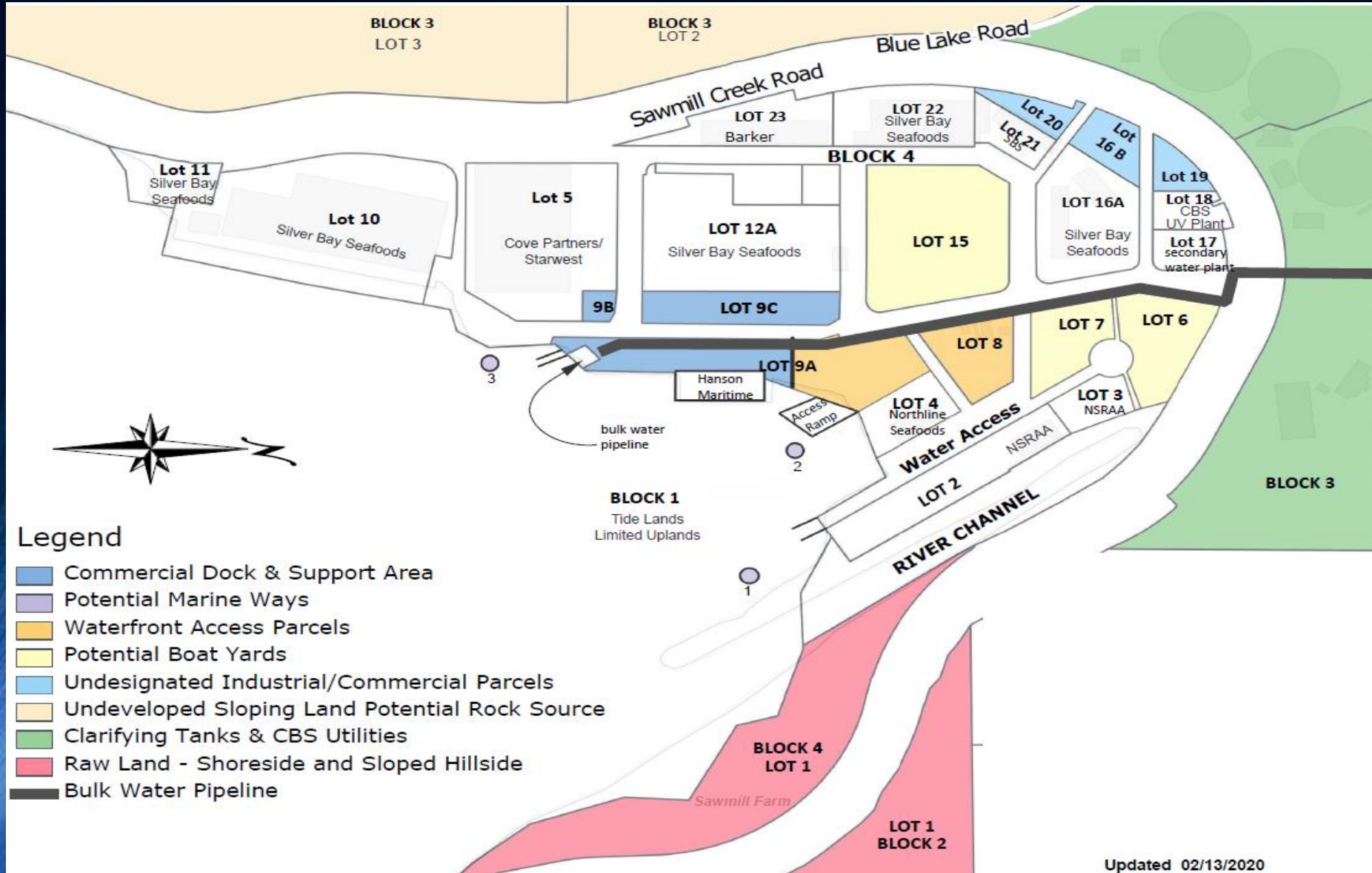
Bulk Water Contracts

- 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



Legend

- Commercial Dock & Support Area
- Potential Marine Ways
- Waterfront Access Parcels
- Potential Boat Yards
- Undesignated Industrial/Commercial Parcels
- Undeveloped Sloping Land Potential Rock Source
- Clarifying Tanks & CBS Utilities
- Raw Land - Shoreside and Sloped Hillside
- Bulk Water Pipeline

Updated 02/13/2020

BOAT YARD WORKING STALLS	
VESSEL LENGTH	NUMBER OF STALLS
30'	6
40'	21
50'	15
60'	15
70'-80'	3
90'-120'	3
TOTAL	63

LEGEND	
WDP =	
UB =	



NORTH BOAT YARD

WEST BOAT YARD

NSRAA

SAYAK LOGISTICS

HANSON MARITIME DOCK

SILVER BAY SEAFOODS

SILVER BAY SEAFOODS

FUTURE COMMERCIAL BOAT HAULOUT RAMP

BOAT HAULOUT PIER (CONCEPT NO. 4 SHOWN)

100'x400' MAX. VESSEL AT M-P FLOATING DOCK

MULTI-PURPOSE FLOATING DOCK

OPTIONAL WDP 1

OPTIONAL WDP 2

OPTIONAL WDP 4

TRANSPORTER

OPTIONAL WDP 3

VESSEL LENGTH

NUMBER OF STALLS

30'

6

40'

21

50'

15

60'

15

70'-80'

3

90'-120'

3

TOTAL

63

LEGEND

WDP =

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SAWMILL CREEK



Questions? Contact:



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www.sitkamarine.com