



Sitka's Energy

Oil and gas development have been the focus of Alaska's energy plan and economic development for nearly 50 years. This is beginning to change as rural communities, like Sitka, are faced with the rising costs of fossil fuels for local consumption. While crude oil and natural gas extraction provide generous revenues to the State, residents of Alaska pay substantially higher prices for the end products: gasoline and diesel oil, than do residents of other states that are located closer to refineries and major transportation routes.

Last month, a conference on the Business of Clean Energy in Alaska was held in Anchorage to showcase the opportunity for Alaska to become a leader in energy efficiency and renewable energy development. Sitka faces both challenges and opportunities as a stakeholder in Alaska's energy future. One of the major challenges is securing funding for Sitka's renewable energy projects such as the expansion of Blue Lake dam and the construction of a new hydro-electric power plant at Takatz Lake. Federal funding for these projects is currently being denied based on the exclusion of hydro-electric power as a renewable energy source. This decision is due to political pressures associated with large dam projects in the lower-48 states with water shortages and environmental issues. Hydro-electric systems in Southeast Alaska should be considered in a separate category as they are based on alpine conditions that include abundant precipitation. SEDA, the City and Borough of Sitka, and several other organizations are advocating for Federal recognition of Southeast Alaska hydro-electric systems as renewable energy and therefore eligible for Federal renewable energy funding.

SEDA is participating in the development of a strategic energy plan for Sitka along with representatives from the City, US Forest Service, Sitka Conservation Society, and other concerned individuals. Supporting responsible development of Sitka's hydro-electric potential is just one component of the group's efforts. Consideration is also being given to creating energy from biomass: wood, fish processing waste, and municipal waste such as cardboard and paper. Development of geothermal, wave, and wind energies are on the farther horizon, but may be possible as technologies improve. Creating a stable and reliable energy price environment is essential in attracting business to Sitka.

Mission Statement: The Sitka Economic Development Association's mission is economic development.

SEDA will:

- * 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.



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Sitka Economic Development Association

Below are some of the components of Sitka's energy usage.

Electricity

Thanks to Blue Lake dam and abundant rainfall, Sitka's cost for electricity is below both the Alaska and US national average. However, Sitka's electric rates could increase in the future as demand for electricity exceeds the capacity of the hydro-electric plant and more diesel generation is needed to supplement electric use. Learn more by visiting the City Electric Department website at <http://cityofsitka.com/dept/electric>. The site provides information on the status of Sitka's power supply, tips for energy conservation and efficiency, and energy usage calculator, and planning documents.

Electricity – Average Cost per Kilowatt Hour	Jan. 2009	Jan. 2008
1000 KWh – Sitka	\$0.0920	\$0.0920
1000 KWh – Alaska	\$0.1725	\$0.1500
1000 KWh - National	\$0.1103	\$0.1024

Space Heating

Sitka's home heating costs vary substantially from home to home depending on many factors including: construction style and level of weatherization of the building; personal habits; and type of energy being used to produce the heat.

Transportation costs for bringing fossil fuels to Sitka will remain a significant factor in pricing. Due to recent high oil prices and increased environmental concerns, many Sitkans have made changes to their home heating system by adding electric heaters and/or wood stoves. Others have taken advantage of recent incentives to weatherize their homes, increasing heating efficiency and reducing their energy costs. Weatherization and conservation measures are the first steps to reduce heating costs. For information on current rebates and financing available please visit the Alaska Housing Finance Corporation's (AHFC) website: www.ahfc.state.ak.us/energy/weatherization_rebates.cfm.

Space Heating – Average Cost 1 gallon No. 2 Heating Oil	Dec. 2008	Dec. 2007	Dec. 2006	Dec. 2005
Sitka (Source: UAF CES) (*price on Jan. 27, 2009 \$2.51)	N/A	\$3.57	\$3.47	\$2.15
Anchorage (Source: UAF CES)	\$2.89	\$3.26	\$3.06	\$3.08
National Average (Source: EIA US gov.)	\$2.48	\$3.29	\$2.44	\$2.42

Transportation

Transportation - Average Cost per 1 gallon regular unleaded gas	June 3, 2009	June 2008	June 2007	June 2006
Sitka Average (Source: CES UAF/*pump)	*\$2.60	\$4.14	\$3.60	\$3.50
Anchorage Average (Source: CES UAF/*pump)	*\$2.66	\$4.07	\$2.99	\$2.96
National Average (Source: AAA Fuel Gauge)	\$2.55	\$3.98	\$3.06	\$2.89

EMPLOYMENT	April 09	April 08	April 07
Total Labor Force – Sitka *	4,516	4,576	4,582
Number Unemployed – Sitka *	357	283	199
Unemployment Rate – Sitka *	6.2%	5.7%	4.3%
Unemployment Rate – Alaska (seasonally adjusted)	8%	6.6%	6.0%
Unemployment Rate – National	8.9%	5.0%	4.5%
Positions Open (listings at Sitka Job Center as of May 22, 2009)	159		
SEARHC (vacancies in Sitka as of May 22, 2009)	41		
* Source: Alaska Dept. of Labor - some figures are NOT seasonally adjusted			
FINANCIAL	2006	2005	2004
Per Capita Personal Income – Sitka (Source: US Bureau of Economic Analysis)	\$34,912	\$33,514	\$31,825
Per Capita Personal Income – Alaska (Source: US Bureau of Economic Analysis)	\$38,344	\$36,084	\$33,941
Per Capita Personal Income – USA (Source: US Bureau of Economic Analysis)	\$36,794	\$34,690	\$33,157
	4th Qtr. 2008	4th Qtr. 2007	
Per Capita Personal Income – Alaska	\$30,237	\$27,662	
	1st Qtr. 09	1st Qtr. 08	1st Qtr. 07
Sales Tax Collected (Source: CBS Finance Department)	\$1,214,514.18	1,318,551.67	\$1,385,903.11
Bed Tax Collected (Source: CBS Finance Department)	\$20,454.75	\$21,400.77	NA
HOUSING	1st Qtr. 09	1st Qtr. 08	1st Qtr. 07
Value of Construction Permits Issued (Source: CBS Building Department)	\$2,195,123	\$3,799,796	\$4,962,752
Dwelling Units Added (Source: CBS Building Department)	2	12	10
Total Homes Sold – all types combined (Source: CBS Property Tax Clerk)	7	18	16
Vacant Lots Sold – Residential (Source: CBS Property Tax Clerk)	4	5	9
Homes Sold – single family (Source: MLS/Davis Realty)	7	15	7
Median Home Sale Price – single family (Source: MLS/Davis Realty)	\$225,000	\$242,000	\$359,000
Current Market – As of May 28, 2009 there are 59 single family homes listed at a median price of \$319,000 (Source: MLS/Davis Realty)			
POPULATION	2008	2007	2006
City & Borough of Sitka (SOA Dept. of Labor & Workforce Development)	8,615	8,602	8,972
Southeast Alaska (SOA Dept. of Labor & Workforce Development)	69,202	69,971	70,271
State of Alaska (SOA Dept. of Labor & Workforce Development)	679,720	674,510	669,716
PUBLIC SCHOOL ENROLLMENT	2008-2009	2007-2008	2001/2002
Total student enrollment per school year	1335	1344	1646
COST OF LIVING INDICATORS	Dec. 2008	Dec. 2007	Dec. 2006
Weekly food cost – Family of 4 (2 children) – Sitka	\$173.78	\$152.00	\$145.51
Weekly food cost – Family of 4 (2 children) - Anchorage	\$131.66	\$121.31	\$119.32
Sitka's weekly food cost as a percentage of Anchorage cost (Source: UAF Cooperative Extension)	132%	125%	122%
VISITOR INDUSTRY	2009	2008	% Change
Cruise Ship Passengers (based on ship sailing at full capacity)	221,380	289,753	- 24%
PUBLIC SCHOOL ENROLLMENT	2008-2009	2007-2008	% Change
Total student enrollment per school year (2008 preliminary count)	1310	1344	-2.6%