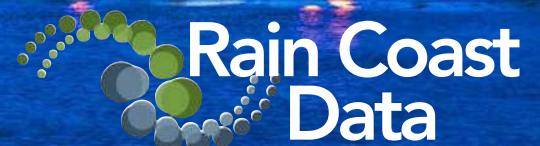


SOUTHEAST CONFERENCE's
Comprehensive Economic Development Strategy

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



Southeast Alaska

MAP OF SOUTHEAST ALASKA & AMHS FERRY ROUTE

32 YEARS

Yakutat

Klukwan

Skagway

Haines

Elfin Cove

Gustavus

Pelican

Hoonah

Juneau

Tenakee

Angoon

Sitka

Kake

Port Alexander

Petersburg

Point Baker

Port Protection

Wrangell

Edna Bay

Whale Pass

Naukati

Coffman Cove

Klawock

Thorne Bay

Craig

Kasaan

Hydaburg

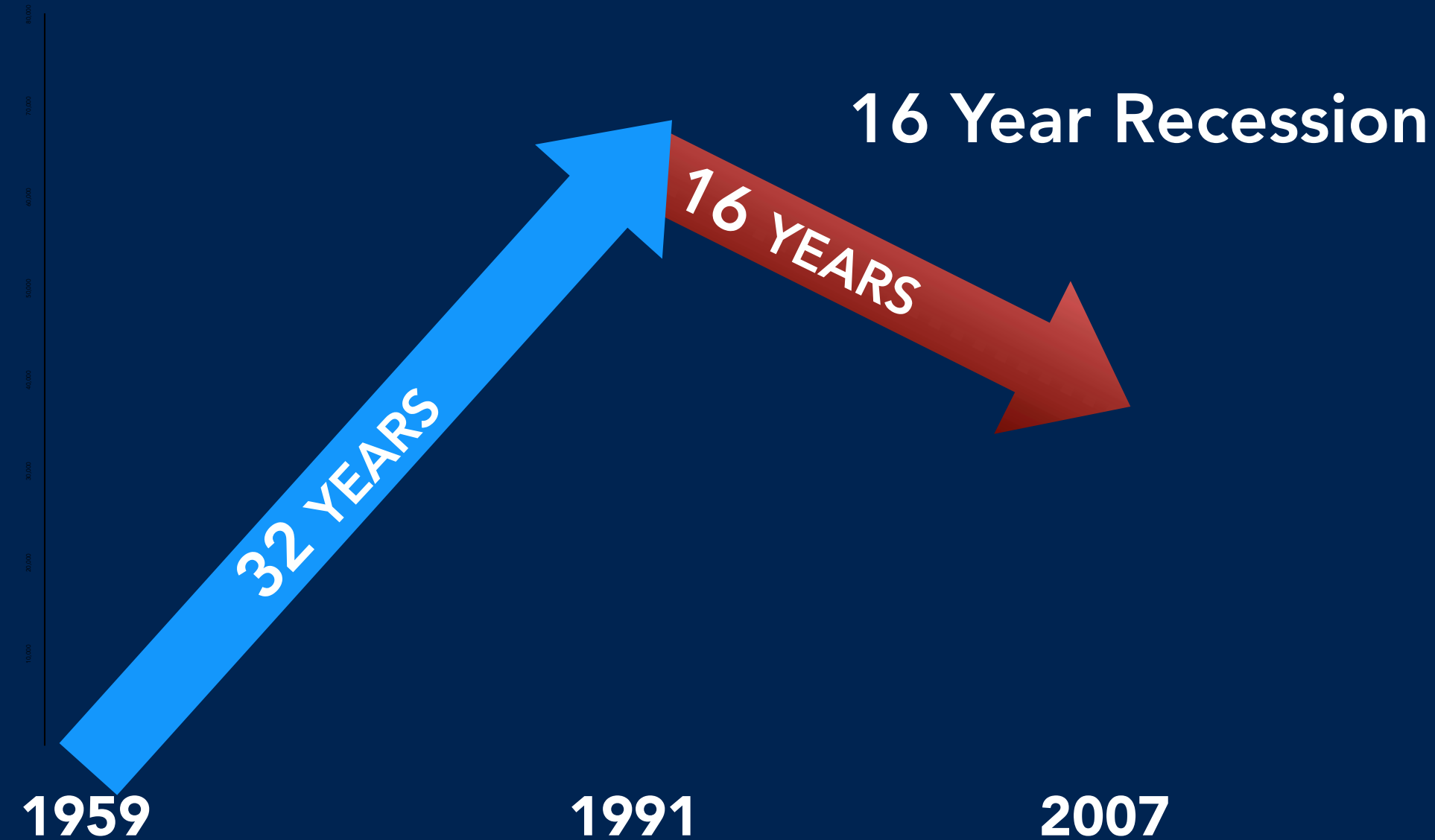
Hollis

Ketchikan

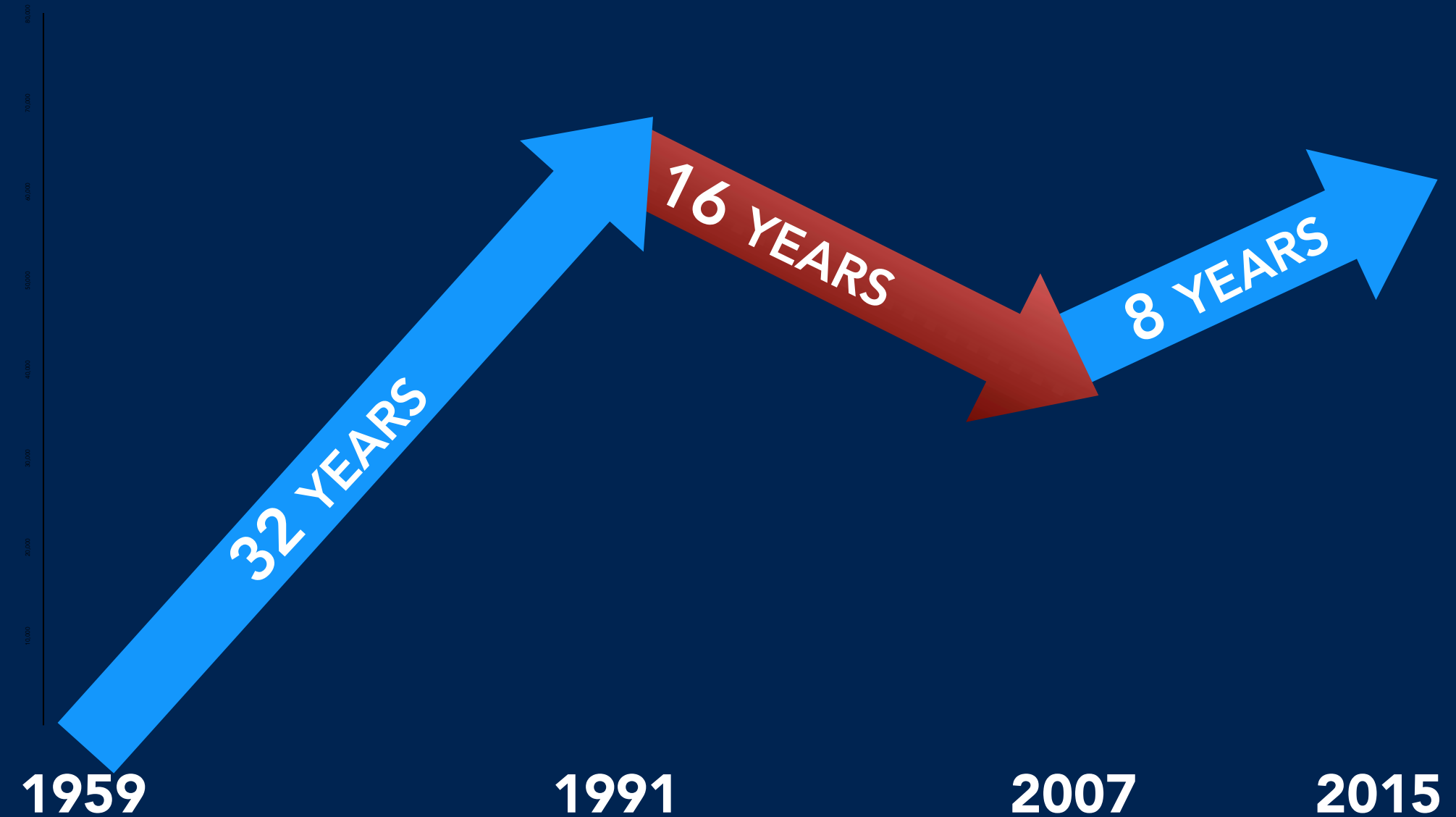
Metlakatla

Hyder

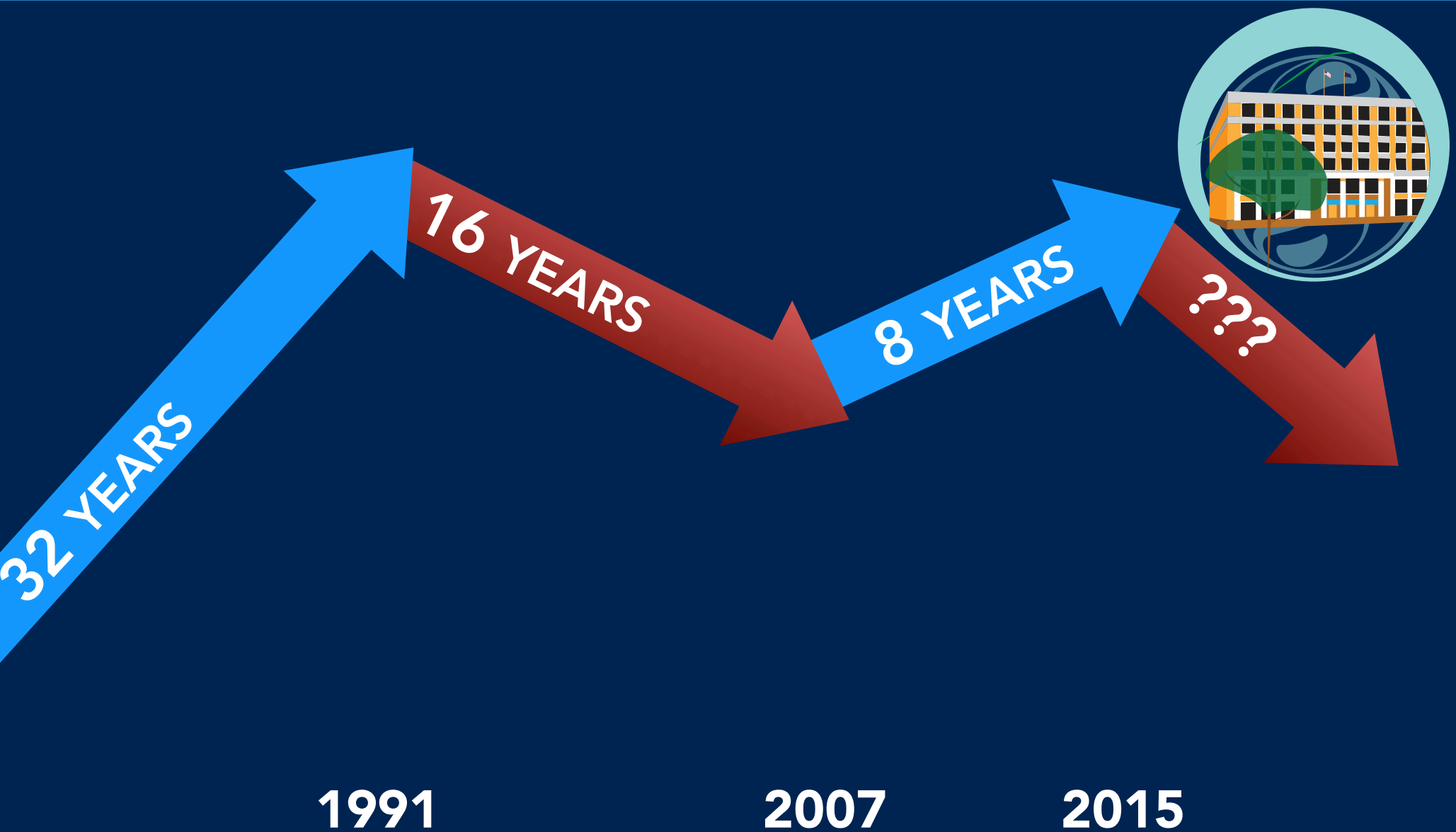
Changes in Southeast Alaska: 1960 to 2007

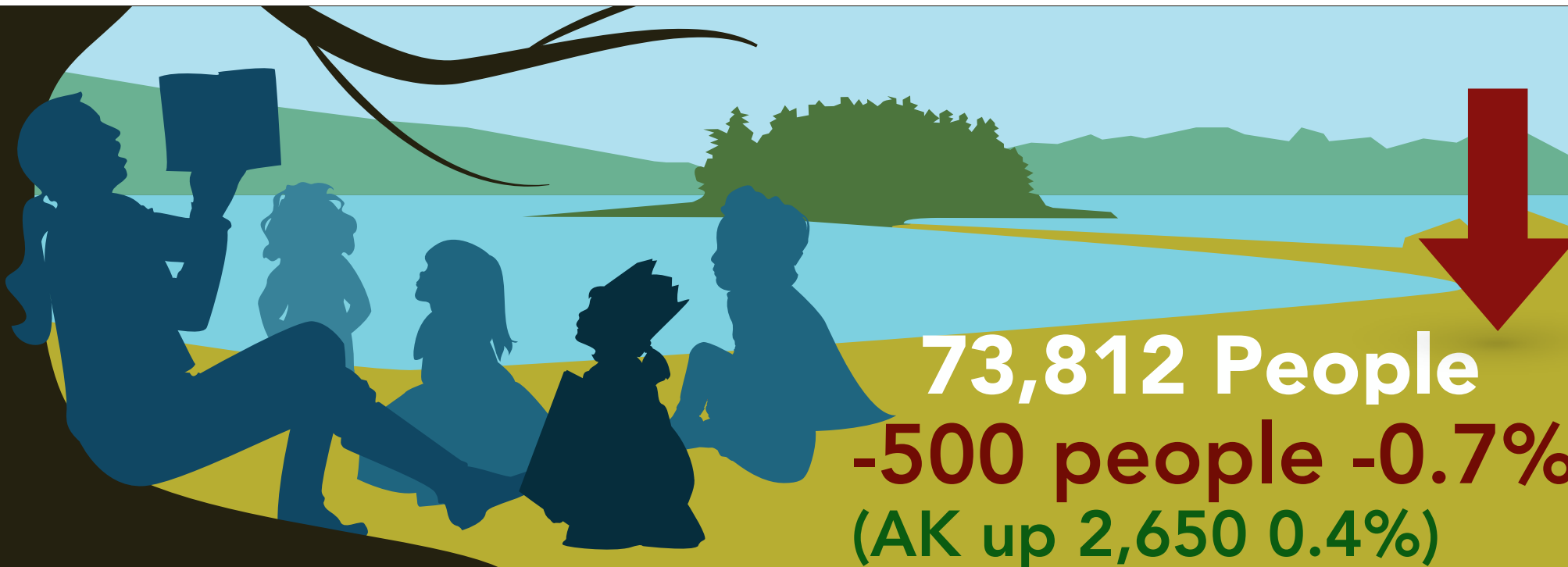


Changes in Southeast Alaska: 1960 to 2015



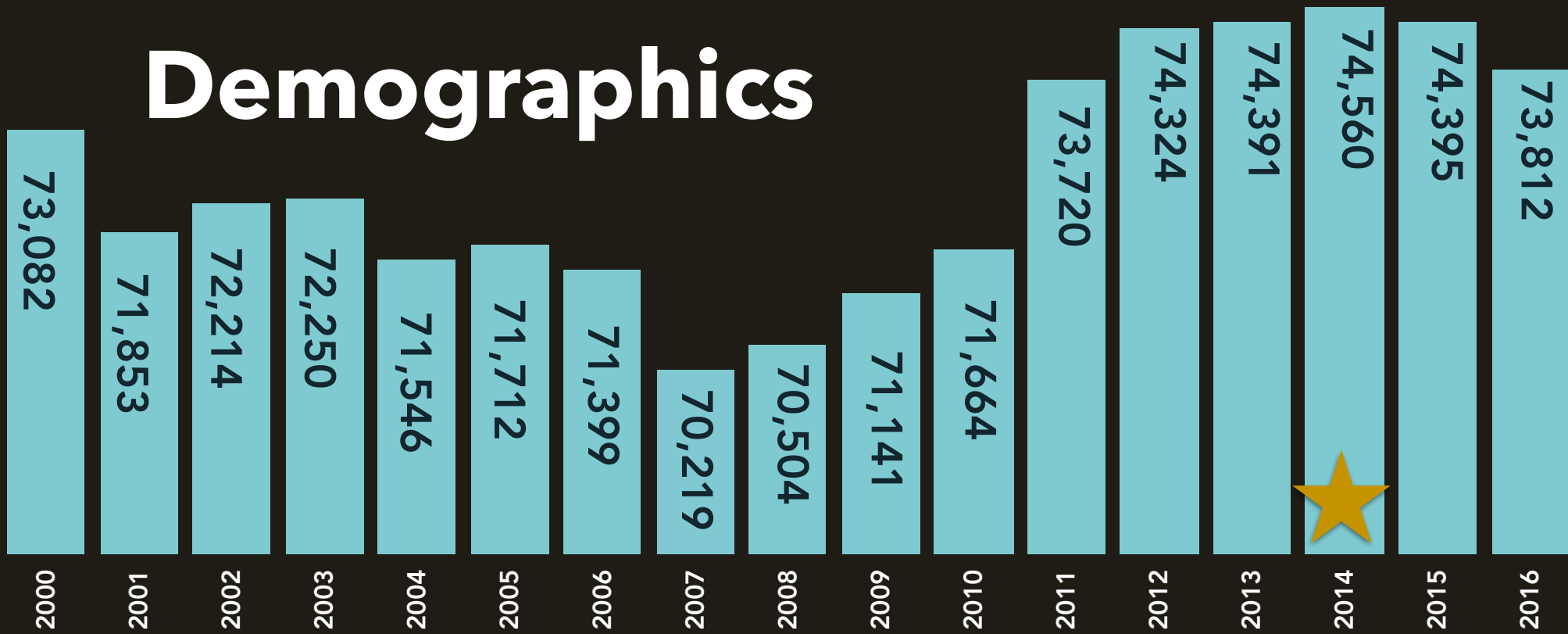
Impact of State Fiscal Crisis





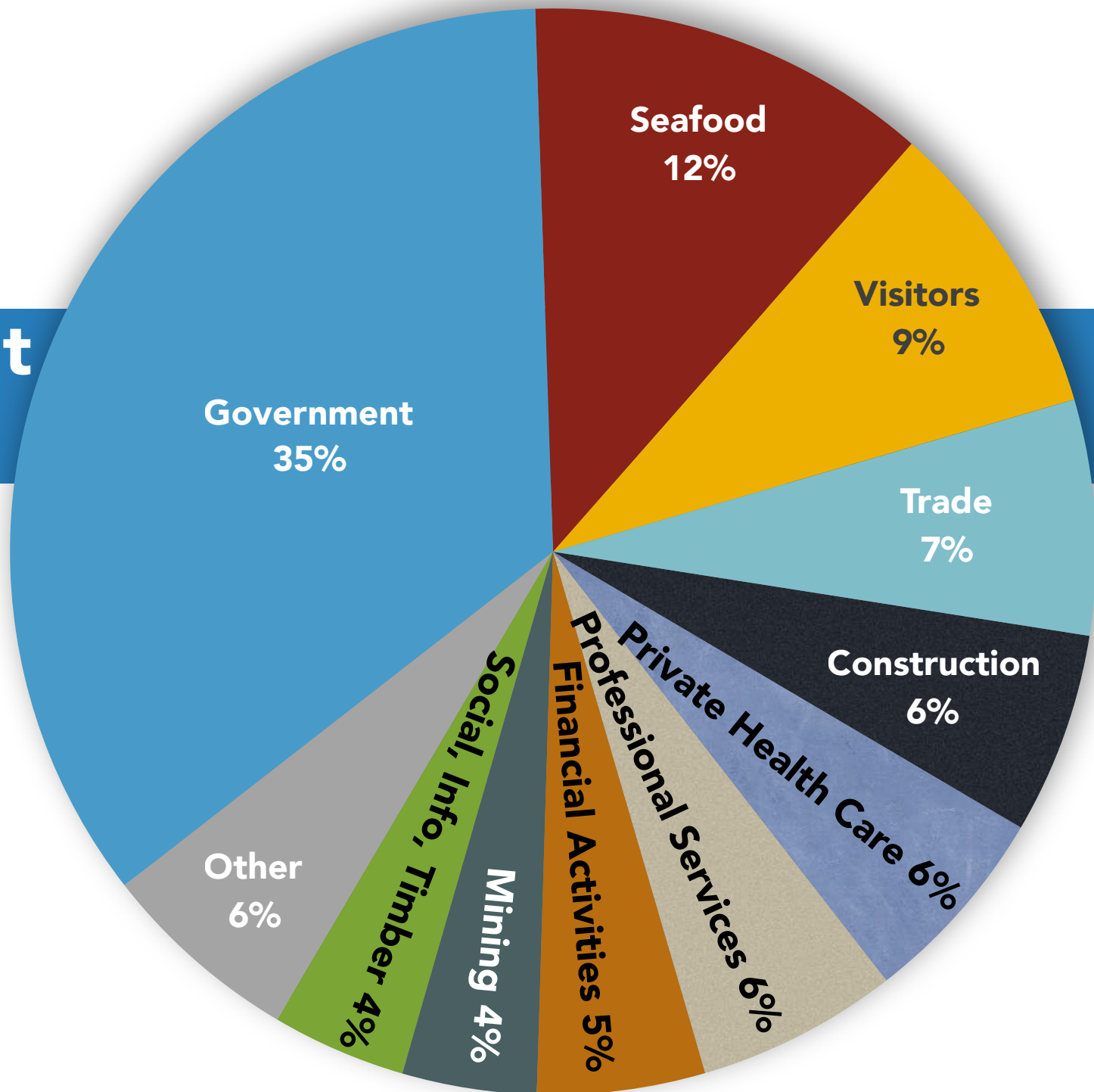
73,812 People
-500 people -0.7%
(AK up 2,650 0.4%)

Demographics

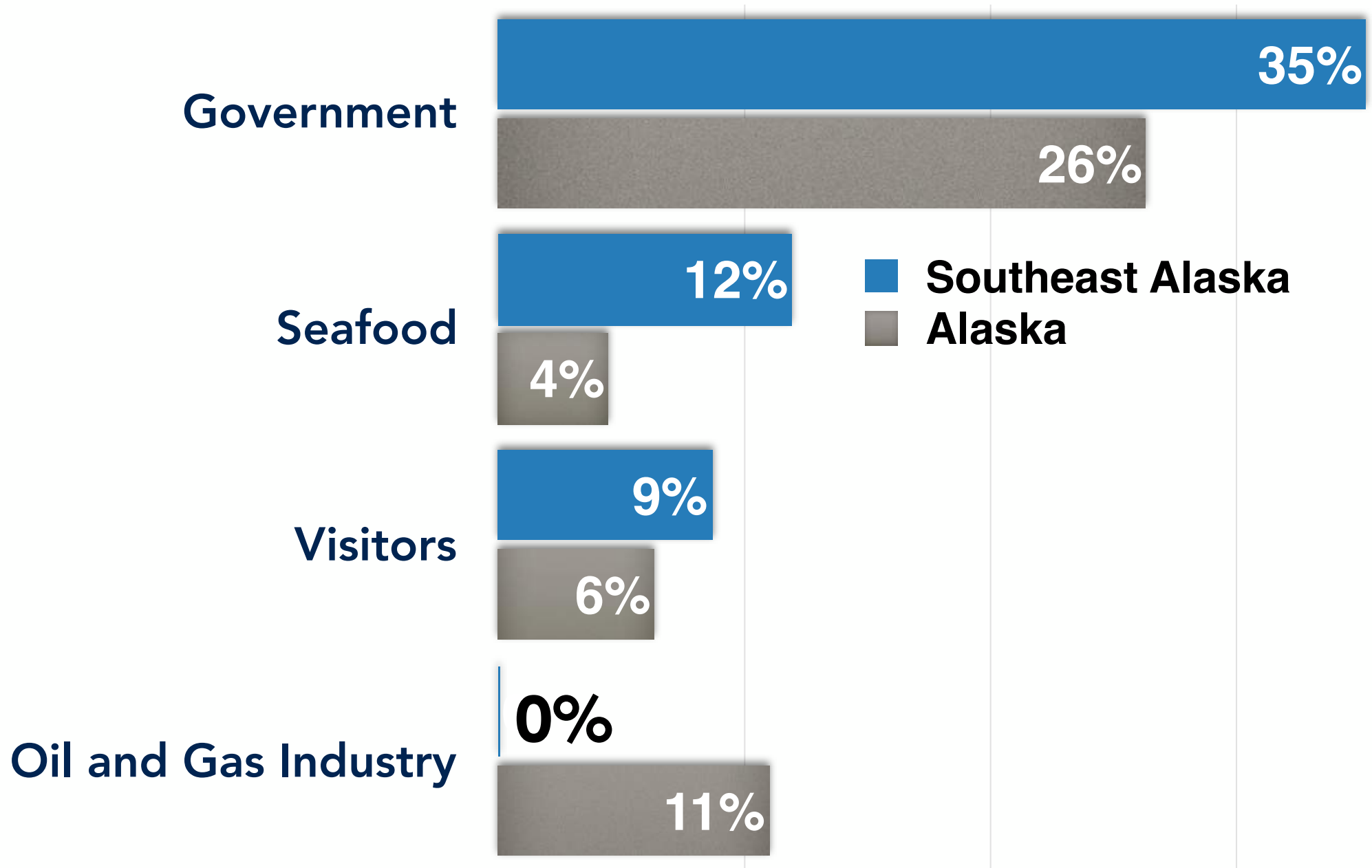


Southeast Alaska Employment Earnings

\$2.2 billion
46,150 Jobs



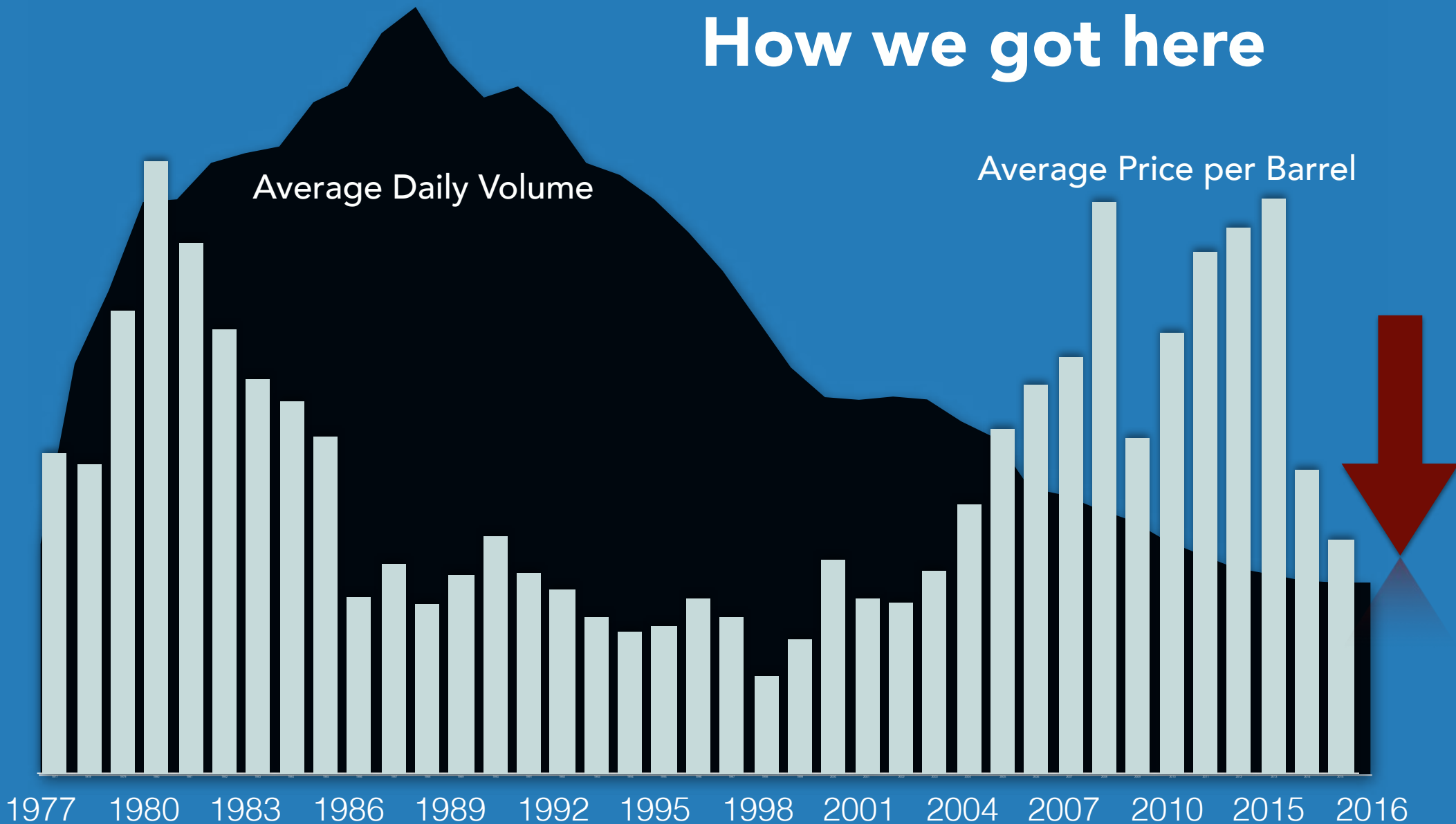
Southeast Alaska Employment as a % of All Earnings, Compared to AK



Avg. Daily Volume of the Trans Alaska Pipeline System and Inflation Adjusted Price Per Barrel, 1977-2016

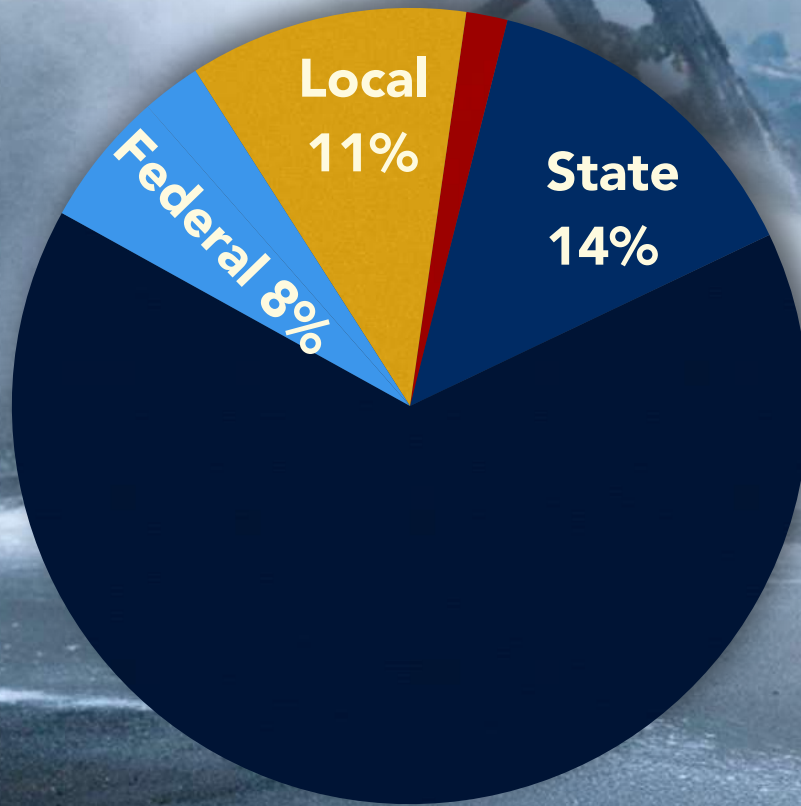
Oil revenues historically accounted for 90 percent of the state's unrestricted revenues

How we got here

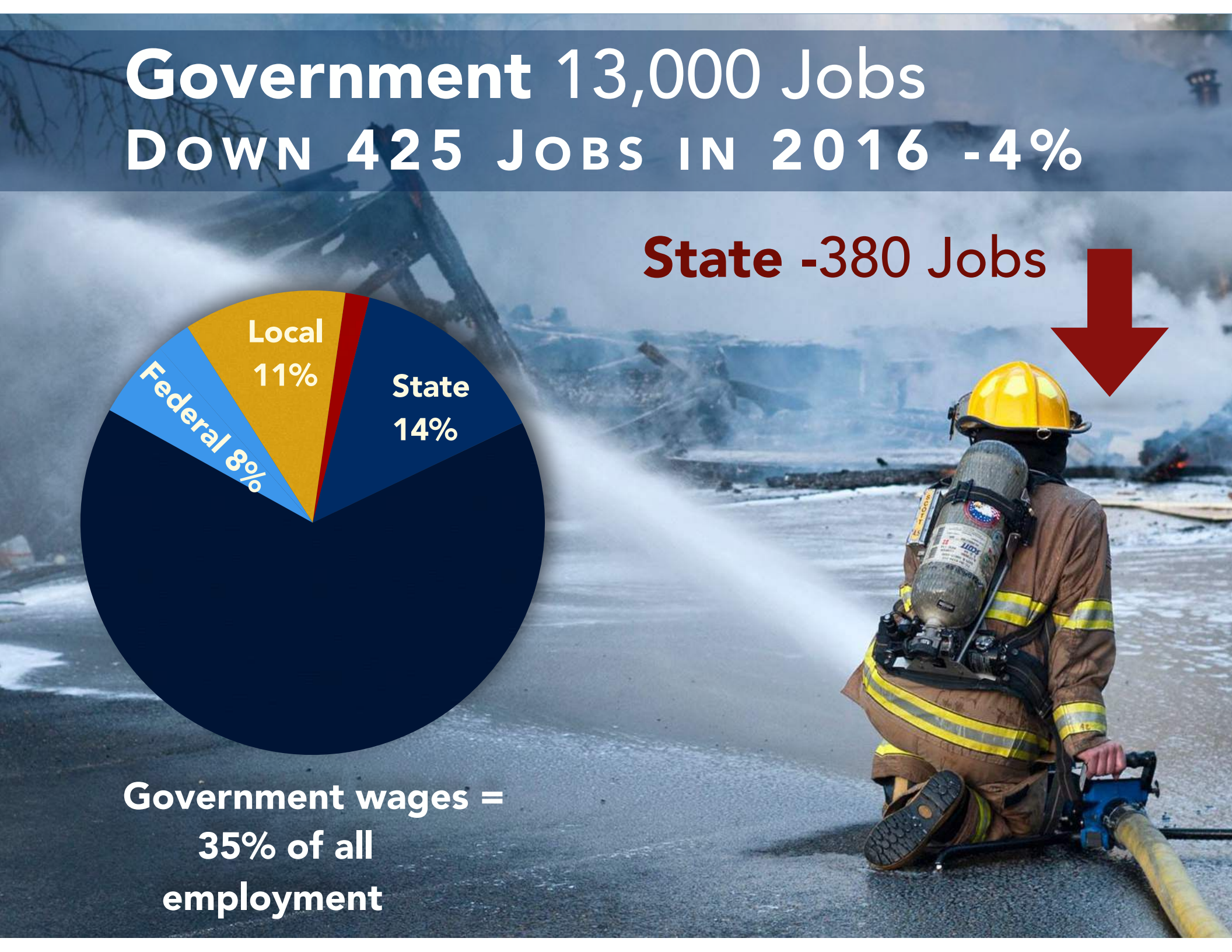


Government 13,000 Jobs Down 425 JOBS IN 2016 -4%

State -380 Jobs

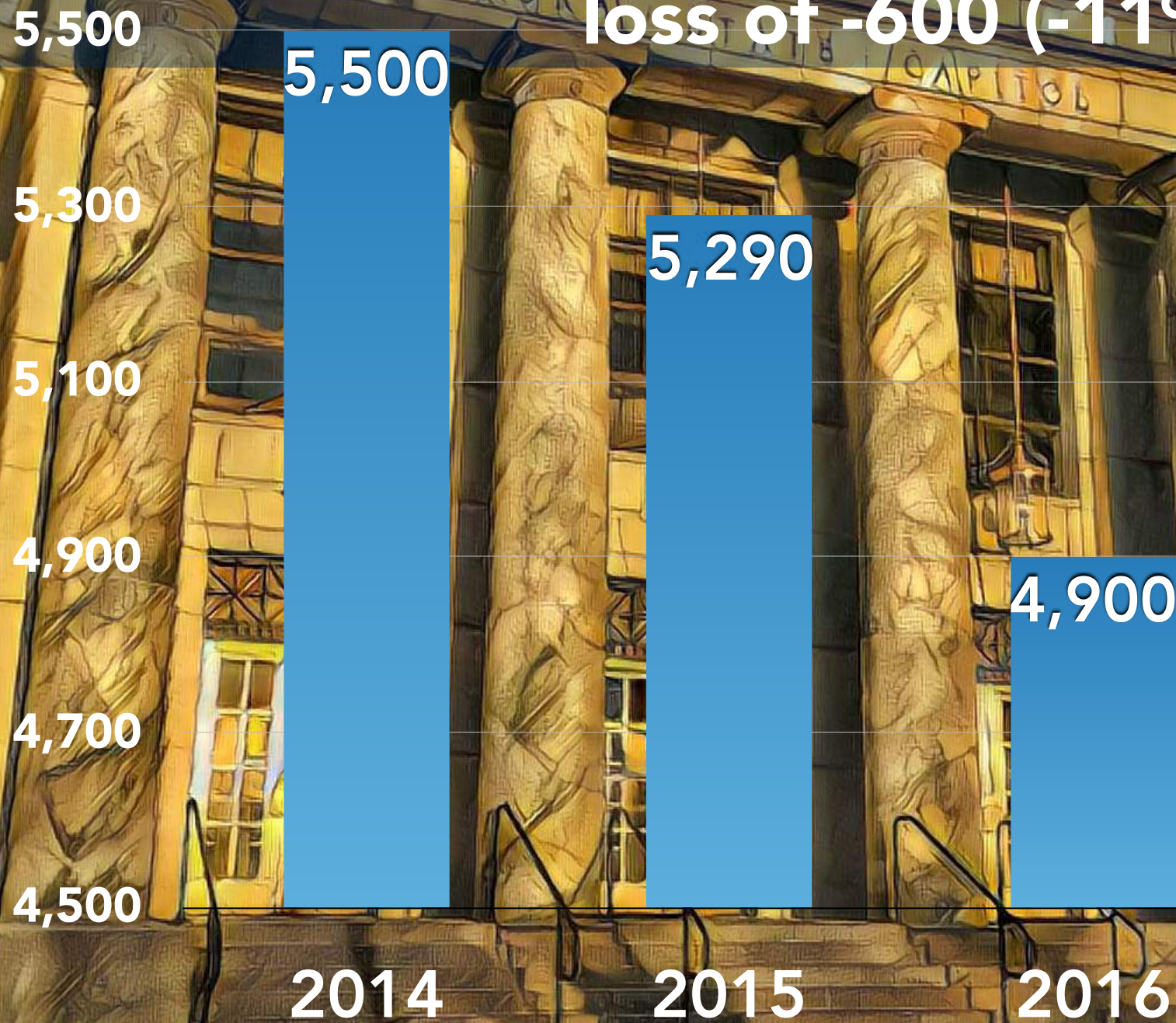


**Government wages =
35% of all
employment**



State Government Job Losses

loss of -600 (-11%)



Construction Industry 2,030 Jobs

DOWN 90 JOBS IN 2016 -4%



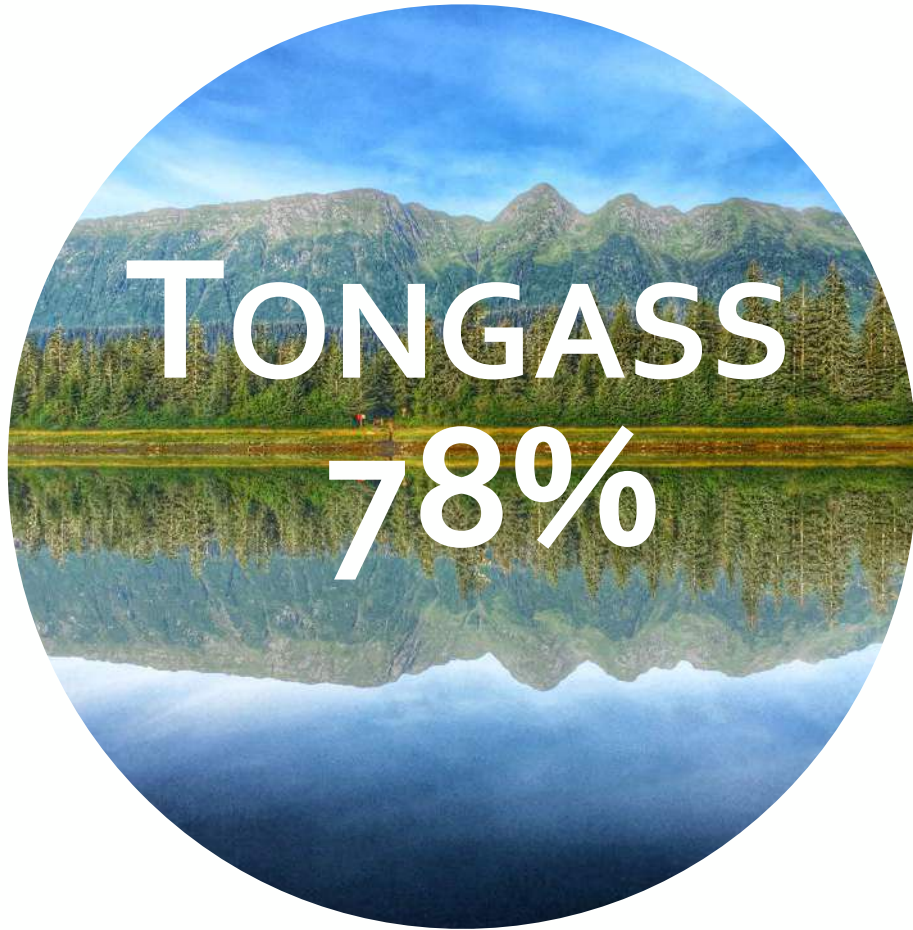
Timber Industry 320 Jobs

DOWN -2%



Southeast Alaska Land Ownership

Circle size = Number of Acres



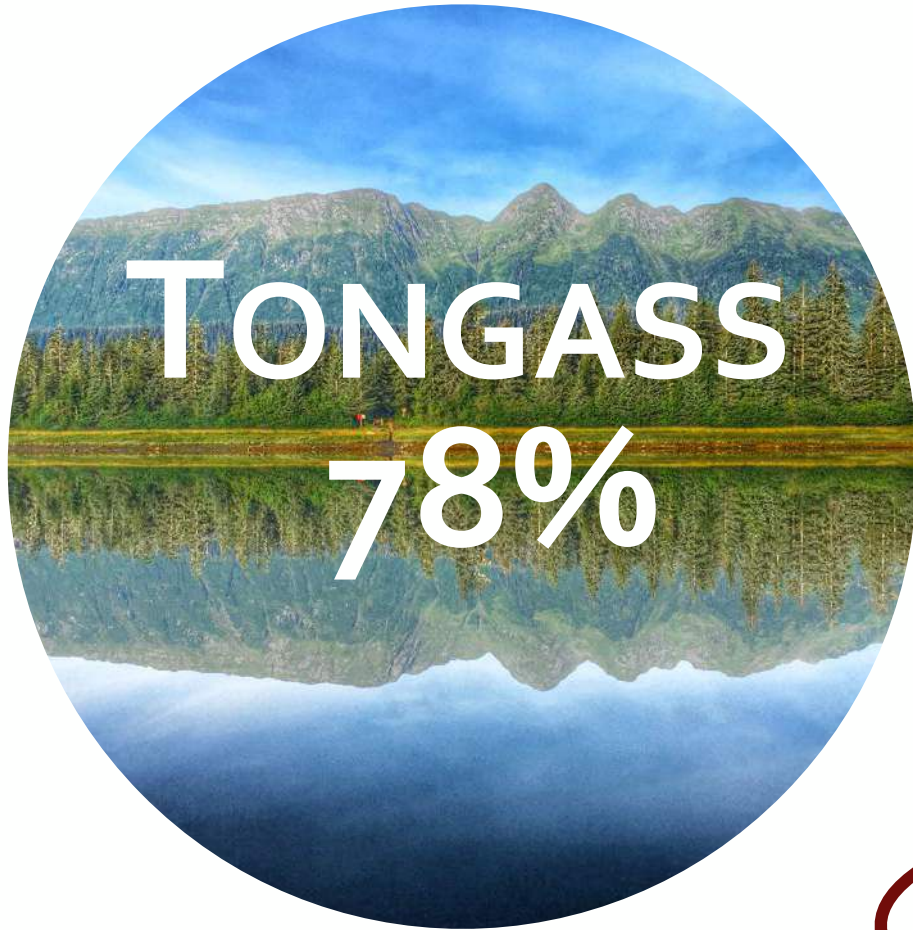
THE FEDERALLY-MANAGED
TONGASS MAKES UP NEARLY
4/5TH OF ALL SOUTHEAST

16% OTHER FEDERAL

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

Southeast Alaska Land Ownership

Circle size = Number of Acres



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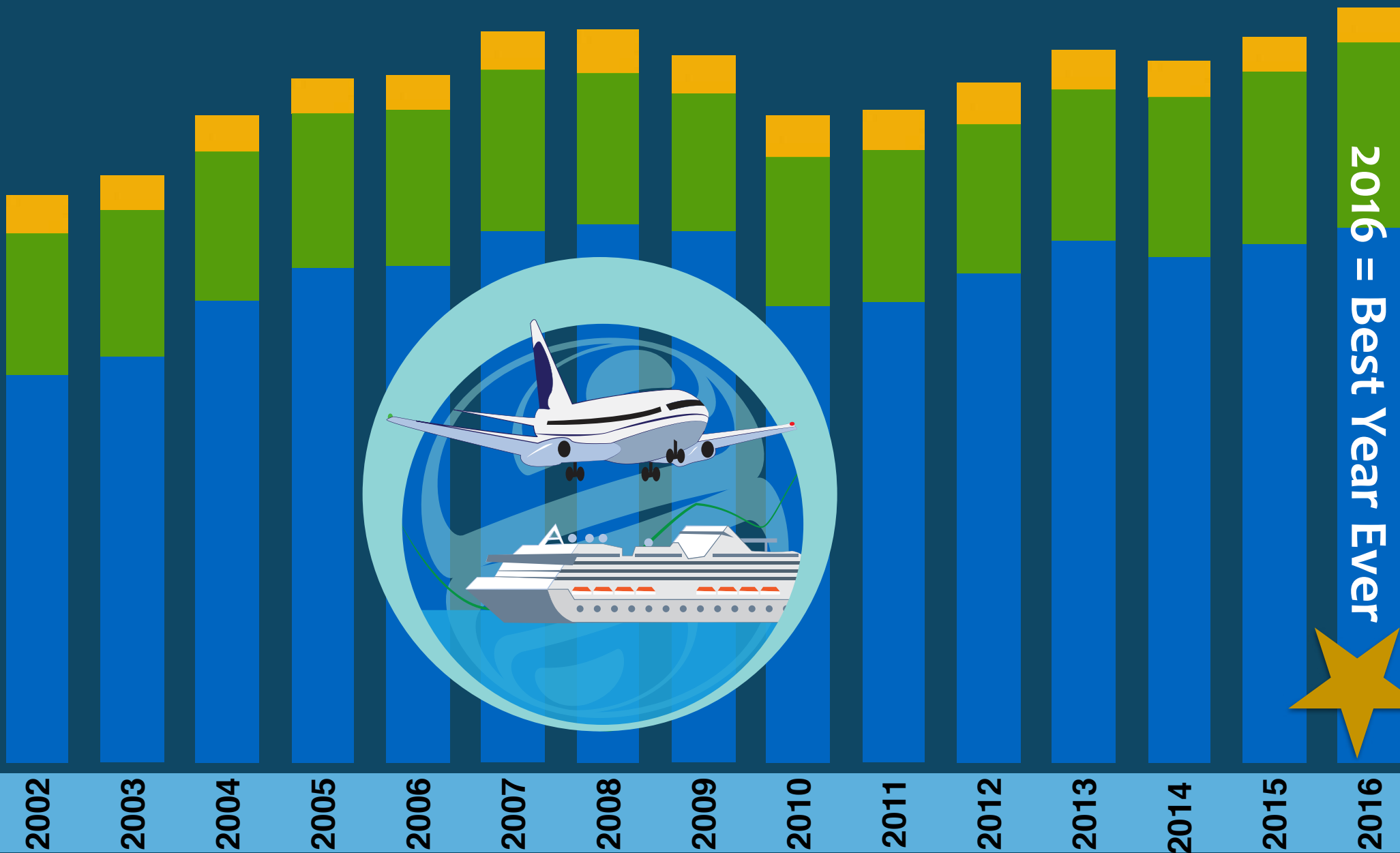


Visitor Industry 7,400 Jobs
UP 480 JOBS +7%

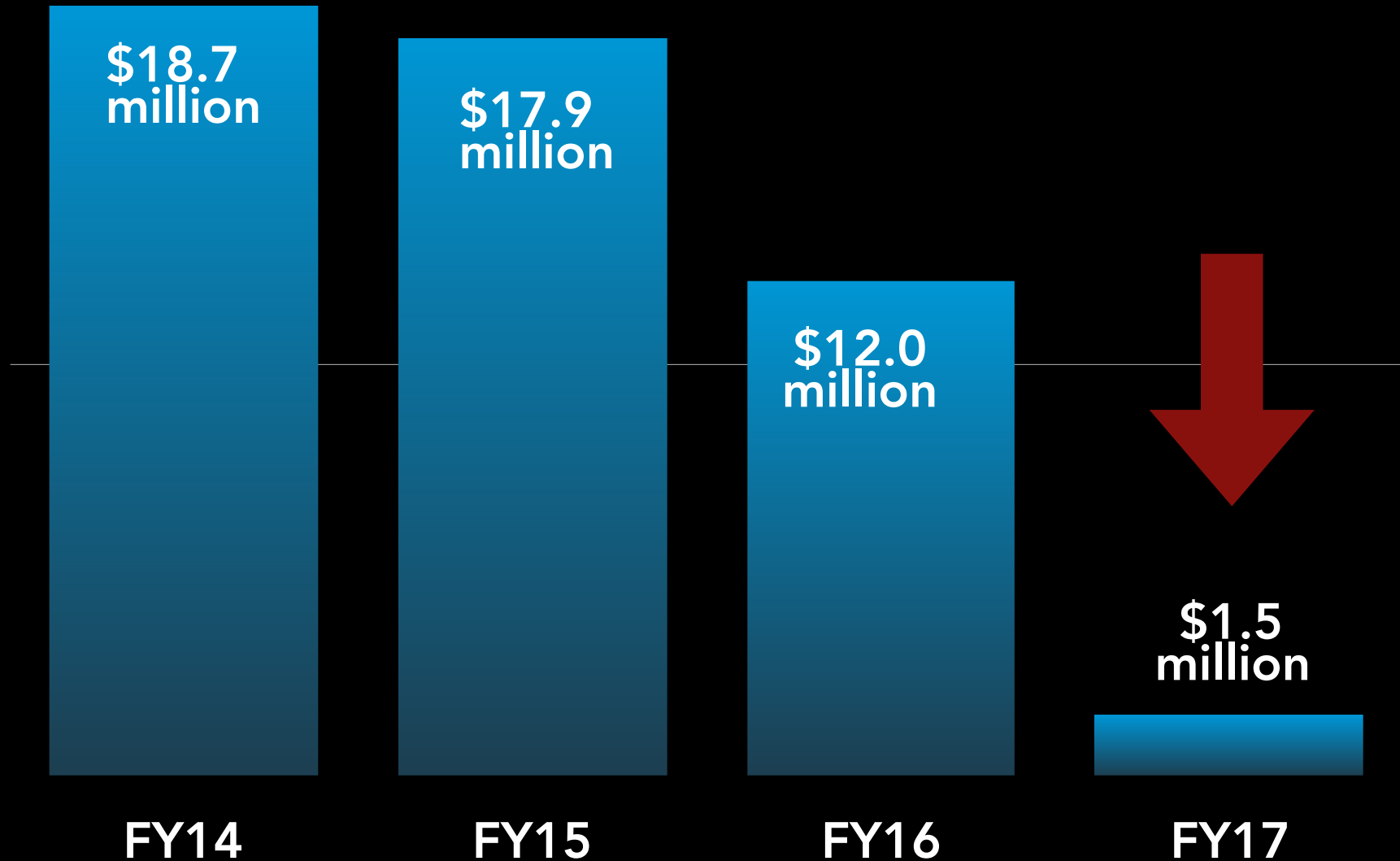


Total Arriving Passengers

■ Cruise ■ Air ■ Ferry

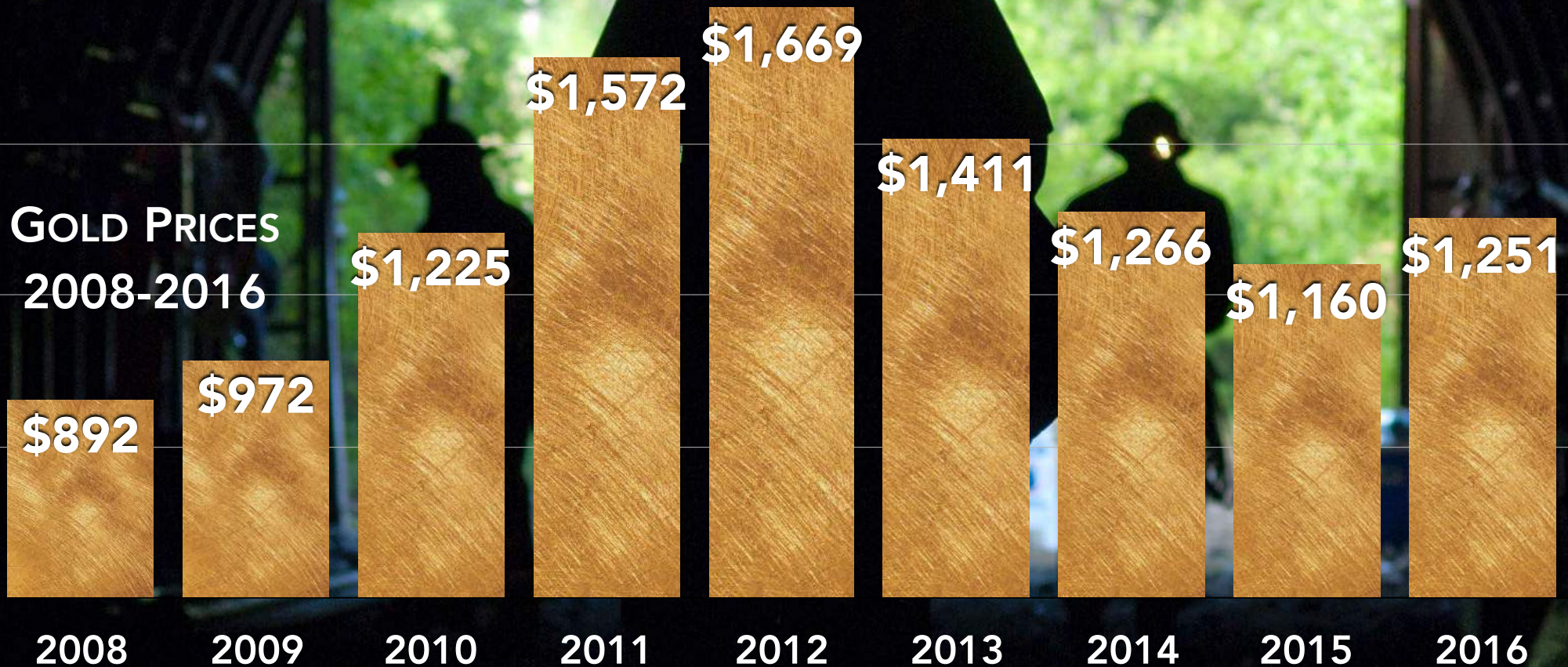


Alaska Tourism Marketing Budget



Mining Industry 800 Jobs UP 12 JOBS IN 2015 +2%

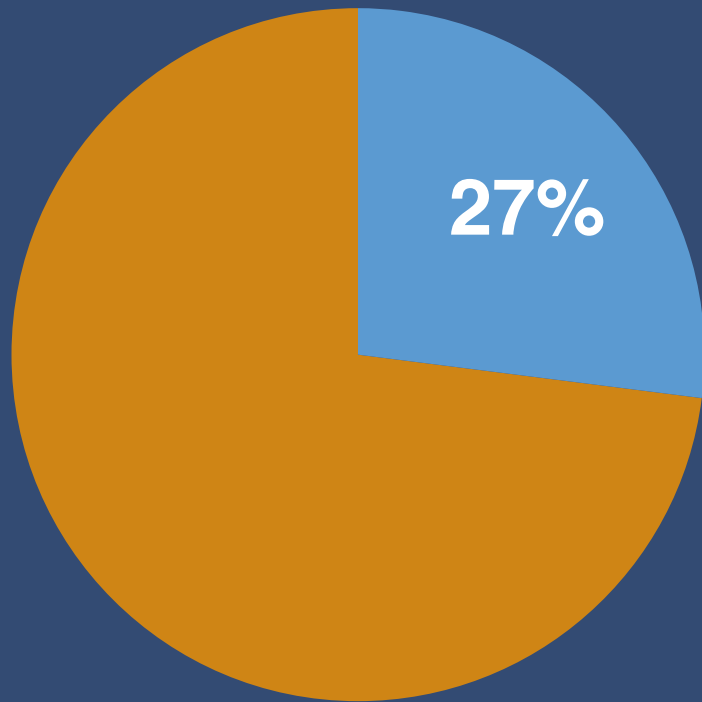
GOLD PRICES
2008-2016



The Blue Economy

Southeast Maritime

6,850 Jobs

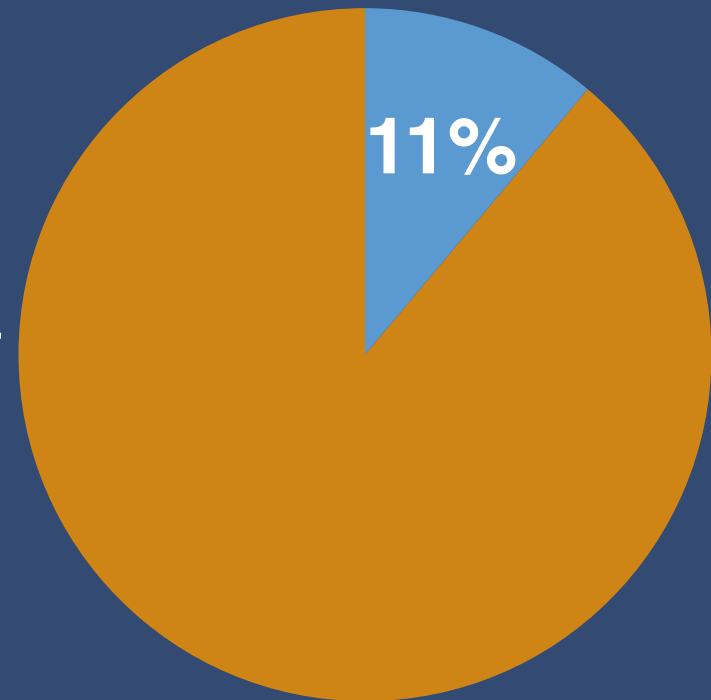


Maritime as a
% of all
private sector
earnings

Total Wages: \$400 Million

Alaska Maritime

29,000 Jobs



Total Wages: \$1.6 Billion

SOUTHEAST MARITIME: 6,850 Jobs



Fishing & Seafood
Jobs: 4,370



Marine Tourism
Jobs: 900



Marine Transportation
Jobs: 410



US Coast Guard
Jobs: 830



Ship Building, Repairs
Jobs: 280



Marine Construction
Jobs: 30

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**

Southeast Alaska 2020 Economic Plan

Southeast Conference's Comprehensive
Economic Development Strategy
2016-2020

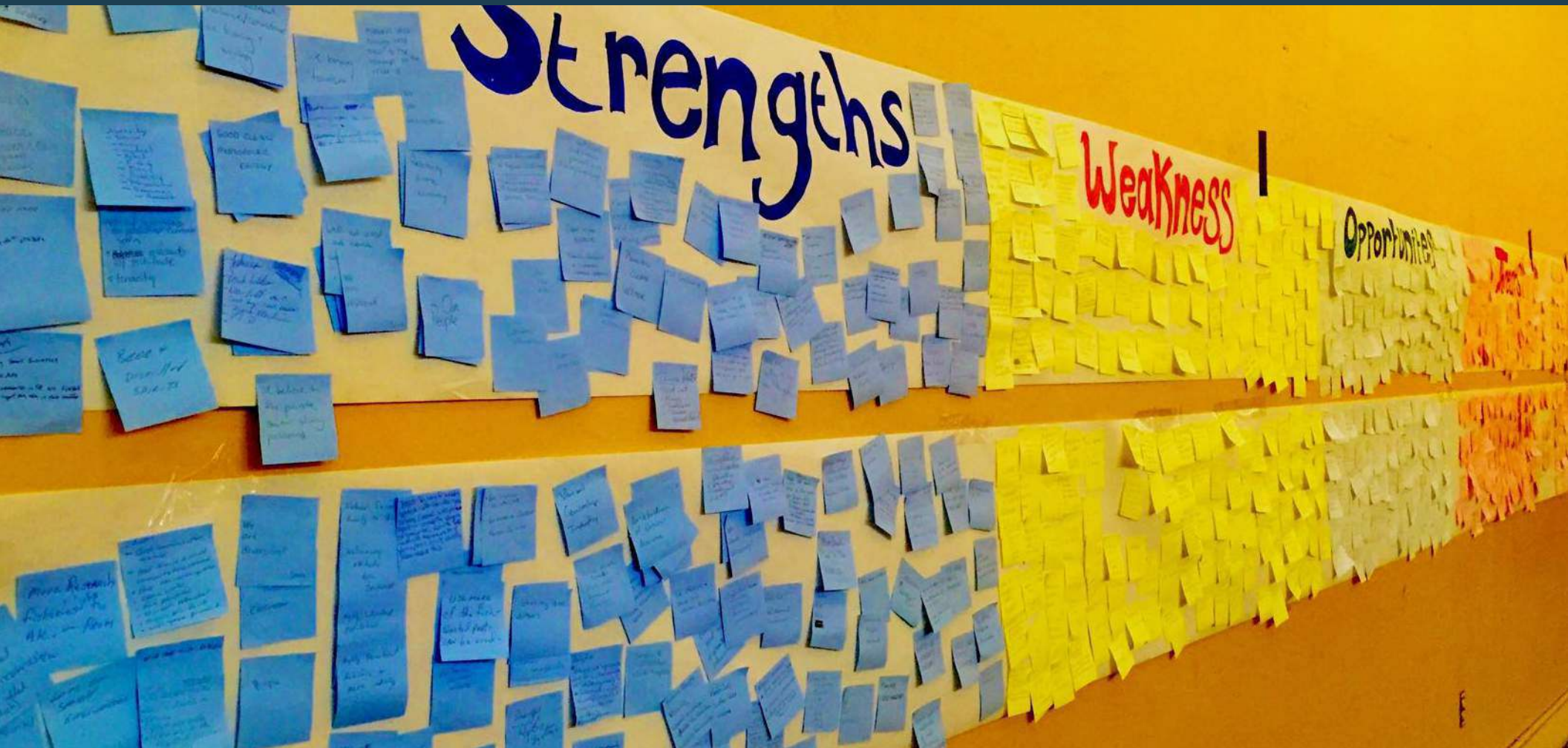


May 2016

Prepared by
Rain Coast Data



SWOT Analysis

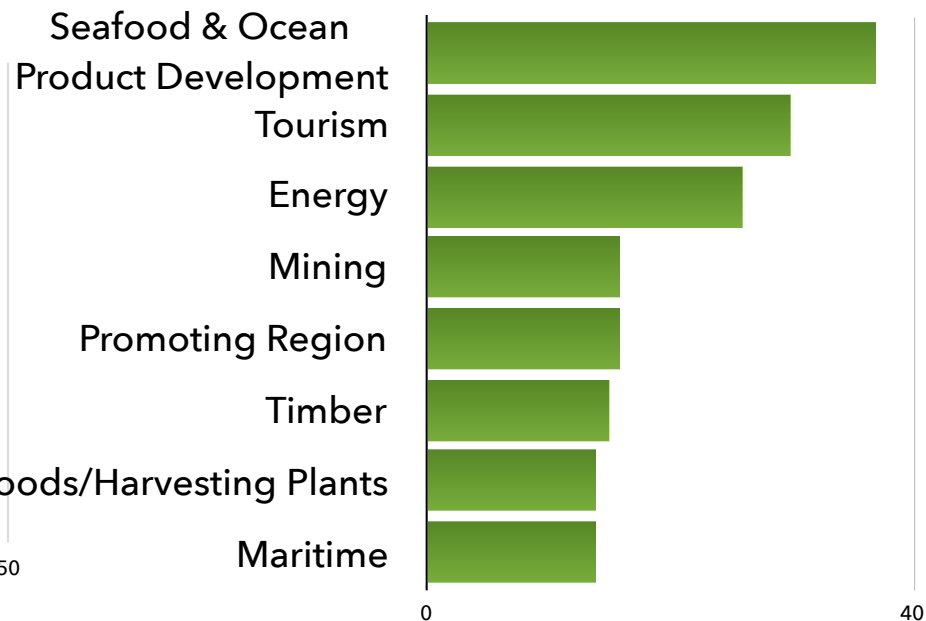


1,300 hand written comments

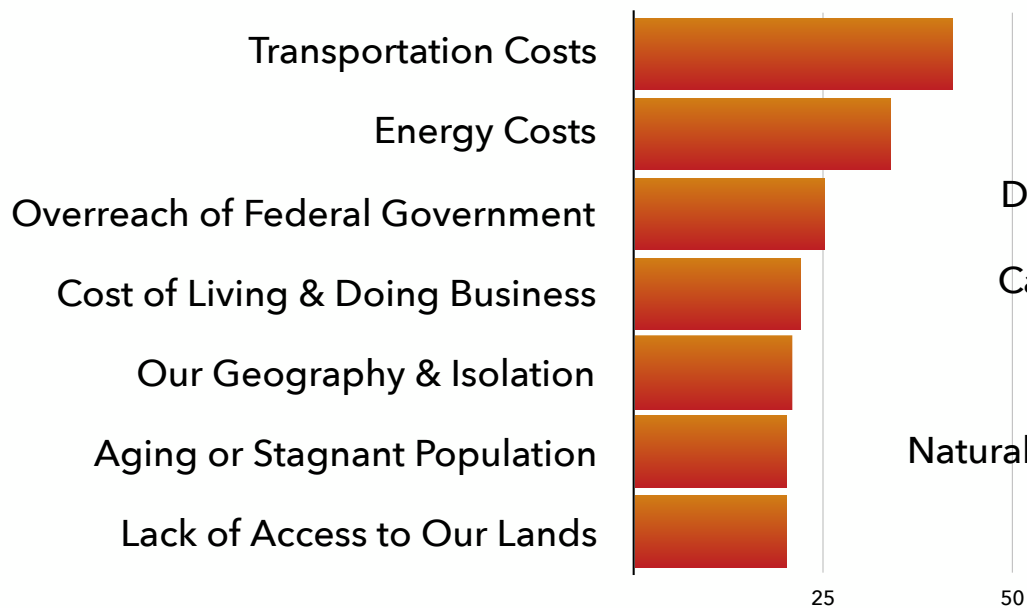
Strengths



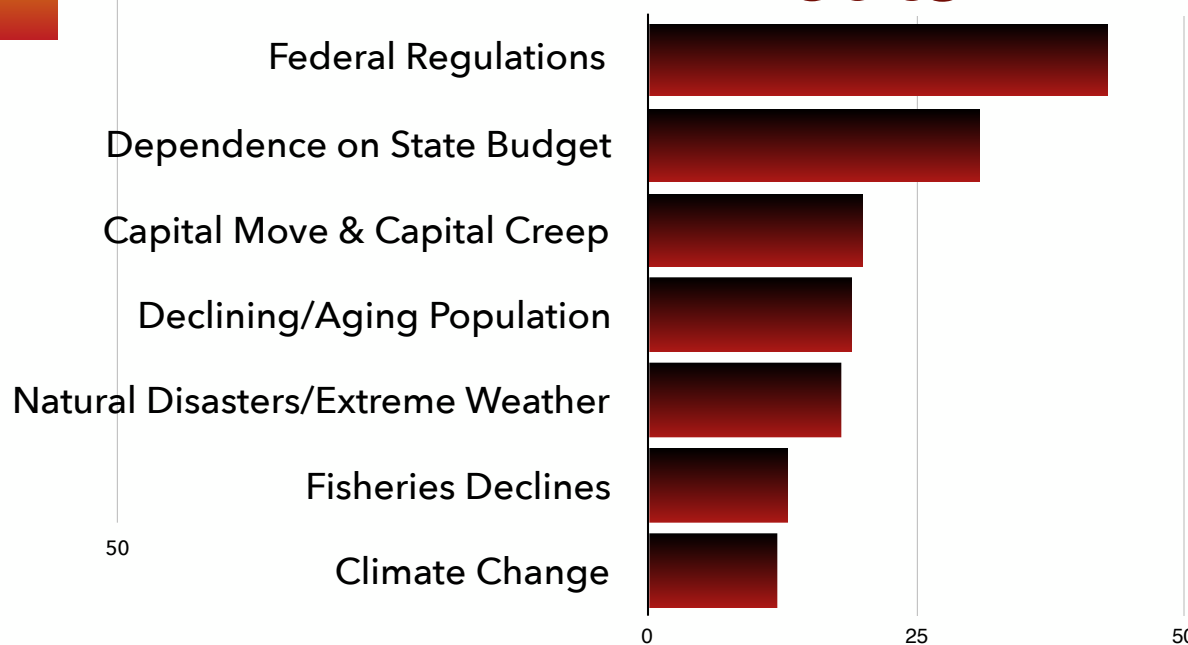
Opportunities



Weaknesses



Threats



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.

Energy



- Work with Federal and State Government to Promote Regional Energy Projects.
- Diesel Displacement.
- Support Community Efforts to Create Sustainable Power Systems That Provide Affordable/Renewable Energy.
- Complete Regional Hydrosite Evaluation for Southeast Alaska.

Maritime Maritime Industrial Support



- Maritime Industrial Support Sector Talent Pipeline: Maritime Workforce Development Plan.
- Increase Access to Capital for the Regional Maritime Industrial Support Sector.
- Harbor Improvements.
- Examine Arctic Exploration Opportunities That the Region as a Whole Can Provide.

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.

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.

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.

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.
- Attract Research Jobs.
- Research:** Attract Science and Research Jobs to Southeast Alaska.
- Cultural Wellness:** Support Development of Activities and Infrastructure That Promote Cultural Wellness.



8 Priority Objectives

**Maritime
Workforce
Development**

**Marine
Highway
Reform
Project**

**Energy
Legislation**

**Diesel
Displacement**

**Secure
Adequate
Timber
Supply**

**Market
Southeast
Alaska to
Visitors**

**Full
Seafood
Resource
Utilization**

**Alaska
Mariculture
Initiative**



AMHS Reform Project

An aerial photograph showing a large-scale construction project for a dam in a mountainous area. A massive yellow lattice boom crane is positioned on a circular concrete pad on the left side of the image. In the center, a large, curved concrete dam structure is under construction, with a smaller yellow crane visible on its upper part. The dam is situated in a valley with a dark blue lake behind it. The surrounding landscape is covered in dense green forest, and snow-capped mountains are visible in the background under a clear blue sky. The text "Promote Regional Energy Projects" is overlaid in white on the right side of the image.

Promote Regional Energy Projects

A close-up photograph of a hand holding a lit matchstick. The matchstick is held horizontally, with the flame at the left end. The flame is bright yellow and orange. The hand is on the right side of the frame. Below the matchstick is a large pile of unlit matchsticks, which are light brown and have a rough, textured surface. The background is dark and out of focus.

Diesel Displacement.



Maritime Workforce Development Implementation



Full Resource Utilization & Ocean Product Development

Mariculture Development



Market Southeast Alaska Visitor Opportunities



Secure an Adequate, Economic Timber Supply



Thank You



**SOUTHEAST
CONFERENCE**