



Sitka Trends

Economic Newsletter

SEDA - Putting the Pieces Together

March 2011

Welcome to spring! As the temperatures begin to rise with the change of the season, this issue of the *Trends* newsletter will look at effects of the past winter temperatures on Sitka's electrical utility.

As the price of diesel oil increase (see #2 Heating Oil prices below) more and more homes are moving from oil to electric heat to heat their homes. One local home improvement store reports as many as 800 electric heater were sold during a single month in the fall. The increased electrical load has resulted in full utilization of all available low cost hydroelectric generation. On the 1st of March, the City and Borough of Sitka (CBS) utility set a new record for peak electrical generation of 23.5 megawatts (MW). During this time period only about 21 MW was produced by hydroelectric (due to current water levels), diesel generation picked up the remaining ~2.5 MW. As the lake levels drop during the winter months the efficiency of the generators decrease thereby limiting the output of the machines. Consequently a machine that is rated at 8 MW at full lake levels may only produce 5 MW at low lake levels. The other complicating issue is that system electric loads are typically higher during the winter months when the hydroelectric generators are the least efficient. The CBS generating capacity is as follows:

Blue Lake Dam	8 MW
Green Lake Dam	16 MW
Diesel Generators	12 MW
Total Capacity	26 MW Hydro/12 Diesel = 38 MW total

Sitka enjoys some of the lowest electrical rates in the State of Alaska due to electrical generation from our hydroelectric dams. This clean, renewable source of power only needs rainfall and maintenance to produce power for many and many years. In contrast the cost to power diesel generators is contingent on the volatile price of oil at any given time.

The CBS is currently in the permitting process to increase the hydroelectric generation capacity for the community. In the short term, the CBS has plans to increase the height of the Blue Lake Dam by 83 feet and add a new powerhouse with three new 6 MW turbines. This project should increase the capacity of the Blue Lake Dam to 18.0 MW. Long term, the CBS has plans to construct another hydroelectric dam at Takatz Lake on the eastern side of Baranoff Island. The Takatz Dam should have a capacity of roughly 20-25 MW.

In the meantime, Sitka is looking at ways to conserve energy to reduce the demand on the electrical utility. If the electrical utility has to supplement with diesel generation to meet demand, the cost of diesel could result in fuel surcharges to electrical bills. Increased electrical costs would be detrimental to economic development and the overall quality of life for Sitkans.

Please participate in a joint survey between SEDA and the electrical utility to help with load forecasting.
<https://www.surveymonkey.com/SitkaElectric>

Additionally, please check out the CBS electrical department's websites for more information and ways to conserve electricity. <http://www.cityofsitka.com/government/departments/electric/index.html>
<http://sitkaenergy.org/>

YOU ARE INVITED TO

THE STATE OF SITKA'S ECONOMY

State of the Sitka Economy – a free presentation

Please join us on Thursday, March 31, 2011 for the annual State of the Sitka Economy Forum from 1:30 to 4:00 pm at Harrigan Centennial Hall. Eric McDowell and former State of Alaska Economist, Dan Robinson, of the McDowell Group will present updated information on Sitka's economic profile. Additionally a panel of local industry professionals will present a brief synopsis of their industries' economic picture.

SEDA hosts this event each spring. Last year's report can be downloaded online at:
<http://www.sitka.net/Economy/reports.html>

SEDA Now on Facebook

SEDA is now on Facebook. If you want to be in the loop to receive notice of SEDA meetings, events, and news, search "Sitka Economic Development Association" and then click "LIKE" at the top of the page page.

SEDA's Mission is to:

*Foster a business climate that is receptive and conducive to existing and new business;
Promote the creation of family wage jobs; and Enhance the quality of life for Sitkans.*

Sitka Economic Development Association

329 Harbor Drive, Suite 212, Sitka, AK 99835 *** Phone: 907-747-2660 *** Web: www.sitka.net

EMPLOYMENT (not seasonally adjusted)	2010	2009	2008
Average Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,657	4,626	4,640
Average Number Filing for Unemployment – Sitka (Source: Alaska DOL)	302	306	260
Average Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	6.6%	6.6%	5.6
Average Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	8%	8%	6.5%
Average Unemployment Rate – National (Source: US Dept. of Labor)	9.6%	9.3%	5.8%
	March 10, 2011	March 15, 2010	
Job orders at Sitka Job Center as of 03/10/11 (includes SEARHC)	95	58	
SEARHC job openings in Sitka as of 03/10/11	46	22	
FINANCIAL			
City Revenues (Calendar Year)	2010	2009	2008
Sales Tax Collected (Source: CBS Finance Department)	\$8,189,704	\$8,429,902	\$9,616,771
Bed Tax Collected (Source: CBS Finance Department) p=preliminary	\$308,868	\$271,920	\$381,259
Per Capita Personal Income (Source: US Bureau Econ. Analysis)	2008	2007	2006
Sitka	\$41,872	\$39,472	\$36,162
Ketchikan	\$52,030	\$48,380	\$44,550
Alaska	\$43,922	\$41,081	\$38,839
United States	\$40,166	\$39,392	\$37,698
COST OF LIVING INDICATORS			
Transportation – Regular Gasoline per gallon	Mar. 17, 2011	March 2010	March 2009
Sitka (Source: UAF CES / **average pump price)	\$3.77**	\$3.09	\$2.47
Anchorage (Source: AAA)	\$3.89	\$3.28	\$2.16
Alaska Average (Source: AAA)	\$3.94	\$3.39	\$2.51
National Average (Source:AAA)	\$3.55	\$2.77	\$1.92
#2 Heating Oil – per gallon			
Sitka (Source: Avg. vendor price based on 100 gallons delivered not including tax)	\$3.70	\$2.82	\$2.50
National Average (Source: EIA US Gov.)	\$3.87	\$2.92	\$2.19
Food Costs (Source: UAF Cooperative Extension)	Dec. 2010	Dec. 2009	Dec. 2008
Sitka (average weekly food cost - family of 4 with 2 children age 6-11)	\$172.90	\$166.38	\$173.78
Anchorage (average weekly food cost - family of 4 with 2 children age 6-11)	\$135.10	\$123.08	\$131.66
Portland, OR (average weekly food cost - family of 4 with 2 children age 6-11)	\$100.90	\$98.52	\$109.82
Sitka's weekly food cost as a percentage of Anchorage cost	128%	135%	132%
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2010	2009	2008
Efficiency	\$780	\$744	\$726
One-Bedroom	\$899	\$858	\$837
Two-Bedroom	\$1,073	\$1,024	\$999
Three-Bedroom	\$1,563	\$1,492	\$1,456
Housing – Construction and Sales	2010	2009	2008
Value of Construction Permits Issued (Source: CBS Building Department)	\$11,707,855	\$9,614,124	\$14,358,232
Dwelling Units Added (Source: CBS Building Department)	14	18	32
Total Homes Sold – all types combined (Source: CBS Property Tax Clerk)	63	68	90
Vacant Lots Sold – residential (Source: CBS Property Tax Clerk)	12	12	18
Homes Sold – single family (Source: Davis Realty MLS)	43	46	66
Average Sale Price - single family home (based on total sold)	\$281,044	\$261,974	NA
Average List Price – single family home (based on listed homes)	\$537,373	\$440,354	NA
Sales Volume – single family homes	\$12,084,888	\$12,050,800	NA
POPULATION	2009	2008	2000
City & Borough of Sitka (Source: Alaska Dept. of Labor)	8,627	8,641	8,835
Southeast Alaska (Source: Alaska Dept. of Labor)	69,338	69,163	73,082
State of Alaska (Source: Alaska Dept. of Labor)	692,314	681,977	626,931
PUBLIC SCHOOL ENROLLMENT	2009/2010	2008-2009	2007-2008
Total student enrollment per school year	1,309	1,309	1,344

**Thank you! 2011
SEDA Sponsors**



<http://www.sitka.net>

Hames Corporation
Diamond Level Sponsor

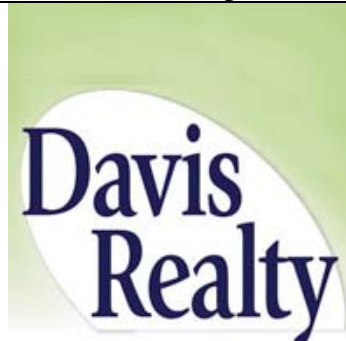
Shee Atika Corporation
Diamond Level Sponsor



Silver Bay Seafoods
Gold Level Sponsor

Alaska Airlines
Gold Level Sponsor

Alaska Pacific Bank
Gold Level Sponsor



Venneberg Insurance, Inc.
Gold Level Sponsor

Davis Realty
Gold Level Sponsor

GCI
Gold Level Sponsor



White's, Inc.
Silver Level Sponsor

Sitka Ready Mix
Silver Level Sponsor

Alaska Commercial Company
Silver Level Sponsor



Sealaska Corporation
Silver Level Sponsor



Kiewit Infrastructure West Co.
Silver Level Sponsor

**Roger
Higley**

Roger Higley
Silver Level Sponsor



Sitka Tribe of Alaska

Sitka Tribe of Alaska
Bronze Level Sponsor



Horan & Company
Bronze Level Sponsor



DOWL HKM Alaska
Bronze Level Sponsor

**Grant
Miller**

Grant Miller
SEDA Board Member

SEDA is a 501 (c)(3) non-profit corporation.
Donations are tax deductible.