



Sitka Trends

Economic Newsletter

December 2016

Happy Holidays from all of us here at SEDA!

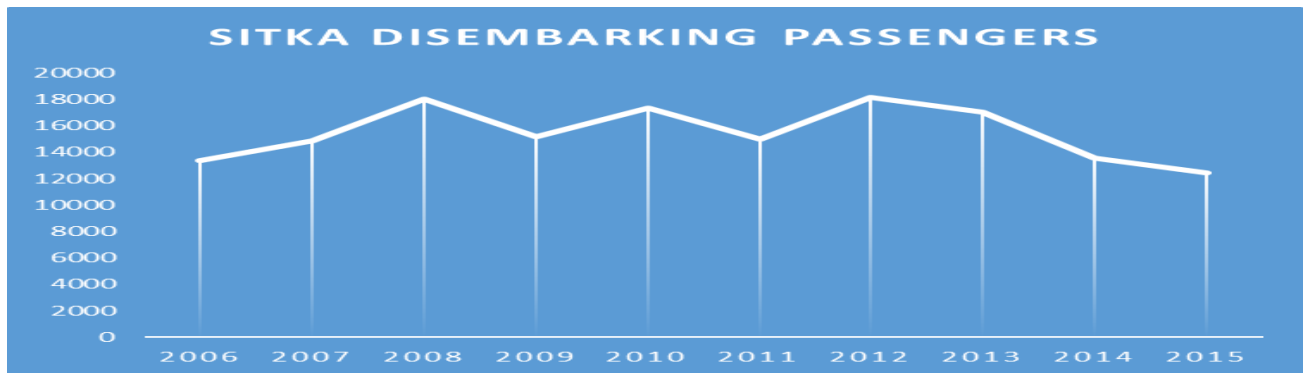
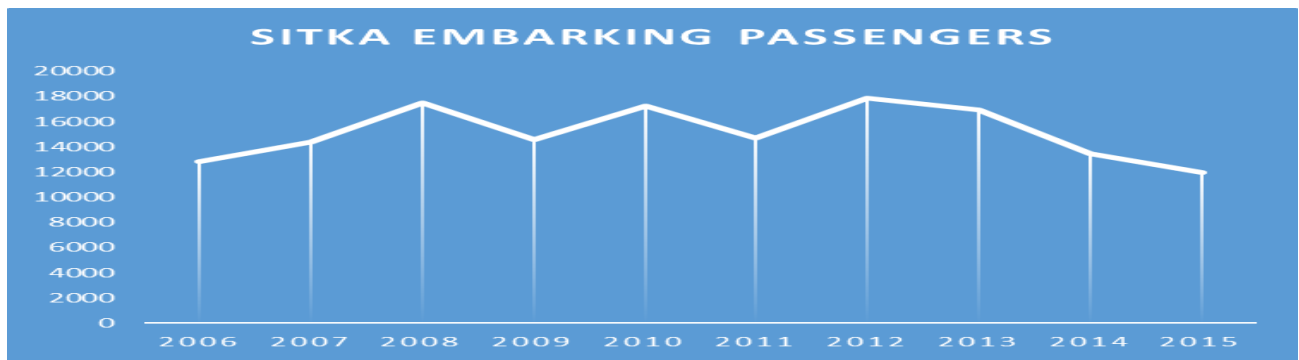
As 2016 comes to a close, we want to discuss the Alaska Marine Highway System (AMHS) in this Trends edition.

In 1958, community leaders, municipalities, and business groups came together to form Southeast Conference, a non-profit organization, to focus on the creation of a regional transportation system that eventually became the AMHS. In 1959, the year the Alaska became a State, voters approved an \$18-million-dollar bond package to fund new ferries and infrastructure. AMHS was officially established in 1963; service to Southeast Alaska improved with the addition of the MV Malaspina, MV Taku, and MV Matanuska to the previous lone ferry MV Chilkat, which the state acquired during territorial days.

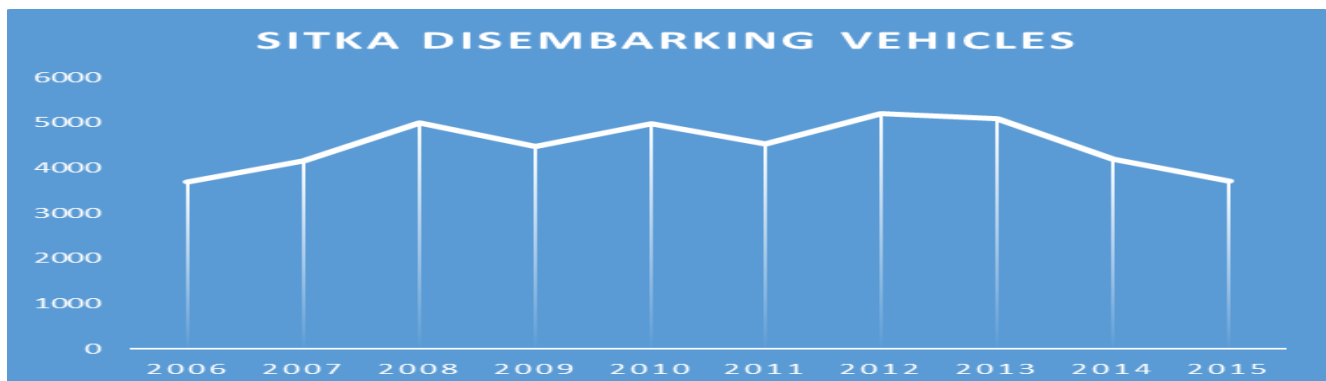
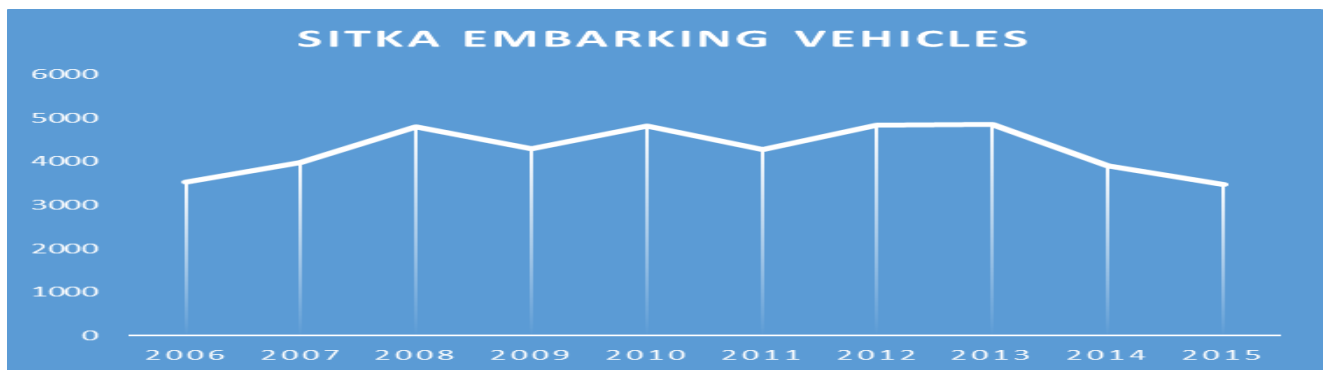
Over the years since the inception of AMHS, Sitka and Southeast Alaska ports have received service that has been good and bad. With recent budget cuts by the State, Sitka especially has seen a significant decrease in service. In 2006, Sitka had 323 port departures, dropping all the way to 212 in 2015. 2016 is projected to be less.



The graphs below show embarking and disembarking passenger volumes. These numbers are influenced not only by the number of port departures, but also by schedule, consistency of schedule, and reliability. The AMHS sets a summer and winter schedule, Sitka generally see less port departures during the winter month. During the past 10 years Sitka saw a high of 17,887 passengers embarking in 2012 and 18,164 passengers disembark the same year. Sitka had 293 port departures in 2012.



Vehicle traffic during this time frame was similar to the passenger volumes. 2012 was also the high year with 4,834 vehicles embarking in Sitka and 5,194 vehicles disembarking in the year.



More information can be found on AHMS traffic volume at the link below http://www.dot.state.ak.us/amhs/doc/reports/atvr_15.pdf

Sitka and Southeast Alaska continues to receive less and less service with the current financial condition of the State. The AMHS budget has been slashed the past few years and the media reports for more of the same in the future. Realizing a major change was needed to keep this vital transportation system functional in the State, Southeast Conference has been working with the Governor's office to investigate ways to operate the system more efficiently. In May 2016, Southeast Conference signed a Memorandum of Understanding with Governor Walker that establishes an agreement between the two parties to develop an AMHS Strategic Plan, to include a long-term comprehensive operational and business plan that is financially sustainable and meets the needs of those it serves.

Working with the Governor's office, Southeast Conference formed a steering committee for the project with industry representatives around the State. The committee then hired Elliot Bay Design Group, with the McDowell Group as a subcontractor to investigate alternative governance models to operate the AMHS. The following recommendations are from a report released from the group this fall.

The project team recommended the following governance actions:

- Create a Public Corporation. Advantages of transitioning AMHS to a public corporation include a businesslike approach to running the system and the inclusion of private sector expertise, leadership and accountability. This model has the greatest degree of support and suitability, although it will take additional time and resources to explore the operational details, establish the legislative framework, and transition to the new structure.
- Continue State Ownership of Assets. State ownership of the assets (terminals, vessels, and support facilities) allows continued access to federal and state funding for capital and maintenance expenses. The State can coordinate the AMHS capital requirements with other transportation projects through the Alaska Statewide Transportation Improvement Program.
- Interim Enhancement as Line Agency of State Government. Until the Public Corporation has been established, AMHS would benefit financially by some key changes to its role as a Line Agency. The recommended changes include forward funding for predictability of service levels, direct control over labor negotiations, and increasing use of revenue management tools.

The entire report can be found on the Southeast Conference website. <http://www.seconference.org/sites/default/files/Transportation%20AMHS%20Reform%20Final%20Draft%20Report%20Phase%20One.pdf>

To receive more information about this project or to be more involved, please feel free to contact Garry White at SEDA, as I currently serve as the Past President on the Southeast Conference Board of Directors.

The data below are the most recent available from the various sources.

EMPLOYMENT (not seasonally adjusted) – Annual Average	Oct, 2016	Oct, 2015	Oct, 2014
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	4,206	4,282	4,306
Number Filing for Unemployment – Sitka (Source: Alaska DOL)	166	189	202
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	3.9%	4.4%	4.5%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	6.3%	6.2%	6.2%
Unemployment Rate – National (Source: US Bureau of Labor Statistics)	4.7%	4.8%	5.5%
Job Openings	Dec. 5, 2016	Dec. 7, 2015	Dec. 5, 2014
Job orders at Sitka Job Center (includes SEARHC)	93	59	59
SEARHC job openings in Sitka	41	4	22
Quarterly Census Employment & Wages (Source: AK Dept. of Labor QCEW)	2015 Annual	2014 Annual	2013 Annual
Average Monthly Employment – Annual	4,566	4,535	4,447
Average Government Employment – Annual	1,176	1,178	1,180
Average Private Ownership Employment – Annual	3,390	3,356	3,268
Average Monthly Wage (Source: AK Dept. of Labor- QCEW)	2015	2014	2013
All Sectors	\$3,572.00	\$3,656.00	\$3,569.00
Government Total	\$4,433.00	\$4,382.00	\$4,100.00
Federal Government	\$6,262.00	\$6,158.00	\$6,094.00
State Government	\$3,948.00	\$3,920.00	\$3,926.00
Local Government	\$4,342.00	\$4,298.00	\$3,811.00
Private Sector	\$3,273.00	\$3,402.00	\$3,377.00
City Revenues – most recent calendar quarter (Source: CBS Finance Dept.)	3rd Qtr. 2016	3rd Qtr. 2015	3rd Qtr. 2014
Sales Tax Collected – Total Remitters	\$3,775,093.50	\$3,409,126	\$3,198,470
Bed Tax Collected – Total Remitters	\$231,965.10	\$193,172	\$148,596
City Revenues – Fiscal Year (July 1 st - June 30 th)	FY2017*	FY2016	FY2015
Sales Tax Collected – Total Remitters	\$10,854,994	\$10,187,353	\$9,449,766
Bed Tax Collected – Total Remitters	\$433,905	\$454,368	\$422,570
Property Tax Collected – Total Remitters	\$6,578,899	\$6,484,038	\$6,468,122
Raw Fish Tax – Received into Harbor Fund	1,000,000	\$1,009,000	\$1,009,032
<i>*Budgetary numbers</i>			

Per Capita Personal Income (Source: US Bureau Econ. Analysis) Includes all forms of income: rent, retirement, employment, etc.	2015	2014	2013
Sitka	\$64,122	\$61,202	\$62,487
Juneau	\$62,694	\$61,600	\$58,869
Ketchikan	\$63,235	\$60,957	\$58,086
Alaska	\$56,147	\$54,582	\$51,416
Average Per Capita Net Earnings (Source: US BEA)	2015	2014	2013
Sitka	\$42,079	\$42,759	\$42,545
Ketchikan	\$42,264	\$40,642	\$39,570
Juneau	\$43,455	\$42,815	\$41,831
Alaska	\$37,841	\$36,767	\$35,558
<u>COST OF LIVING INDICATORS</u>			
Transportation – Regular Gasoline per gallon	Dec. 7, 2016	Dec. 7, 2015	% Change
Sitka (Source: average pump price 3 vendors)	\$3.18	\$3.24	-1.85%
Juneau (Source: AAA)	\$2.92	\$3.28	-10.97%
Anchorage (Source: AAA)	\$2.44	\$2.24	8.92%
Alaska Average (Source: AAA)	\$2.60	\$2.40	8.33%
National Average (Source: AAA)	\$2.21	\$2.03	8.86%
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2016	2015	% Change
Efficiency	\$823	\$807	1.98%
One-Bedroom	\$899	\$856	5.02%
Two-Bedroom	\$1,203	\$1,158	3.88%
Three-Bedroom	\$1,656	\$1,613	2.66%
Housing - HUD Fair Market Rent – Ketchikan (Source: HUD)	2016	2015	% Change
One-Bedroom	\$949	\$843	12.50%
Two-Bedroom	\$1,193	\$1,097	8.75%
Three-Bedroom	\$1,657	\$1,616	2.53%
Housing – Construction and Sales	3rd Qtr. 2016	3rd Qtr. 2015	3rd Qtr. 2014
Value of Construction Permits Issued (Source: CBS Building Department)	\$8,800,718	\$14,202,418	\$14,673,510
Dwelling Units Added (Source: CBS Building Department)	1	3	5
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	34	31	27
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	11	10	15

POPULATION	2015	2014	*2010 Census
City & Borough of Sitka (Source: *US Census Bureau, AK Dept. of Labor)	8,929	9,093	8,881
Southeast Alaska (Source: *US Census Bureau, AK Dept. of Labor)	74,560	74,560	71,664
State of Alaska (Source: *US Census Bureau, AK Dept. of Labor)	737,635	737,354	710,231
PUBLIC SCHOOL ENROLLMENT – Sitka School District	2016/17 year	2015/16 year	2014/15 year
Total student enrollment KG-12 (Source: Sitka School District)	1,276	1,315	1,314

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

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Thank You!

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