

Appendix II – Southeast Alaska Community Overviews

The following community-by-community overview of Southeast Alaska is excerpted from the following document:

Alexander, S. J., E.B. Henderson, and R. Coleman. "Economic Analysis of Southeast Alaska: Envisioning a Sustainable Economy with Thriving Communities." Juneau, Alaska: Forest Service, Alaska Region Publication R10-MB-725, 2010. 15 Nov. 2010 pp. 86-91

Angoon

There is little economic activity in this community, leading to high unemployment (estimated at 60%+). Energy costs are \$.50+ kilowatt hour with a diesel power source. Population is trending downward: from 1990 – 630; 2000 – 572; to its current 2008 – 430 residents. This is a decrease of -25% from 2000 and a decrease of -32% from 1990. Last year, the governing school district considered closing the Angoon High School and sending its students to a regional boarding school in Sitka. Many residents fish commercially, but there is no local fish processor. There are also two tourist lodges of which one is a guided sport fish lodge. The cost of energy is the highest concern for local leadership in this predominantly Alaska Native village.

Coffman Cove

This community is one of several located on Prince of Wales Island. This is a former logging camp turned municipality looking to establish tourism and commercial fishing opportunities. Shellfish farming is a small but growing interest as well. While the population has not declined dramatically, it has diminished from 2000 (199 population) to its current 2009 population of 141. Enrollment at the local school is also challenged as they struggle to maintain the minimum 10 students as required by Alaska state law. Coffman Cove is also a northern terminal for the Prince of Wales Ferry System. That service was suspended for the winter months last fall due to lack of ridership. Local electricity is diesel-generated and therefore expensive.

Craig

The largest community on Prince of Wales Island, Craig's current population is 1117, down from the 2000 population of 1397 – a 20% decline. Historically, Craig has been a timber supply/support and commercial fishing economy. They have become more commercial fishing dependent, with the downturn in private and public land logging. Unlike other communities who are struggling with school enrollment, Craig had an increase in student population from 2000 (420 students) to present (723 students). Craig has successfully positioned itself as a central resource for the other communities on the island for supplies, retail, transportation, etc. Hydro-based electricity is provided through a private company. There was also a

recent investment to open a new fish processing facility here that will help the local economy into the future. Viking Lumber, situated between Klawock and Craig, continues to play a key role in the local economy.

Elfin Cove

This community is located on northern Chichagof Island, between Hoonah and Pelican. It is a highly seasonal community with 30 year round residents. The local economy is entirely commercial and guided sport fishing with supply businesses open for both sectors of the fishing economy. Because of the lack of students, the school closed in 1999 and any school age kids are homeschooled. They lack telecommunications, specifically internet and cell services. Their desire is for some sort of broadband service.

Gustavus

The gateway to Glacier Bay National Park, Gustavus is a seasonal community. Half of the employees work for the NPS and a majority of the rest of the residents work in the visitor industry. There are some commercial fishing permits, though no local fish processing done here. The seasonal population doubles the year round figure in this small town of 448 residents. Gustavus has many seasonal summer homes for residents of the nearby city of Juneau. Gustavus is completing an in-stream hydro system that will power their electric utility. Diesel generated power comes at a cost of over \$.50 per kilowatt hour to the businesses and residents.

Haines

Located on Upper Lynn Canal north of Juneau, this community relies on tourism, fishing, and limited timber/forest products as well as government jobs for economic stability. It is one of only two communities in the region (Skagway) with road connections out of the region. The electric generation is hydro based. 2000 population 2392; 2008 population – 2310. A very modest decrease. However, school district enrollment has declined dramatically since 1975, when 596 students were enrolled (when 2 sawmills and a fish processor operated). In 2000, 407 students were enrolled, and 304 in 2008 (-25% from 2000, -49% from 1975). The average age of the population in Haines is increasing as young families leave.

Hoonah

Fishing, tourism and government as well as timber are major employers in the economy of Hoonah, a primarily Alaska Native village. It is located across from Glacier Bay and is also located strategically on the way out to the commercial fishing grounds in the North Pacific Ocean. Diesel generated electric power means \$.50+ per kilowatt hour. With the downturn in the timber business, tourism has provided a recent boost to the local economy—however, these are seasonal jobs. The smallest of the three remaining sawmills is located here. There is also a small fish processor located here. With the cost of energy, the

community remains unstable. While population has remained stable, school enrollment has declined nearly 50% since 2000, from 236 to present-day 123.

Hydaburg

A predominant Alaska Native village, Hydaburg currently has 341 residents, down from 382 residents in 2000. School District enrollment in 2000 was 107 students and that declined to 66 students last year, a decline of 38%. The local employment is built around timber and commercial fishing, though the local ANCSA corporation suspended timber harvesting years ago. Employment is still found for the SE Stevedoring log transfer facility used by SEALASKA on a part time basis. Commercial fishermen conduct their business elsewhere as there is no processor in Hydaburg. Unemployment is at 31%.

Hyder

This small community sits on the US side of the US/Canada border, with a small population of 72 residents today, down from 97 residents in 2000. It is a small economy based primarily on the visitor industry, with visitors passing through via the periodic Alaska Marine Highway sailings. Residents would like to complete a port project that will allow for a potential increase in commerce, trade, and general tourism development.

Juneau

As the capitol of the state, Juneau is home to a substantial number of state jobs. It is also a central shopping source (retail and grocery) for many of the outlying rural remote villages in the northern panhandle of SE Alaska. Its electricity is hydro-based and affordable. With the cost of living continuing to climb in rural villages as well as the challenge for cost of living wage jobs in those rural villages, many residents do choose to move into Juneau. However, Juneau's population still experienced a decline from 2000 (30,711) to 2008 (30,427). This may indicate a quiet out-migration of the region's residents through Juneau. Juneau's private sector is driven by tourism (cruise passengers), mining (Green's Creek), and fishing. However, direct government jobs provide for about 45% of the employment in Juneau, especially given the State Legislature is also housed here in the state capitol.

Kake

This is a predominantly Alaska Native village that has a current population of 519, down from 2000 when it had 710 residents. (-27% decrease). This is reflected in school enrollment as well (2000 enrollment – 166 and 2009 enrollment – 93, a 44% decrease!). Government (local and school district) are the primary jobs. The ANCSA village corporation, Kake Tribal Corporation, is struggling financially. These financial issues impact not only the corporation's ability to employ the local populace, but also, at times, its ability to pay the city government sales tax revenue owed, as the single largest tax payer. Kake is also completely reliant on fossil fuel generated electric power. The community pays in excess of \$.50+ per kilowatt hour. The community is very supportive of the Petersburg to Kake intertie.

Kasaan

Located south of Thorne Bay on the east side of Prince of Wales Island, Kasaan is a small community of 54 residents, up from 30 residents in 2000. Local timber rights were sold by the village ANCSA corporation. There is no local economy. There are two commercial fishing permits held by local residents who presumably conduct their business elsewhere. There is a desire by the tribe and city to create an economy based on heritage and eco-tourism. Subsistence is a major part of the lifestyle in this community.

Ketchikan

Combining the population of the borough, the city, and Saxman, the overall population is 13,005. This is down 7% from the 2000 population of 14,006. The school district enrollment has decreased 19% over those same years, from 2598 down to 2126. Timber, tourism, commercial and guided sport fishing are the mainstays of the private sector. Ketchikan suffered a substantial economic blow when the pulp mill ceased operation in the mid 1990's. 450+ direct jobs and a payroll well in excess of \$20 million were taken out of the local economic circulation, leading to additional indirect job loss. Hydro-based generation provides inexpensive electric rates.

Klawock

This community is located on Prince of Wales Island, approximately six miles from Craig. It had its history in commercial fishing and fish processing but logging has become its primary economy in the recent decade. One of Southeast Alaska's largest remaining sawmills is located in Klawock – Viking Lumber. Native corporate timber harvesting also is an influence in this local economy. Population saw a modest decline from 2000 (854) to current year (785). School enrollment has declined 40% since 2000 (206 students to 125 today). A private company provides diesel and hydro-generated electricity, and as with other diesel-dependent communities, Klawock pays a much higher per kilowatt hour rate.

Metlakatla

This is the only federally recognized Indian reservation in Alaska. As the tribe, Metlakatla Indian Community owns and operates all utilities and manages its own natural resources. The economy has been severely depressed for an extended period of time. The loss of the major employer, the Annette Island Sawmill, coupled with the instability of the community-owned fish processing plant, leaves the community with a high unemployment rate of 20%. The tribe is working on small enterprises and also pursuing tourism development. There are approximately 40 commercial fishing permits owned by Metlakatla residents. Population has remained somewhat stable at 1318 current residents, down a bit from 1375 residents in 2000. School population has taken a severe drop, down 28% from 2000 (368 to current levels of 267).

Pelican

The community economy is premised in commercial fishing. The local seafood plant, owned by Kake Tribal, Inc. and leased to another business, has closed for two consecutive summer seasons. This loss is a major blow to the community. They do have a small hydro that helps with the cost of energy. Pelican is located in a remote location across from Glacier Bay, close to the open waters of the Pacific Ocean. Internet and cell service are poor. Year 2000 school enrollment was 33 students. Current year enrollment is at 14 students. Again, a decrease of over 50%, similar to Hoonah, and also geographically located on the northern end of Chichagof Island.

Petersburg

Historically, Petersburg has relied on fishing and timber supplying its local economic engine. There is a nominal visitor flow/traffic through Petersburg but nothing in the larger scale of cruise ship visits. With the timber economy rapidly diminishing, Petersburg is now primarily dependent on commercial fishing, and to a small degree guided sport fishing, for its economic health. Population has trended downward from 2000 – 3224 pop. to 2009 – 3009 pop. School enrollment is declining at a faster rate than the population. In 2000, enrollment was listed at 699 students. Today, enrollment is at 518, a decline of 25%. Petersburg has hydro-based electric generation and is involved in the regional push for connecting hydro systems together to sell power and to help smaller communities get off of diesel, where possible.

Port Alexander

This is a small, remote community of approximately 60 summer residents and 30-40 residents in the offseason. Summer commercial and guided sport fishing drive the local economy in this board walk community. No community electric generation and transmission system exists, though residents recently voted to begin moving toward this infrastructure. Currently, according to State of Alaska assessments, they rate out at \$1.00 per kilowatt hour using diesel to fire the individual generators used in the homes and the businesses. This community struggles to maintain the state minimum 10 student enrollment. Residents are interested in both small hydro and a regulatory-required upgrade for their water line.

Sitka

This community was home to a pulp mill that closed in 1993. 400+ jobs and a \$20 million payroll were taken out of the local economy. Today's economy heavily reliant on public sector jobs (local, state, federal jobs). Fishing (commercial and guided sport fish) and tourism are the primary private sectors of the economy. This is another community where the population has changed very little but is aging at higher than normal rates. It is also reflected in the school district enrollment. The year the mill closed, enrollment was at 1886 students. Today it is at approximately 1200 students. This reflects a decrease of -36%! Electric generation is hydro-based; however, the utility is at capacity and routinely burns diesel at peak load hours daily. Tourism and fisheries supply the sales tax revenue. This year, revenue dropped precipitously enough for the city to consider it a financial crisis.

Skagway

This community is heavily dependent on tourism (cruise industry) as its main source for business/jobs and for revenue for local government tax revenue. Over half of the business owners are not year round residents of Skagway. Population remains relatively stable, at 862 in 2000 and currently at 846. School enrollment for 2000 was 131 and in 2009 it is currently 89 – a 33% drop. Local leaders attribute this alarming decline to the closure of the year-round railroad operation of the White Pass-Yukon Railroad. Skagway's electric utility is privately owned and is a combination of hydro and diesel generation.

Tenakee Springs

This community is located between Juneau and Sitka, and is primarily a retirement/weekend vacation community. A guided sport fishing lodge provides essentially all the tax revenue for the local government and a number of year-round residents commercial fish, though there is no local commercial fish processing. The community-owned electric generation is diesel powered giving residents and businesses a \$.64 per kilowatt hour rate. Telecommunication is also relatively poor at the moment (internet, cell service). Residents use four wheelers on the single dirt road, but no vehicles, other than the city-owned fuel truck, are allowed into the community. The harbor is in need of better protection, especially during the winter storms. Unloading barged supplies is challenging. Last year, the community advertised for families with school age kids to move to the community in order to keep the school open. It worked. A family with five school age kids moved there, helping the school stay above the state mandated minimum of ten students. The community's primary stated need is for development of Indian River in-stream hydro, to provide cheaper, reliable hydro-based electricity and move away from diesel.

Thorne Bay

In the 1960's and 1970's, Thorne Bay was the largest sort yard/logging camp in North America. In 1982, it incorporated as a city. Today's local economy struggles with the downturn of the timber industry, as it is still timber-based with several small mill operators located in Thorne Bay. Population in 2000 was at 557 and today is listed at 440, a 21% decline. Unemployment is at 16%.

Wrangell

When the Wrangell Sawmill closed in the mid 1990s, this community lost one of its primary employers. The community has struggled since. Population trends continue downward at a nominal pace, from 2000 - 2308 population to 2008 – 2112. However, school district enrollment is down 39% since 2000 (505 students to 312 this year). With no mill operating and local fish processors struggling, out-migration of families

continues. As with many other communities, the population is aging and the younger families with school age children continue to leave in search of stability. Source of electric generation power is hydro.

Yakutat

This community is located at the northern most edge of the Tongass. It is essentially "in the middle of nowhere," with poor telecommunications (dial up internet, no cell services, and regular phone service is poor), extremely limited ferry service, and diesel generated electricity (\$.50+ per kilowatt hour). Yakutat's 2000 population was 808. Its 2008 population was 590 (- 27%). School enrollment has a sharp decline from 2000 – 160 to 2008 – 106 students (-34%). Fishing is their core economic engine and it is supplanted, for families, with subsistence taking of fish and game. A unique challenge is that of Hubbard Glacier as it relates to local fishing industry. The glacier advancement, at times, will cut off the fish runs and fish migrate to streams further away from Yakutat to spawn in. This causes a great challenge for the one private economic engine in Yakutat – commercial fishing. It is primarily an Alaska Native population.