

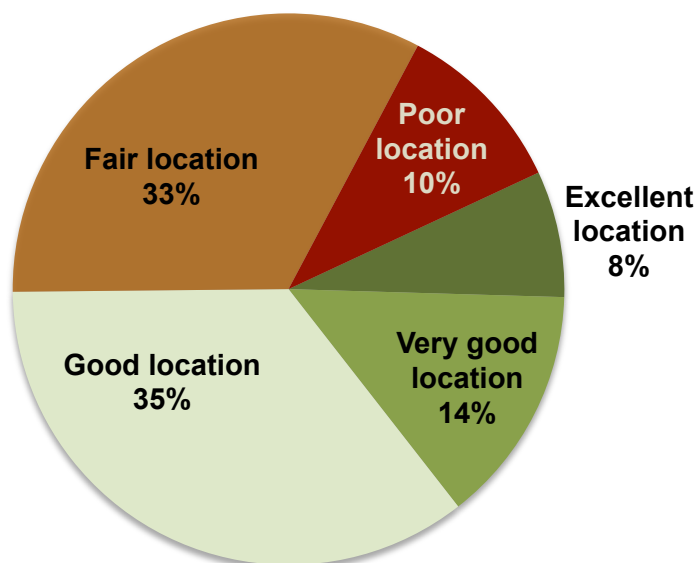
Southeast Business Climate Survey

Clusters Barriers and Benefits Analysis

JEDC conducted a Southeast Alaska Business Climate Survey in November of 2010 to gain better insight into elements Southeast Alaska business leaders believe benefit and hinder business success in the region. The survey was completed by 243 business leaders, representing every community in Southeast Alaska. (Non-business leaders were invited to take a shorter version of the survey).

Overall, 22% of business leaders feel that Southeast Alaska is a very good or excellent place for their business to succeed, while 43% called Southeast Alaska a fair or poor location.

How would you rate your region overall as a place for your business to succeed? N=243



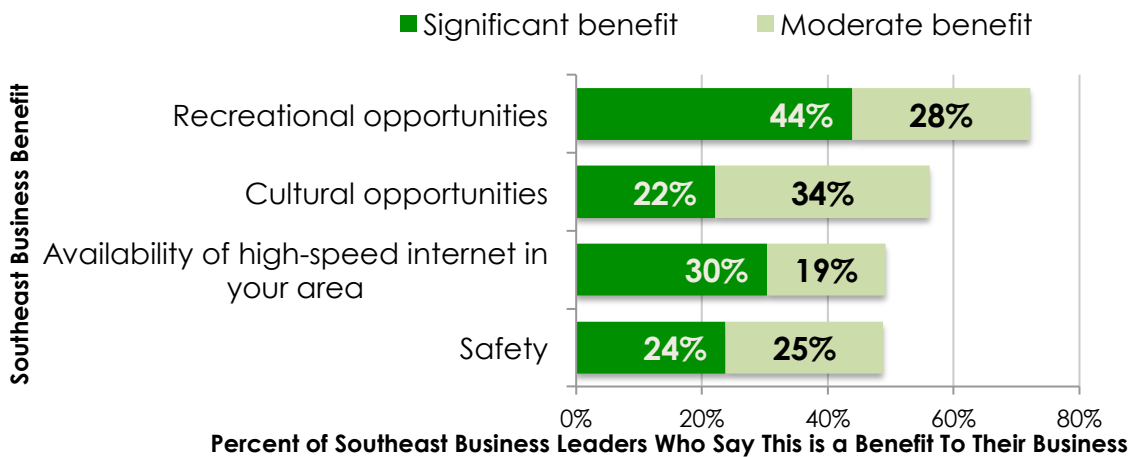
One section of the survey presented business leaders with 29 elements that are considered traditional barriers or benefits to business operations, and they were asked to ascribe the following ratings: Significant benefit, Moderate benefit, Not a barrier or benefit, Don't Know, Not Applicable, Moderate barrier, or Significant barrier.

Regional Business Benefits

Only four factors were rated as providing a higher net benefit than net barrier; three of these were related to quality of life: **the region's recreational**

opportunities, cultural opportunities, and safety. The fourth was **access to high speed internet.** Mostly highly rated was recreational opportunities—72% of business leaders feel recreation is a moderate or significant benefit to their business.

How significant are each of the elements listed below to operating your business in Southeast Alaska? Top Benefits N=243



Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

Regional Business Barriers

According to the region's business owners and top managers, some of the top barriers to business include the following:

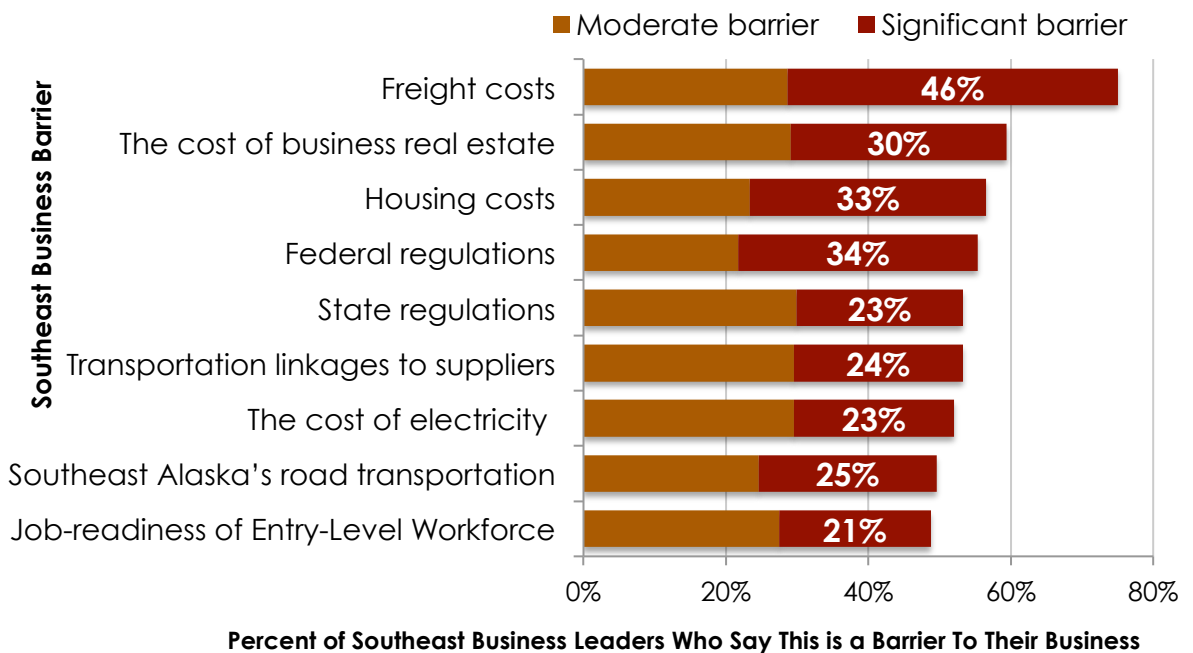
Freight Costs—75% of all business leaders surveyed call freight costs a moderate or significant barrier.

The High Price of Real Estate—both in terms of business real estate, deemed a barrier by 59% of respondents, and the high cost of housing for employees, which 56% say is a moderate or significant barrier.

Government Regulations—A third of the region's business leaders call Federal regulations a "significant" barrier to operating their business, while one quarter say the same about State regulations.

The High Price of Electricity—When the region was analyzed for non-Juneau respondents only, the cost of electricity emerged as the second major barrier to business, with 61% of those outside Juneau calling the cost of electricity a moderate or significant barrier.

How significant are each of the elements listed below to operating your business in Southeast Alaska? Top Barriers N=243



Source: "Southeast Alaska Business Climate Survey" December 2010, JEDC

Juneau Versus the Rest of the Region Analysis

We thought it would be interesting to see if there were major differences between Juneau business attitudes, and compare with the attitudes of those outside of Juneau. While the top business benefits are similar both in and out of Juneau, the only common business barrier shared by Juneau and the non-Juneau Southeast region is freight costs. This entire report can be found at jedc.org.

Juneau Versus the Rest of Southeast: Top Barriers

SE Region Without Juneau	Net barrier	Juneau Only	Net barrier
1. Freight costs	81%	1. Business real estate costs	70%
2. The cost of electricity	62%	2. Freight costs	70%
3. Transportation linkages to suppliers	54%	3. Housing costs	66%
4. State regulations	54%	4. Federal regulations	58%
5. Suppliers in Southeast Alaska for your business	54%	5. Southeast Alaska's road transportation	55%

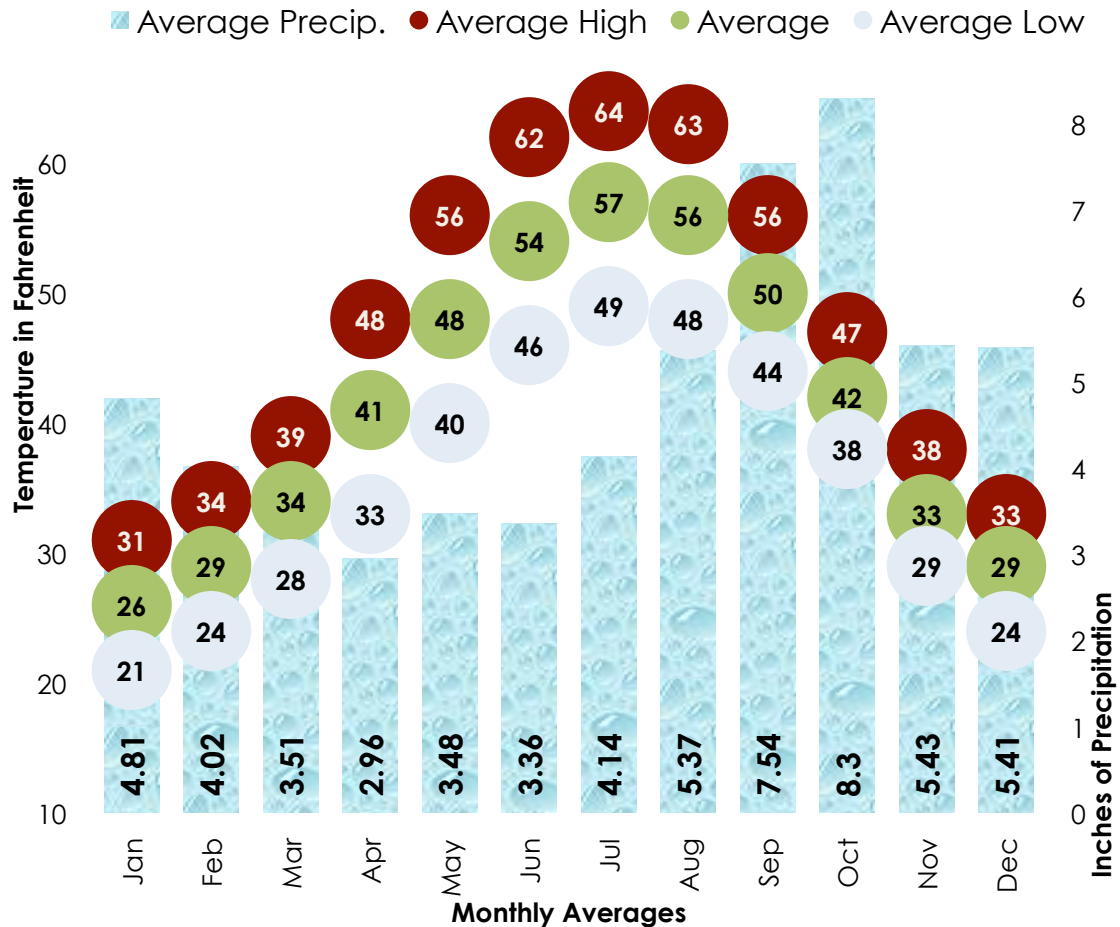
Juneau Versus the Rest of Southeast: Top Benefits

SE Region Without Juneau	Net benefit	Juneau Only	Net benefit
1. Recreational opportunities	73%	1. Recreational opportunities	72%
2. Cultural opportunities	55%	2. Cultural opportunities	58%
3. Availability of high-speed internet	47%	3. Safety	56%
4. Safety	42%	4. Availability of high-speed internet	51%
5. Southeast Alaska's marine transportation	40%	5. Availability of customers	33%

Bonus Indicator: Juneau Weather

Business were also asked if the local climate was a barrier or benefit. One third of respondents called Juneau's weather a moderate barrier, and 11% called Juneau's weather a "significant barrier" to doing business here.

Average Juneau Temperature by Month and Precipitation in Inches



Source: www.weather.com