



SEDA Putting the Pieces Together

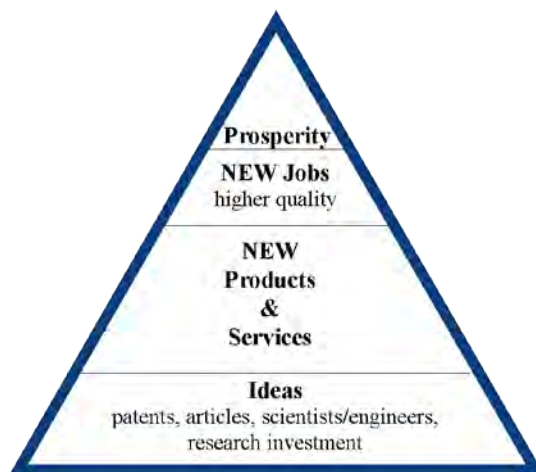
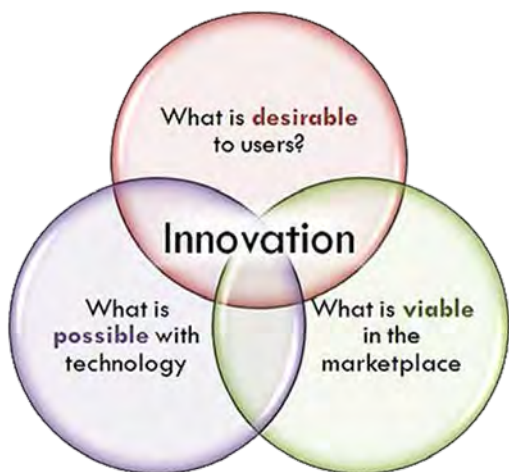
Sitka Trends Economic Newsletter

September 2015

Innovation Economy – Seafood Industry Potential Opportunities

This quarter's *Sitka Trends Newsletter* highlights the country of Iceland's use of innovation to increase the value of its seafood and ocean economy. Different groups in Alaska are already using innovation to increase utilization and value of fish. The hope is for this trend to continue and Alaska will see 100% utilization of fish and seafood harvested and create more value from the existing seafood assets.

Innovation is the process through which economic and social value is extracted from knowledge through the development and implementation of ideas that produce new or improved products, services or processes.



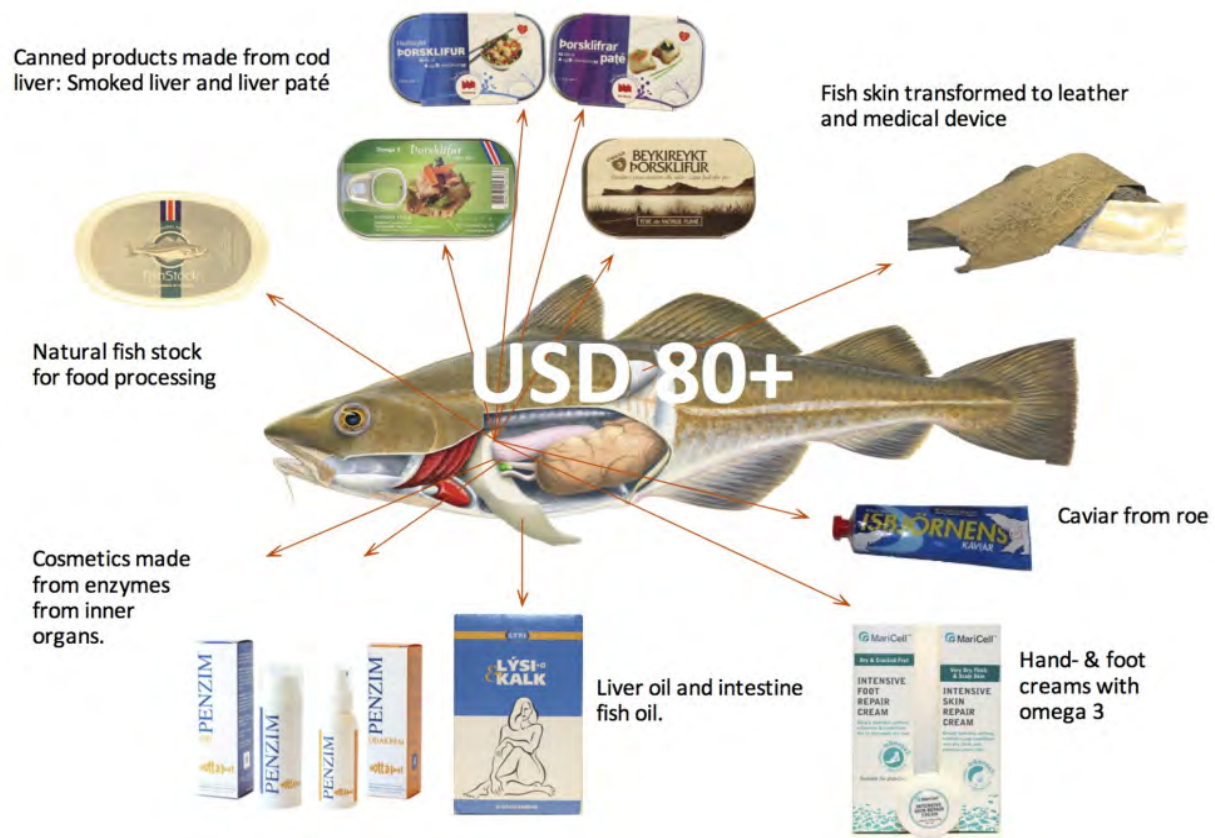
ICELAND MODEL: The Iceland Ocean Cluster promotes dynamic networks and relationships among businesses and entrepreneurs in the marine industry. **Through stronger networks and cooperation new opportunities for business and innovation arise.** www.sjavarklasinn.is/en

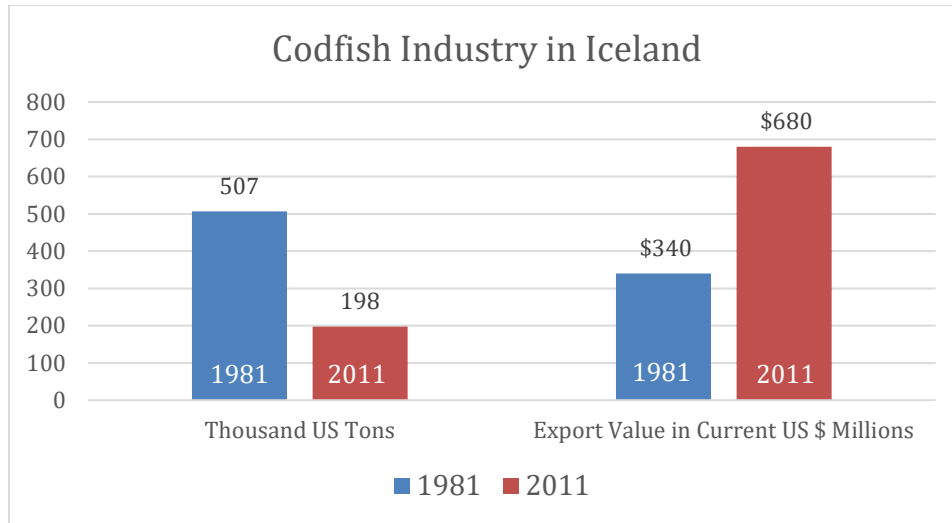
Projects of the Iceland Ocean Cluster include:

- Ankra – develops and markets supplements and cosmetics made from marine ingredients such as fish skin.
- Flavor of Iceland – an initiative to promote sales of Icelandic seafood to cruise ships.
- Margildi – developing new methods for producing fish oil, omega and proteins.

- Green Marine Technology - a joint marketing effort of ten Icelandic technology firms that provide eco-friendly and cost saving technology solutions for fishing and fish processing. www.greenmarinetechnology.is
- Codland – aims to utilize 100% of the byproducts from traditional codfish processing for the production of valuable products. www.codland.is

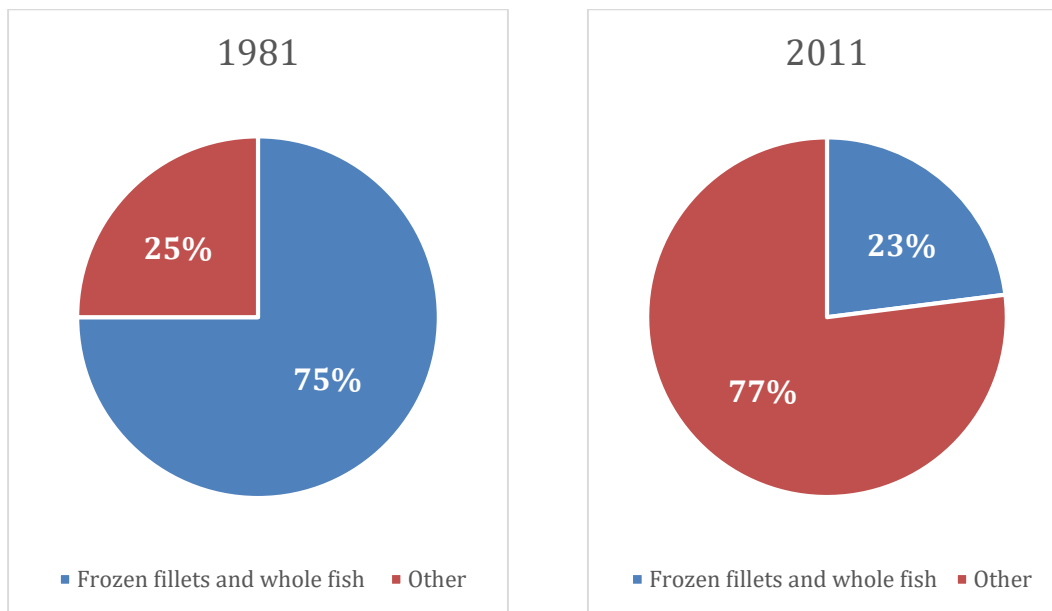
25% of the export value of Iceland's codfish harvest now comes from by-products that used to be thrown away.





Improved Efficiency between 1981 and 2011

Increased utilization of the fish and increased efficiency in production resulted in an increase in export value of codfish harvested from \$0.34 per pound in 1981 to \$1.71 per pound in 2011 (inflation adjusted). This is a 400% increase in the per-pound value of the harvest.



The Iceland Ocean Cluster was established in 2011 as a privately owned, spinoff networking company from the University of Iceland. By 2014, the Cluster was collaborating with 60 companies with a total turnover of about \$6 billion. The Iceland Ocean Cluster resides within Ocean Cluster House, a business incubator and innovation hub housing 50 companies.

Iceland Ocean Cluster (IOC) is now collaborating with U.S. entrepreneurs to establish a similar ocean cluster in Portland, Maine. The long term goal is to set up a network of Ocean Cluster Houses.

Seafood Industry Innovation in Alaska

Various organizations and businesses are already working on innovation projects for Alaska's seafood industry, including:

- University of Alaska Fairbanks (e.g. Fishery Industrial Technology Center in Kodiak)
- Alaska Seafood Marketing Institute
- Alaska Fisheries Development Foundation
- Tidal Vision (e.g. Alaska salmon leather products and fabric made from crab shells)
- Seafood Analytics – (certifying seafood quality from catch to consumption)

Fish Processing – Salmon Byproducts



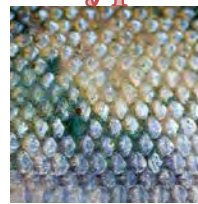
Heads



Roe



Frames



Skin



Viscera

Existing and Potential Use of Alaska Byproducts



INVITATION

Seafood Innovation Forum



Date: October 1, 2015

Location: Sheet'ka Kwáan Naa Kahídi

Time: 6:30 pm

A presentation and round-table discussion on increasing seafood value and by-product utilization.

Inviting anyone interested in developing the opportunities of our local and regional seafood industry to attend the Sitka Seafood Innovation Summit.

Presenters will provide examples of some innovative products and processes now being developed and marketed. Learn how the Iceland Ocean Cluster model is working and how Iceland, despite a 60% reduction in their codfish harvest, has used innovation to increase the value of each pound of fish harvested by over 400%.

Want to learn more? Then come to this free event sponsored and hosted by the Sitka Economic Development Association.

Contact: Garry White, SEDA 747-2660

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

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

EMPLOYMENT (not seasonally adjusted) – Annual Average	Aug. 2015	Aug. 2014	Aug. 2013
Total Labor Force – Sitka (Source: Alaska Dept. of Labor)	5,411	5,499	5,432
Number Filing for Unemployment – Sitka (Source: Alaska DOL)	182	208	219
Unemployment Rate – Sitka (Source: Alaska Dept. of Labor)	3.4%	3.8%	4.0%
Unemployment Rate – Alaska (Source: Alaska Dept. of Labor)	5.5%	6.0%	6.0%
Unemployment Rate – National (Source: US Bureau of Labor Statistics)	5.2%	6.3%	7.3%
Job Openings	09/14/15	09/10/14	09/06/13
Job orders at Sitka Job Center (includes SEARHC)	76	88	71
SEARHC job openings in Sitka	5	31	43
Quarterly Census Employment & Wages (Source: AK Dept. of Labor QCEW)	2014 Annual	2013 Annual	2012 Annual
Average Monthly Payroll Employment – Annual	4,535	4,447	4,433
Average Government Employment – Annual	1,178	1,180	1,172
Average Private Ownership Employment – Annual	3,356	3,268	3,260
	2014	2013	2012
Average Peak Month Payroll Employment (July/August)	5,778	5,522	5,271
Average Lowest Month Payroll Employment (January)	3,868	3,862	3,826
NOTE: Commercial Fishermen are self-employed/not counted as payroll employees			
FINANCIAL			
City Revenues – most recent calendar quarter (Source: CBS Finance Dept.)	2nd Qtr. 2015	2nd Qtr. 2014	2nd Qtr. 2013
Sales Tax Collected – Total Remitters	\$1,780,668	\$1,882,622	\$1,981,736
Bed Tax Collected – Total Remitters	\$37,645	\$51,355	\$46,040
City Revenues – Fiscal Year (July 1st through June 30th)	FY2015	FY2014	FY2013
Sales Tax Collected – Total Remitters	\$9,757,756	\$9,785,829	\$9,093,596
Bed Tax Collected – Total Remitters	\$390,221	\$377,547	\$354,158
Property Tax Collected – Total Remitters	\$6,187,719	\$6,095,558	\$6,069,078
Raw Fish Tax – Received into Harbor Fund	\$1,127,772	\$1,183,956	\$1,256,103
Per Capita Personal Income (Source: US Bureau Econ. Analysis)	2013	2012	2011
Sitka	\$52,608	\$50,737	\$49,466
Juneau	\$57,033	\$56,978	\$53,830
Ketchikan	\$56,591	\$56,045	\$54,824
Alaska	\$50,150	\$49,906	\$48,181
NOTE: PCPI includes all forms of income: employment, rent, retirement, etc.)			
Average Payroll Wages & Salaries (Source: US BEA)	2013	2012	2011
Sitka	\$47,574	\$44,786	\$44,037
Ketchikan	\$46,813	\$46,948	\$45,152
Juneau	\$52,705	\$51,267	\$49,416
Alaska	\$54,523	\$53,632	\$52,396
COST OF LIVING INDICATORS			
Transportation – Regular Gasoline per gallon	Sept. 9, '15	Sept. 10, '14	% Change
Sitka (Source: average pump price 3 vendors)	\$3.71	\$4.47	- 17%
Juneau (Source: AAA)	\$3.44	\$4.18	- 17.7%
Anchorage (Source: AAA)	\$3.22	\$3.84	- 16.1 %
Alaska Average (Source: AAA)	\$3.35	\$4.01	- 16.5%
National Average (Source: AAA)	\$2.38	\$3.43	- 30.6%
Weekly Grocery Costs – Family of 4 (Source: Alaska Economic Trends, July 2015/August 2010)	2015	2015 % of Anchorage	2010 % of Anchorage
Sitka	\$272.15	152%	137%
Ketchikan	\$194.15	108%	121%
Anchorage	\$179.39	100%	100%

Portland, OR	\$166.40	93%	84%
Housing - HUD Fair Market Rent – Sitka (Source: U.S. HUD)	2015	2014	% Change
Efficiency	\$807	\$790	+ 2.15%
One-Bedroom	\$856	\$838	+ 2.15%
Two-Bedroom	\$1,158	\$1,134	+ 2.12%
Three-Bedroom	\$1,613	\$1,580	+ 2.09%
Comparison with Ketchikan			
Housing - HUD Fair Market Rent – Ketchikan (Source: HUD)	2015	2014	% Change
Efficiency	\$653	\$574	+ 13.8%
One-Bedroom	\$843	\$741	+ 13.8%
Two-Bedroom	\$1,097	\$965	+ 13.7%
Three-Bedroom	\$1,616	\$1,422	+ 13.6%
Housing – Construction and Sales	2nd Qtr. 2015	2nd Qtr. 2014	2nd Qtr. 2013
Value of Construction Permits Issued (Source: CBS Building Department)	\$3,495,574	\$2,602,594	\$3,751,776
Dwelling Units Added (Source: CBS Building Department)	9	1	4
Total Homes Sold – all types combined (Source: CBS Assessing Dept.)	35	31	23
Vacant Lots Sold – residential (Source: CBS Assessing Dept.)	8	8	5
Homes Sold – single family (Source: Davis Realty MLS)	16	20	15
Average Sale Price - single family home (based on total sold)	\$417,596	\$290,855	\$314,927
Sales Volume – single family homes	\$6,681,530	\$5,817,100	\$4,723,900
Housing – Sales for Most Recent Month Available	August 2015	August 2014	August 2013
Homes Sold – single family (Source: Davis Realty MLS)	4	1	9
Average Sale Price - single family home (Source: Davis Realty MLS)	\$405,250	\$562,500	\$293,444
Sales Volume \$ – single family homes (Source: Davis Realty MLS)	\$1,621,000	\$562,500	\$2,641,000
Homes Listed – single family homes (Source: Davis Realty MLS)	51	39	52
Average List Price – single family home (Source: Davis Realty MLS)	\$494,559	\$493,359	\$417,931
Median List Price – single family home (Source: Davis Realty MLS)	\$419,000	\$449,500	\$380,500
Volume \$ Listed - single family home (Source: Davis Realty MLS)	\$25,222,500	\$19,241,000	\$21,732,400
POPULATION	July 2014	July 2013	*2010 Census
City & Borough of Sitka (Source: *US Census Bureau, AK Dept. of Labor)	9,061	9,034	8,881
Southeast Alaska (Source: *US Census Bureau, AK Dept. of Labor)	74,280	74,310	71,664
State of Alaska (Source: *US Census Bureau, AK Dept. of Labor)	735,601	735,662	710,231
PUBLIC SCHOOL ENROLLMENT – Sitka School District	Oct. 1, 2014	Oct. 1, 2013	Oct. 1, 2012
Total student enrollment KG-12 (Source: AK Dept. of Education)	1,375	1,395	1,322

SPACE AVAILABLE FOR 2015 INVESTORS!

SEDA is a 501(c)(3) non-profit organization
Donations are tax deductible and support our mission 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.

SEDA is a non-profit 501(c)(3) organization. Donations are tax deductible and support economic development in Sitka and Southeast Alaska.

Thank You!

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A special thank you to
the City and Borough of Sitka
for on-going support.



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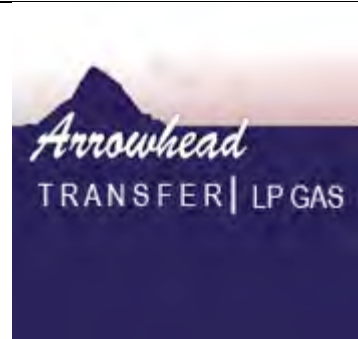
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