Southeast Alaska Private Investment Survey, 2012

In June of 2012, Southeast Conference reported on the Southeast Alaska Comprehensive Economic Development Strategy (CEDS) performance measures. The Southeast Alaska Private Investment Survey 2012 was completed as part of this process.

Methodology
The purpose of the Southeast Alaska Private Investment Survey was to gain better insight into the level of private capital invested in the region during the past 12 months (July 2011 to June 2012). The survey focused on Southeast Alaska business owners and top managers but could be completed by anyone with private investment knowledge. Respondents were asked six questions regarding regional investments.

Business owners and operators across the region were invited to take the survey by Southeast Conference. The survey was completed by 34 private businesses, or on behalf of those businesses. The survey was web-based and used the Southeast Conference Constant Contact database and survey tool to administer the survey. Survey results were analyzed by Sheinberg Associates.

It should be clear that this survey was only able to measure economic investments made by survey respondents, and does not purport to measure all private investment in the region. However, the survey is a useful tool as it allows Southeast Conference members and businesses to confidentially self-report on private sector investments. These results were combined and aggregated to paint a picture of the region’s investment climate. Other regions conduct similar surveys as private investment is not tracked by conventional datasets.

Key Findings
Survey respondents reported private investments in 15 Southeast Alaska communities. Investors were not asked to report exact dollar amounts, but rather investment ranges. Overall, the Southeast Alaska 2012 Private Investment Survey documents $98.6 to $171.3 million of private investment in the region over the past 12 months (July 2011 through June 2012). The following charts and tables provide a more detailed summary of the survey findings.
Respondents by Sector
Nearly half of all respondents reported on investments in the seafood, visitor, and energy sectors.

Percentage of Respondents by Sector

- Seafood, Commercial Fishing, or Marine: 20%
- Visitor or Tourism: 16%
- Energy: 11%
- Retail: 9%
- Other Professional Services: 9%
- Construction Business (not project): 7%
- Solid Waste: 5%
- Health/Medical: 5%
- Mining: 5%
- Food Systems: 5%
- Transportation: 5%
- Timber/Forest Products: 5%

Less than 4% of respondents reported on investments in each of the following categories: Research and Development; Broadband or Communications; Senior Care Services; Arts; and Food Services.
Respondents by Community

Approximately one-third of all survey respondents reported on private investments in Juneau. Other locations with higher numbers of respondents included Ketchikan, Prince of Wales Island, and Petersburg.

**Percentage of Respondents by Community**

- Juneau: 34%
- Ketchikan: 14%
- Prince of Wales Island: 9%
- Petersburg: 9%
- Sitka: 6%
- Regional (several communities): 6%
- Yakutat: 3%
- Wrangell: 3%
- Thorne Bay: 3%
- Port Armstrong: 3%
- Pelican: 3%
- Metlakatla: 3%
- Haines: 3%
- Gustavus: 3%
- Elfin Cove: 3%
Respondents by Investment Range
The median investment level was between $100,000 and a half million dollars. One-fifth of respondents reported on a private investment in this range.

Percentage of Respondents by Total Investment

<table>
<thead>
<tr>
<th>Investment Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$5,000 to $10,000</td>
<td>9%</td>
</tr>
<tr>
<td>$10,001 to $25,000</td>
<td>9%</td>
</tr>
<tr>
<td>$25,001 to $50,000</td>
<td>15%</td>
</tr>
<tr>
<td>$50,001 to $100,000</td>
<td>12%</td>
</tr>
<tr>
<td>$100,001 to $500,000</td>
<td>21%</td>
</tr>
<tr>
<td>$500,001 to $1,000,000</td>
<td>9%</td>
</tr>
<tr>
<td>$1,000,001 to $5,000,000</td>
<td>12%</td>
</tr>
<tr>
<td>$5,000,001 - $10,000,000</td>
<td>3%</td>
</tr>
<tr>
<td>$10,000,001 - $20,000,000</td>
<td>3%</td>
</tr>
<tr>
<td>More than $20,000,000</td>
<td>6%</td>
</tr>
</tbody>
</table>

All but one responding business reported the status of the project as “completed” (the remaining reported partial completion).
Investment Range by Sector

Results were also analyzed by investment range per sector. Overall, $98.6 million to $171.3 million in private capital was documented by the survey as invested in the Southeast Alaska region in the 12-month period between July 2011 and June 2012. The mining and visitor industries attracted the highest level of investment, with mining investments the most significant in the region during that timeframe, based on responses.

<table>
<thead>
<tr>
<th>Sector</th>
<th>Minimum</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mining</td>
<td>$67,000,000</td>
<td>$77,000,000</td>
</tr>
<tr>
<td>Visitor or Tourism</td>
<td>$20,150,000</td>
<td>$57,300,000</td>
</tr>
<tr>
<td>Seafood, Commercial Fishing, or Marine</td>
<td>$3,225,000</td>
<td>$16,050,000</td>
</tr>
<tr>
<td>Retail</td>
<td>$5,100,000</td>
<td>$10,500,000</td>
</tr>
<tr>
<td>Energy</td>
<td>$1,200,000</td>
<td>$6,000,000</td>
</tr>
<tr>
<td>Energy/Solid Waste</td>
<td>$500,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Seafood/Timber/Construction</td>
<td>$500,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Transportation</td>
<td>$500,000</td>
<td>$1,000,000</td>
</tr>
<tr>
<td>Other professional</td>
<td>$180,000</td>
<td>$660,000</td>
</tr>
<tr>
<td>Broadband</td>
<td>$100,000</td>
<td>$500,000</td>
</tr>
<tr>
<td>Construction</td>
<td>$55,000</td>
<td>$110,000</td>
</tr>
<tr>
<td>Food Systems</td>
<td>$20,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Health/Medical</td>
<td>$25,000</td>
<td>$50,000</td>
</tr>
<tr>
<td>Seafood/Visitors</td>
<td>$10,000</td>
<td>$25,000</td>
</tr>
<tr>
<td>Research</td>
<td>$5,000</td>
<td>$10,000</td>
</tr>
<tr>
<td><strong>Grand Total</strong></td>
<td><strong>$98,570,000</strong></td>
<td><strong>$171,255,000</strong></td>
</tr>
</tbody>
</table>

The survey instrument is attached, along with comments regarding private investment descriptions.
Southeast Alaska Private Investment Survey Instrument

A key economic indicator is the level of private sector investment in a region on an annual basis. This is one of the measures Southeast Conference is now tracking as part of our region's Comprehensive Economic Development Strategy (CEDS). **We need your help to do this well.**

Please submit information about any significant private project investments your business or company made between July 1, 2011 and June 30, 2012 in Southeast Alaska. Note that the funds your business/company invested may have come from a bank, a public agency loan or grant, or other source. What we are tracking is private sector business or company investments, regardless of the source of the funding. We are defining an investment as an expenditure that is beyond your typical business and payroll expenses.

All individual survey answers are 100% confidential. Results will be reported in aggregate only. If you have questions, please contact our contractor, Meilani Schijvens, at mschijvens@SheinbergAssociates.com or call (907) 586-3141. On behalf of everyone at Southeast Conference, our sincere thanks for taking the time to complete this survey by Friday June 8th. For multiple projects or multiple businesses in different sectors, please repeat the survey.

1. **Name of the business or company that made investment.** (Reminder: All individual results will remain private. Report will be in aggregate only.)

2. **Name of community or area where investment was made.**

3. **Select Sector of Investment.** (While we prefer you choose one, feel free to select all that apply).
   - Seafood, Commercial Fishing, or Marine
   - Visitor or Tourism
   - Timber/Forest Products
   - Energy
   - Research and Development
   - Transportation
   - Broadband or Communications
   - Food Systems
   - Senior Care Services
   - Mining
   - Telemedicine
   - Health/Medical
   - Solid Waste
   - Education
   - Arts
   - Construction Business (not project)
   - Restaurant/ Beverages
   - Retail
   - Finance, Insurance, Real Estate
   - Other Professional Services
   - Other
4. **Amount of Investment (between July 1, 2011 and June 30, 2012).**

- $5,000 to $10,000
- $10,001 to $25,000
- $25,001 to $50,000
- $50,001 to $100,000
- $100,001 to $500,000
- $500,001 to $1,000,000
- $1,000,001 to $5,000,000
- $5,000,001 - $10,000,000
- $10,000,001 - $20,000,000
- More than $20,000,000

5. **Short description of purpose of investment**

6. **Stage of Project/ Investment Development**

- Planning/ Design
- Permitting/ Environmental
- Construction/ Implementation
- Completed
- Other

7. We will conduct this survey annually. Please enter your contact information so that we can contact you next year. Your personal information will not be published or distributed. All individual survey answers are 100% confidential. Results will be reported in aggregate only.

First Name:
Last Name:
Company Name:
Email Address:
City:
Comments Regarding Private Investment

Responses to “Short Description of Purpose of Investment” (responses not required in survey instrument).

1. Advanced Exploration mining development.
2. Applied research and education to support mariculture and marine education.
3. Aquatic restoration projects on Prince of Wales Island.
4. Bought Halibut IFQ
5. Bought lot and started carving business.
6. Built infrastructure to accommodate our clients.
7. Constructed Storage building
8. Converted our jet boats from 2 stroke outboards to 4 strokes, which is more environmentally friendly but also more economical to operate.
10. Elevated bridge network for additional bear viewing opportunities.
11. Replacement of septic system to upgrade current system in place for passenger use.
12. Environmental Projects
13. Rebuild defunct Marine Repair Business
14. Hydropower Development
15. Maintain and expand electric utility.
16. Marine Repair: Renovations, upgrades, repairs, furniture and fixtures
17. Mill Equipment
18. Purchase of infrastructure, including computer hardware and software, and vehicles.
19. Purchased retail space
20. Purchased computer equipment
21. Purchased new construction equipment to replace aging fleet.
22. Purchasing a new system to accommodate the latest dental technology.
23. Rebuild and enhancement of a closed shipyard with all affiliated services including welding, fiberglass, mechanical, structural and machine shop activities.
24. Remodel and updates to commercial building for two new larger retail businesses.
25. Remodel of inside Mall Building.
26. Replaced aging production equipment with state of the art digital processing equipment.
27. Replaced both of the building heating boiler units.
28. Salmon rearing net pens, pilings, feed storage building, water system upgrades.
29. Start a produce greenhouse agricultural business.
30. Start-up a tourism business.
31. Surface Infrastructure
32. To grow local foods for personal use and possibly for sale of extra crops for local use.
33. Tools & equipment to expand existing operations