SOUTHEAST CONFERENCE’s Comprehensive Economic Development Strategy

Economic Planning for the Region

Senate Labor and Commerce Committee
Southeast Alaska

- 1,000+ Islands
- 500 Miles
- 18,500 shoreline
- 34 Communities
- 10% of AK Economy
Changes in Southeast Alaska: 1960 to 2007

- 32 Years
- 16 Year Recession

1959 to 2007
Changes in Southeast Alaska: 1960 to 2015

- 32 YEARS (1959-1991)
- 16 YEARS (1991-2007)
Impact of State Fiscal Crisis

- 32 Years: 1991
- 16 Years: 2007
- 8 Years: 2015
- ???
73,812 People
-500 people -0.7%
(AK up 2,650 0.4%)

Demographics
Southeast Alaska Employment Earnings

$2.2 billion

46,150 Jobs
Southeast Alaska Employment as a % of All Earnings, Compared to AK

- **Government**: Southeast Alaska 35%, Alaska 26%
- **Seafood**: Southeast Alaska 12%, Alaska 4%
- **Visitors**: Southeast Alaska 9%, Alaska 6%
- **Oil and Gas Industry**: Southeast Alaska 0%, Alaska 11%

Oil revenues historically accounted for 90 percent of the state’s unrestricted revenues

How we got here

Average Daily Volume

Average Price per Barrel

Government wages = 35% of all employment

Government 13,000 Jobs
Down 425 Jobs in 2016 -4%

State -380 Jobs

Federal 8%
Local 11%
State 14%
State Government Job Losses

loss of -600 (-11%)
Construction Industry 2,030 Jobs
Down 90 Jobs in 2016 -4%

Capital Appropriations in Southeast
Millions

FY13: $385
FY14: $215
FY15: $183
FY16: $107
FY17: $47
Timber Industry 320 Jobs

Down -2%

1983 to 2015
Southeast Alaska Land Ownership

Circle size = Number of Acres

**TONGASS**

78%

- **16%** Other Federal
- **3.4%** Alaska Native
- **2.5%** State of Alaska
- **0.25%** Towns
- **0.05%** Private Land Owners

*The Federally-Managed Tongass Makes Up Nearly 4/5th of All Southeast*
Southeast Alaska Land Ownership

Circle size = Number of Acres

**78%** TONGASS

**16%** OTHER FEDERAL

- **3.4%** ALASKA NATIVE
- **2.5%** STATE OF ALASKA
- **0.25%** TOWNS
- **0.05%** PRIVATE LAND OWNERS

The Federally-Managed Tongass makes up nearly 4/5th of all Southeast Alaska.
Visitor Industry 7,400 Jobs
Up 480 Jobs +7%
Alaska Tourism Marketing Budget

FY14: $18.7 million
FY15: $17.9 million
FY16: $12.0 million
FY17: $1.5 million
Mining Industry 800 Jobs  
Up 12 Jobs in 2015 +2% 

Gold Prices 2008-2016  
2008: $892  
2009: $972  
2010: $1,225  
2011: $1,572  
2012: $1,669  
2013: $1,411  
2014: $1,266  
2015: $1,160  
2016: $1,251
The Blue Economy

Southeast Maritime
6,850 Jobs
Total Wages: $400 Million

27% Maritime as a % of all private sector earnings

Alaska Maritime
29,000 Jobs
Total Wages: $1.6 Billion

11%
SOUTHEAST MARITIME: 6,850 Jobs

- Fishing & Seafood: 4,370 Jobs
- Marine Tourism: 900 Jobs
- Marine Transportation: 410 Jobs
- US Coast Guard: 830 Jobs
- Ship Building, Repairs: 280 Jobs
- Marine Construction: 30 Jobs
Seafood Industry 4,365 Jobs
DOWN IN 2016
PLANNING PROCESS

• EDA Driven Process
• One year
• 27 workshops and strategic planning meetings
• 400+ participants
• 100s of ideas for economic initiatives
SWOT Analysis

1,300 hand written comments
**Strengths**

- People & Southeast Alaskan Spirit
- Region Collaboration
- Seafood Industry
- Tourism Sector
- Beauty & Recreation Opportunities
- Natural Resources
- Culture & Heritage

**Opportunities**

- Seafood & Ocean Product Development
- Tourism
- Energy
- Mining
- Promoting Region
- Timber
- Growing Foods/Harvesting Plants
- Maritime

**Weaknesses**

- Transportation Costs
- Energy Costs
- Overreach of Federal Government
- Cost of Living & Doing Business
- Our Geography & Isolation
- Aging or Stagnant Population
- Lack of Access to Our Lands

**Threats**

- Federal Regulations
- Dependence on State Budget
- Capital Move & Capital Creep
- Declining/Aging Population
- Natural Disasters/Extreme Weather
- Fisheries Declines
- Climate Change
Economic Resiliency Mapping

1. Reduce business costs
2. Increase economic development
3. Reduce government spending/services
4. Increase Taxes
5. Maintain ferry services

What will Southeast Alaskans Do?
Southeast Alaska 5 Year Plan

*Promote strong economies, healthy communities, and a quality environment in Southeast Alaska.*

**Transportation**
- Minimize Impacts of Budget Cuts to AMHS and Develop Sustainable Operational Model.
- Road Development.
- Move Freight to and from Markets More Efficiently.
- Ensure the Stability of Regional Transportation Services Outside of AMHS.

**Visitor Industry**
- Market Southeast Alaska to Attract More Visitors.
- Improve Access to Public Lands.
- Increase Flexibility in Terms of Permit Use.
- Increase Yacht and Small Cruise Ship Visitations.
- Improve Communications Infrastructure.
- Advocate for Adequate Funding to Maintain Existing Recreational Infrastructure.

**Energy**
- Work with Federal and State Government to Promote Regional Energy Projects.
- Diesel Displacement.
- Complete Regional Hydrosite Evaluation for Southeast Alaska.

**Timber Industry**
- Provide an Adequate, Economic and Dependable Supply of Timber from the Tongass National Forest to Regional Timber Operators.
- Stabilize the Regional Timber Industry.
- Work With USFS to Direct Federal Contracts Toward Locally-Owned Businesses.
- Support Small Scale Manufacturing of Wood Products in Southeast Alaska.
- Continue Old Growth Harvests Until Young Growth Supply is Adequate.
- Community-Based Workforce Development.
- Update Young Growth Inventory.

**Maritime**

**Maritime Industrial Support**
- Maritime Industrial Support Sector Talent Pipeline: Maritime Workforce Development Plan.
- Harbor Improvements.
- Examine Arctic Exploration Opportunities That the Region as a Whole Can Provide.

**Other Objectives**

**Housing:** Support Housing Development.

**Food Security:** Increase Production, Accessibility, and Demand of Local Foods.

**Communications:** Improved Access to Telemedicine in Southeast Alaska.

**Marketing:** Market Southeast Alaska as a Region.

**Solid Waste:** Regional Solid Waste Disposal.

**Arts:** Increase Recognition of Southeast Alaska’s Thriving Arts Economy.

**Mining:** Minerals & Mining Workforce Development.

**Research:** Attract Science and Research Jobs to Southeast Alaska.

**Cultural Wellness:** Support Development of Activities and Infrastructure That Promote Cultural Wellness.

**Seafood Industry**
- Mariculture Development.
- Full Utilization and Ocean Product Development.
- Increase Energy Efficiency and Reduce Energy Costs.
- Regional Seafood Processing.
- Seafood Markets.
- Sea Otter Utilization and Sustainable Shellfish.
- Maintain Stable Regulatory Regime.
Priority Objectives

- Alaska Mariculture Initiative
- Maritime Workforce Development
- Marine Highway Reform Project
- Energy Legislation
- Diesel Displacement
- Secure Adequate Timber Supply
- Market Southeast Alaska to Visitors
- Full Seafood Resource Utilization
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AMHS Reform Project
Promote Regional Energy Projects
Diesel Displacement.
Maritime Workforce Development Implementation
Mariculture Development
Market Southeast Alaska
Visitor Opportunities
Secure an Adequate, Economic Timber Supply
Thank You