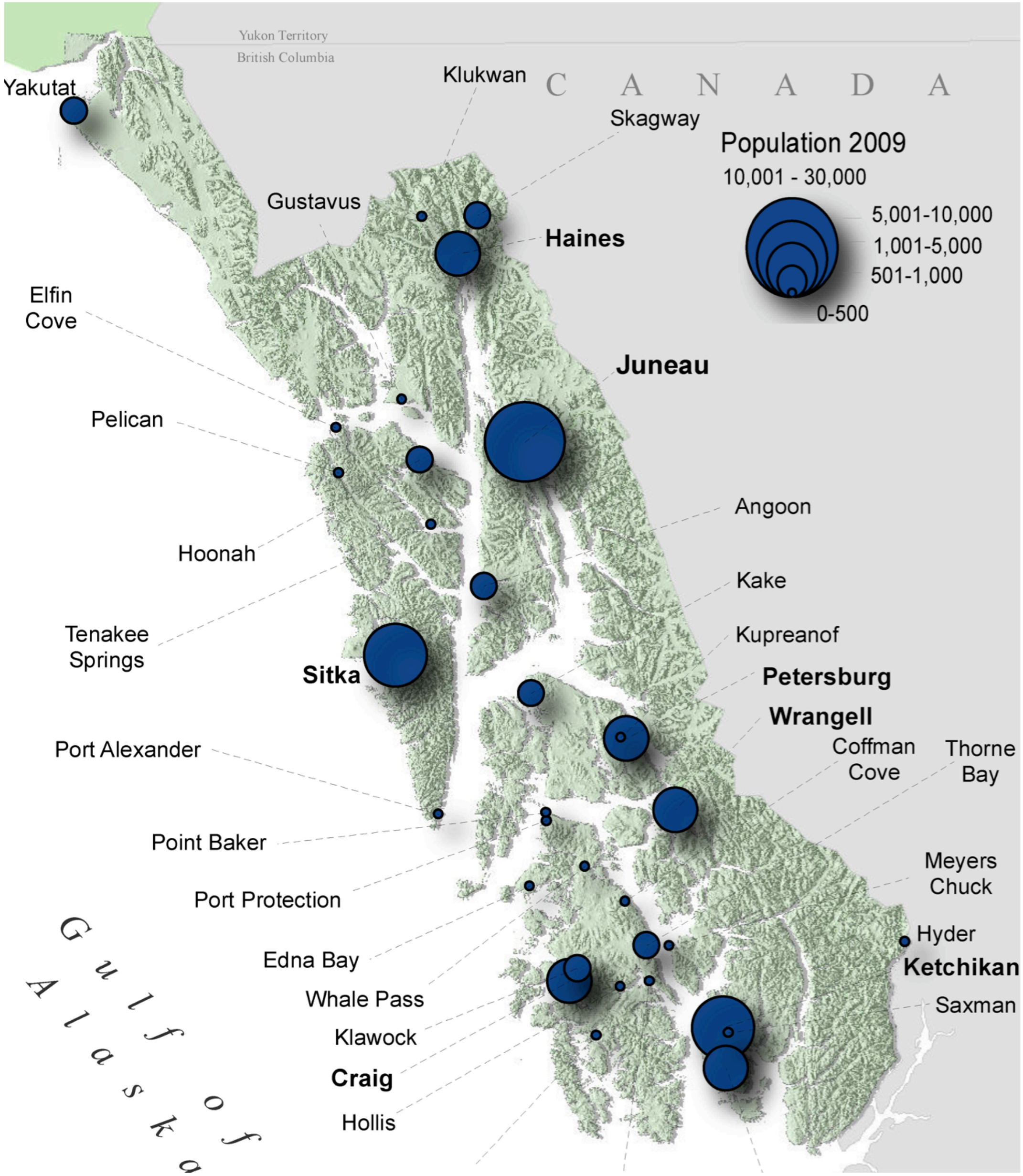
Southeast Alaska Economic Asset Map

Phase I of the Southeast Alaska Cluster Initiative



Prepared for:

The USDA Forest Service
Contract Number AG-0116-C-10-0067

Prepared by:

The Juneau Economic Development Council
In Cooperation with Southeast Conference, Sheinberg Associates, Alaska Map Co., Ted Lyman, & Brian Kelsey

Project Background

- Last fall USDA Forest Service and Rural Development held a series of "listening sessions" to hear how Department of Agriculture agencies could help improve the Southeast Alaska regional economies.
- August 2010 the US Forest Service put out a Request for Proposals for

  1) A Southeast Alaska Asset Map

  2) Regional Strategic Plan
- October 2010, the Juneau Economic Development Council led partnership was awarded the contract.
- December 2010, JEDC partnership delivered the Asset Map.

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Project Team

- Juneau Economic Development Council, lead
- Southeast Conference – strong collaborative regional network
- Sheinberg Associates – regional planning and facilitation expert
- Alaska Map Company – statewide GIS specialist
- Brian Kelsey – leading national expert on asset mapping
- Ted Lyman – award winning international consultant in cluster development

JEDC Team's Approach to Work

- Regional collaboration.

  Project will engage businesses, trade organizations, no-profits, local and tribal governments, industry and environmental organizations, Native corporations, local and regional economic development groups, state and federal agencies, labor groups, workforce development agencies, UAS, and members of the public

- Focus on action oriented initiatives.

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Asset Mapping

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Asset Mapping, What is it?

- From the Council on Competitiveness:
  - A process that will provide Leaders with an **inventory of key resources** that can be utilized in a development effort.
  - A comprehensive asset mapping initiative will provide a deep understanding of the **key networks and cultural attitudes** that shape the regional economy, **indicate gap areas** that require further investment, and **provide a baseline** by which to judge future progress toward *regional prosperity*.

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Regional Prosperity

Research by the Council on Competitiveness notes that, in the face of growing global competition, the only sustainable advantage for U.S. regions is continuous innovation. Innovation is the process by which individuals, companies, regions and even entire countries remake themselves in the face of changing markets. It is the driver of productivity growth and, ultimately, of a rising standard of living.

--The Council on Competitiveness, www.compete.org

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Global Economy Drivers are Changing

ISSUE	OLD	NEW
Markets	Stable	Dynamic
Scope of Competition	National	Global
Organization Form	Hierarchical	Networked
Production System	Mass production	Flexible production
Key Factor of Production	Capital/labor	Innovation/ideas
Key Technology Driver	Mechanization	Digitization
Competitive Platform	Economies of scale	Innovation/quality
Skills	Go it alone	Collaborative
Workforce	Job-specific Organization	Broad and changing

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How Would SE AK Stack Up?

ISSUE	New Economy	SE Alaska Currently
Markets	Dynamic	Seafood, Tourism, Mining, Government
Scope of Competition	Globally	You can only get "Alaskan" from Alaska
Organization Form	Networked	Geographically separated silos
Production System	Flexible production	Not a core competency
Key Factor of Production	Innovation/ideas	Need business incubators, R & D
Key Technology Driver	Digitization	Need to complete Internet in SE
Competitive Platform	Innovation/quality	Unknown potential, need to assess
Skills	Collaborative	Need to create a collaborative network
Workforce	Broad & changing	Losing population; Very static needs for most core markets

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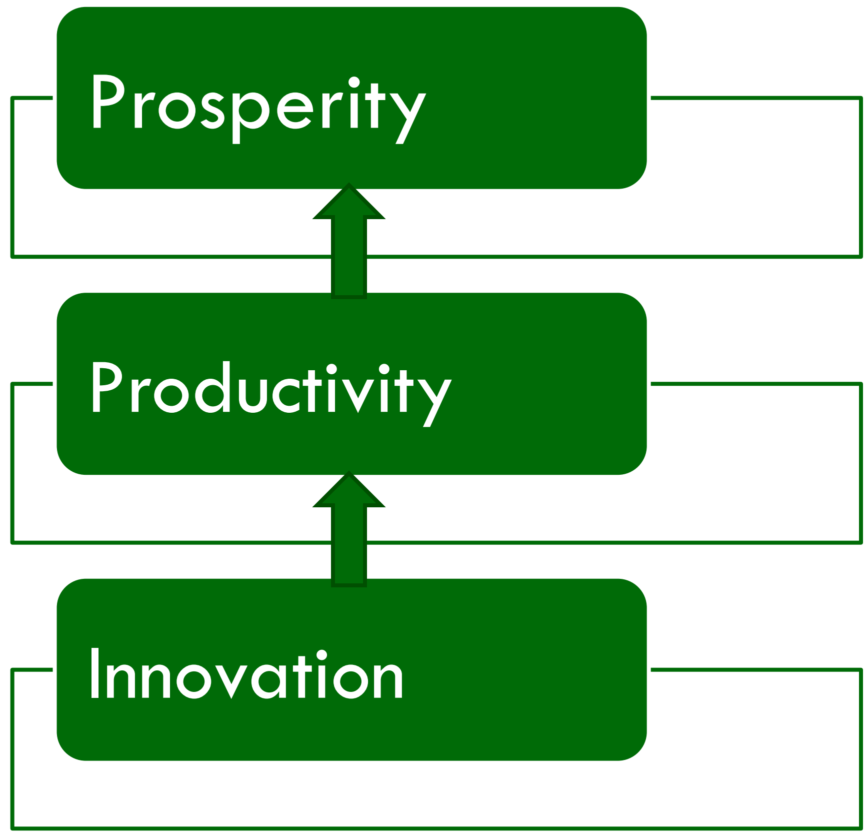
Innovation Based Regional Economic Development Model

Econon Dev is Changing

- Old School-Tax incentives and community "give aways" to attract and expand businesses
- New School & Best Practices-Businesses are attracted to communities with innovative ideas and the talent to implement

Innovation Based Model



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Regional Innovation Inputs

Networks

Industry Associations

Business Assistance Centers

Reg. Econ. Dev Partnership

Angel Capital Networks

Univ. R&D Partnering

Workforce Development

Formal and Informal

Ties

Culture

Appreciation for diverse views and backgrounds

Willingness to collaborate

Knowledge Based

Understanding and appreciation for the entrepreneurial process

Assets

Human Capital

R & D Institutions

Financial Capital

Industrial Base

Physical Infrastructure

Legal and Regulatory Environment

Quality of Life

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Regional Innovation Outputs

Innovation → Productivity → Prosperity

Innovation

- Creates Competitive Advantage
- Allows Premium Pricing
- Results in Global Market Share

Productivity

- Determines Standard of Living in the Region
- Sets Region's per Capita Income
- Key activity is to Sustain Productivity Growth

Prosperity

- Measured by job growth, per capita income, median household income, & poverty levels

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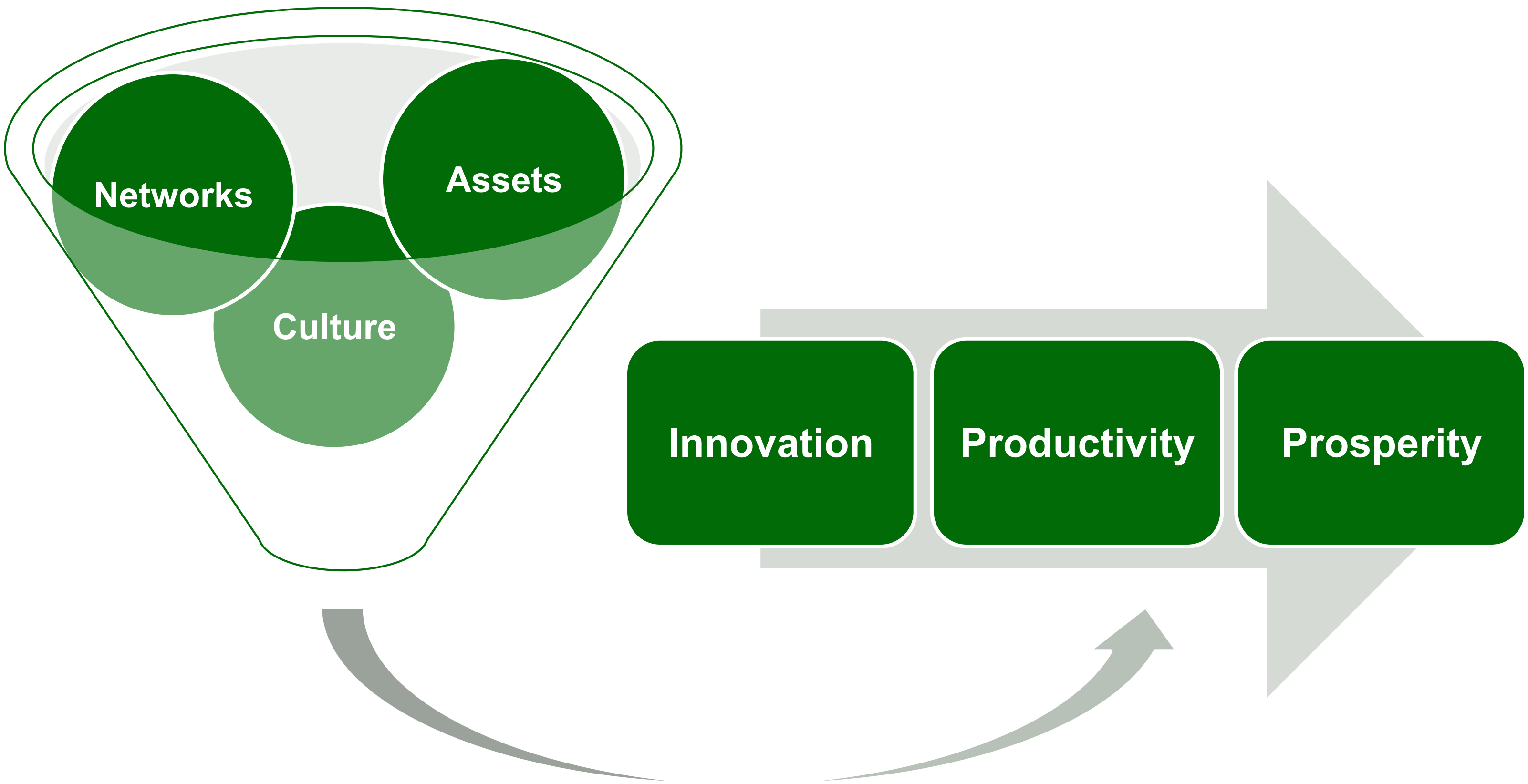
Regional Innovation Model



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Asset Mapping Is the First Step Towards An Innovative Regional Economy

Regional economic development team compiles a dynamic database that lists tangible and intangible regional assets.

- Database content:
  - Identifies transportation, communication and energy transmission infrastructure
  - Identifies business, education, research, development and financial assets
  - Measures economic metrics and workforce capital
- Business, community and executive leadership survey:
  - Identifies perspectives and trends in regional business climate
  - Identifies underlying business culture

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Asset Mapping Is the First Step Towards An Innovative Regional Economy

Conducting an assessment of the region's ability to innovate is the 1st step:

- Comparative Data Analysis
  - Reviewing previous economic reports
  - Public data published for each community
- Regional Business Survey
  - Targeted to private sector respondents
  - Regional business environment & innovation networks
  - Regional economic beliefs & attitudes=culture

Asset Mapping Is the First Step Towards An Innovative Regional Economy

- **Community Leadership Interviews** **(Business, Tribal, Government, Non-Profit, Education….)**
  - What are the business needs in your area?
  - How are trends affecting your products & services?
  - New opportunities?
  - What new businesses are emerging? Which are struggling?
  - How are you identifying innovative business opportunities?
  - Explore and confirm survey results and priorities for action.

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Asset Map

- Addresses:
  - What assets (human, intellectual, financial, physical, institutional capital) do we have?
  - What are the gaps?
  - Role of networks and cultural attitudes?
- Identifies:
  - Existing and emerging regional linkages and connectivity
  - Labor market needs and employment concentration
  - Clusters of economic activity
- Provides:
  - Baseline to judge future progress
  - Base for strategic planning phase of project

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Asset Map, Main Tasks

- Collect data from public sources
  - Review existing studies, reports, media stories, and economic development marketing materials for the region
- Conduct one-on-one executive interviews with regional business leaders
- Conduct regional business climate survey
- Identify industry clusters

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Data Sources (preliminary)

- Alaska Department of Labor and Workforce Development, Research & Analysis
- Alaska Department of Fish and Game
- Alaska Department of Education and Early Development
- Alaska Department of Natural Resources
- Alaska Department of Transportation
- Federal Aviation Administration
- US Census Bureau
- US Dept. of the Interior Bureau of Land Management
- US Forest Service

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Level 1 Asset Identification

- Review of basic public data
- Review previous regional reports
- Input from regional team members and regional partners

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Level 2 Basic Evaluation of Assets

- Continue collecting, analyzing, and evaluating data
  - Collecting remaining data
  - Reviewing data for completeness
  - Analyzing and evaluating data
- Conduct one-on-one interviews to fill in gaps
  - Drafted survey questions

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Level 3 Comprehensive Assessment

- Conduct a regional business climate survey
- Conduct additional interviews
- Obtain a deeper understanding of the factors that drive the regional economy
  - Local leaders' perspectives
  - Linkages between regional assets
  - Underlying business culture
  - Obtain a deeper understanding of the factors that drive the regional economy

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Review and Dissemination

- Finalize asset mapping database
- Work with asset mapping committee to identify communication mediums—i.e. website, report, media, blogs, public meetings, etc.
- Start telling the story

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Organize the Mapping Process

- Assembling the Project Team
- Project Scoping and Goal Setting
- Review Project Timeline

Weeks 1–8	Weeks 9–12	Weeks 13–20	Weeks 21–24	Ongoing
• Create the Project Team • Project Scoping and Goal Setting • Level 1: Asset Identification	• Level 2: Basic Evaluation - Data collection - Interviews	• Level 3: Comprehensive Assessment - Additional Interviews - Business Survey - Evaluation and synthesis of Level 2 and 3 research	• Document the Asset Mapping Results • Circulate the Draft Report for Review by Stakeholders	• Disseminate Asset Mapping Reports • Update Asset Mapping Results Periodically • Launch Action Initiatives

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Presentation of Data

- What do we do with data?
- How do we present it?
  - Maps
  - Charts
  - Tables

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Southeast Alaska By the Numbers, 2009

	2009	2008	% Change from 2008
SE Employment and Wages			
Total Employment	**36,209**	**37,035**	**↓ -2.2%**
Total Private Sector Employment	22,914	23,836	↓ -3.9%
Total Payroll	**$1.437 billion**	**$1.425 billion**	↑ 0.8%
Total Private Sector Payroll	$795.4 million	$804.1 million	↓ -1.1%
Average Wage	**$39,698**	**$38,463**	**↑ 3.2%**
Median Household Income	$64,005	$61,716	↑ 3.7%
Unemployment	**8.4%**	**6.8%**	**↑ 1.6% pts**
SE Demographics			
Population	**69,338**	**69,163**	**↑ 0.3%**
Median Age	**39.3**	**39.1**	↑ 0.5%
Southeast Schools			
K-12 School District Enrollment	**11,438**	**11,421**	**↑ 0.1%**
University of Alaska Southeast Enrollment	**3,834**	**3,600**	**↑ 6.5%**
SE Commercial Seafood Industry			
SE Pounds Landed (all commercial pounds)	**282.9 million**	**231.1 million**	**↑ 22%**
Ex-Vessel Value	**$234.1 million**	**$284.0 million**	**↓ -18%**
Fishermen and Crew (SE Residents)	**4,674**	**4,663**	**↑ 0.2%**
Selected SE Industry Employment			
Mining	**413**	**432**	**↓ -4%**
Logging and Wood Manufacturing	**214**	**259**	**↓ -17%**
Southeast Transportation			
Airline Passenger Arrivals	**574,114**	**627,492**	**↓ -8.5%**
Air Freight Arrival	**30.5 million lbs**	**32.1 million lbs**	**↓ -5.0%**
Cruise Passenger Arrivals	**1,018,700**	**1,032,300**	**↓ -1.3%**

Southeast Alaska Land Ownership

94.6 percent federal

- 80 percent is the Tongass National Forest (16,800,000)
- 15 percent Glacier Bay National Park and Preserve (3,283,000 acres)

2.7 percent Native corporations

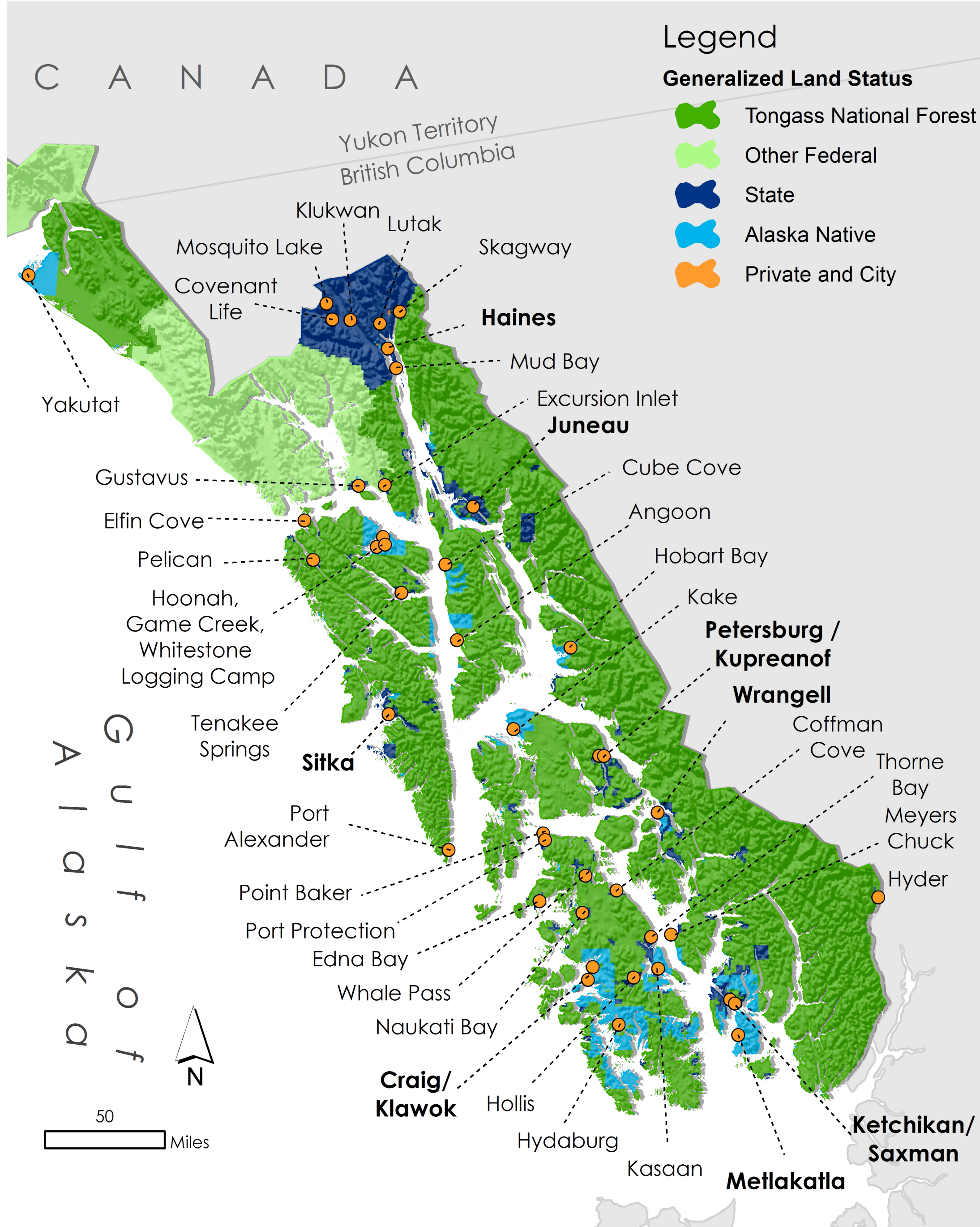
- (280,000 acres village/urban; 290,000 Sealaska)

2.4 percent State & Mental Health Trust

- (296,000 State, 196,000 MHT - This figure includes Mental Health Trust land and mineral rights)

Less than 1 percent

- private and municipal land holdings



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Results from Business Climate Survey

- Surveying took place from November 2nd through December 1st.
- The survey was completed by 309 individuals, including 243 Southeast Alaska business owners and top managers.
- Business owners and operators from every community in Southeast Alaska responded to the survey.

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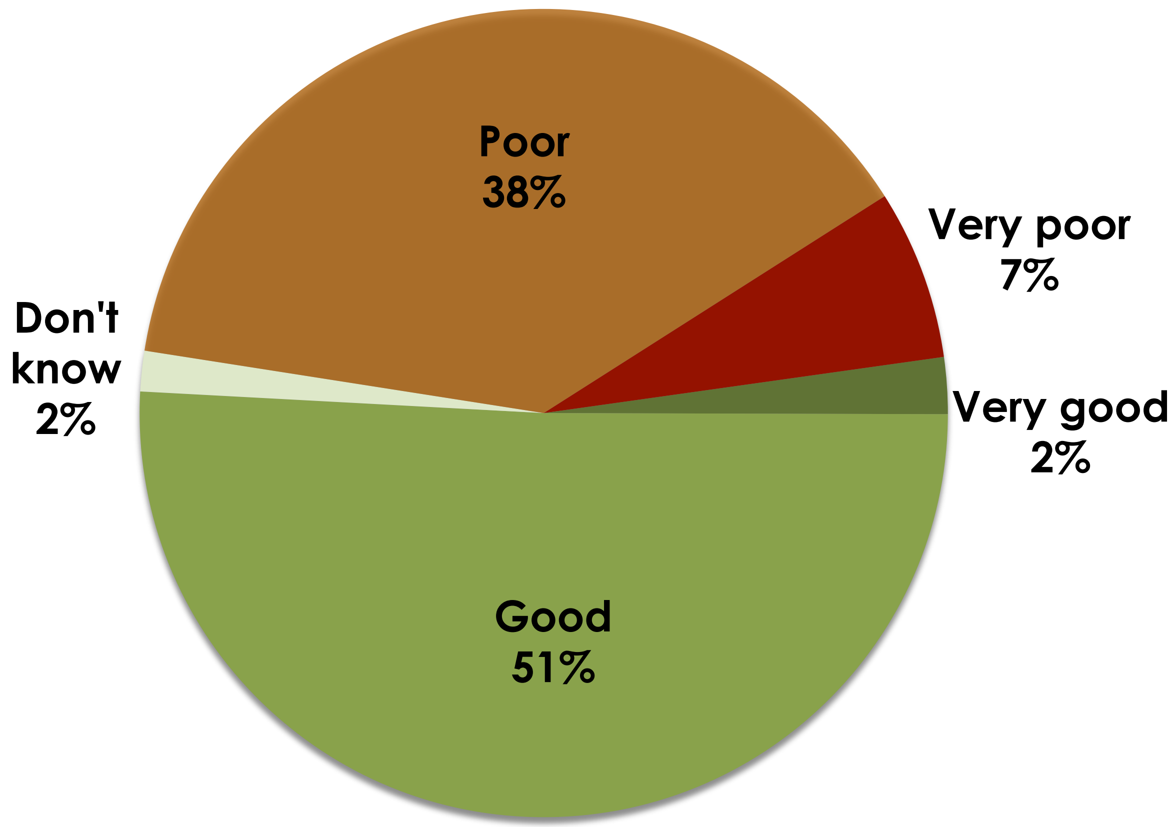
How do you view the overall business climate in Southeast Alaska?



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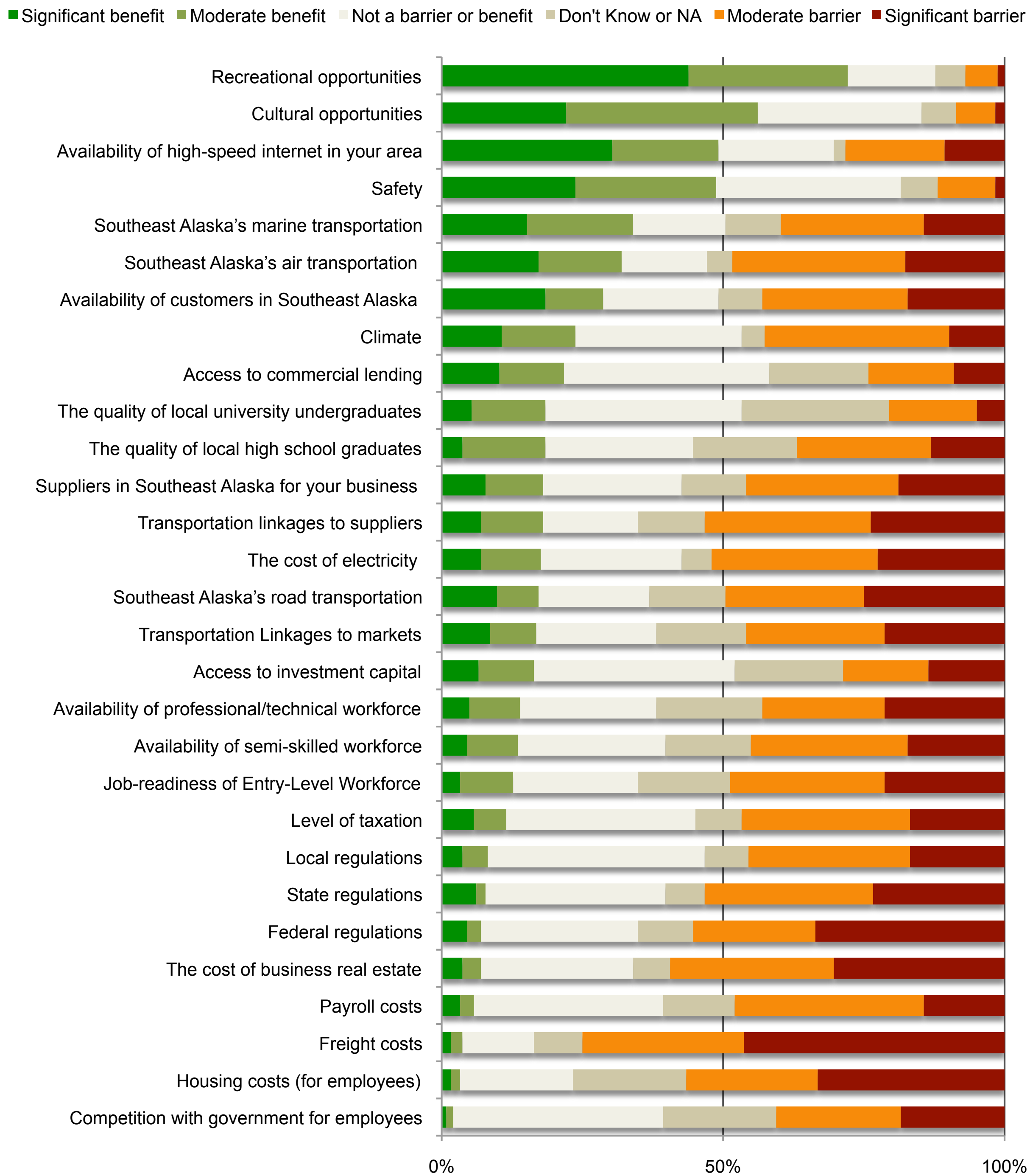
How significant are each of the elements listed below to operating your business in Southeast Alaska?



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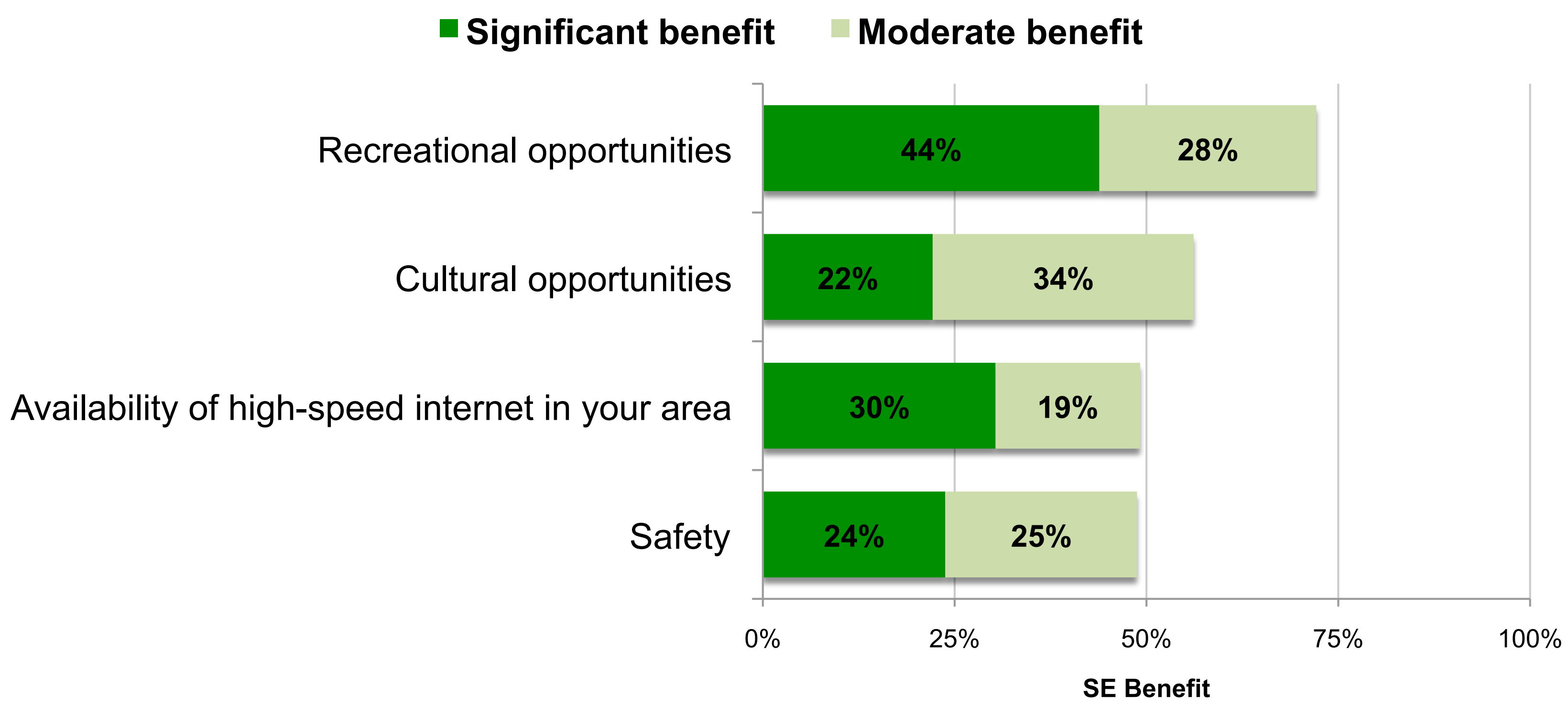
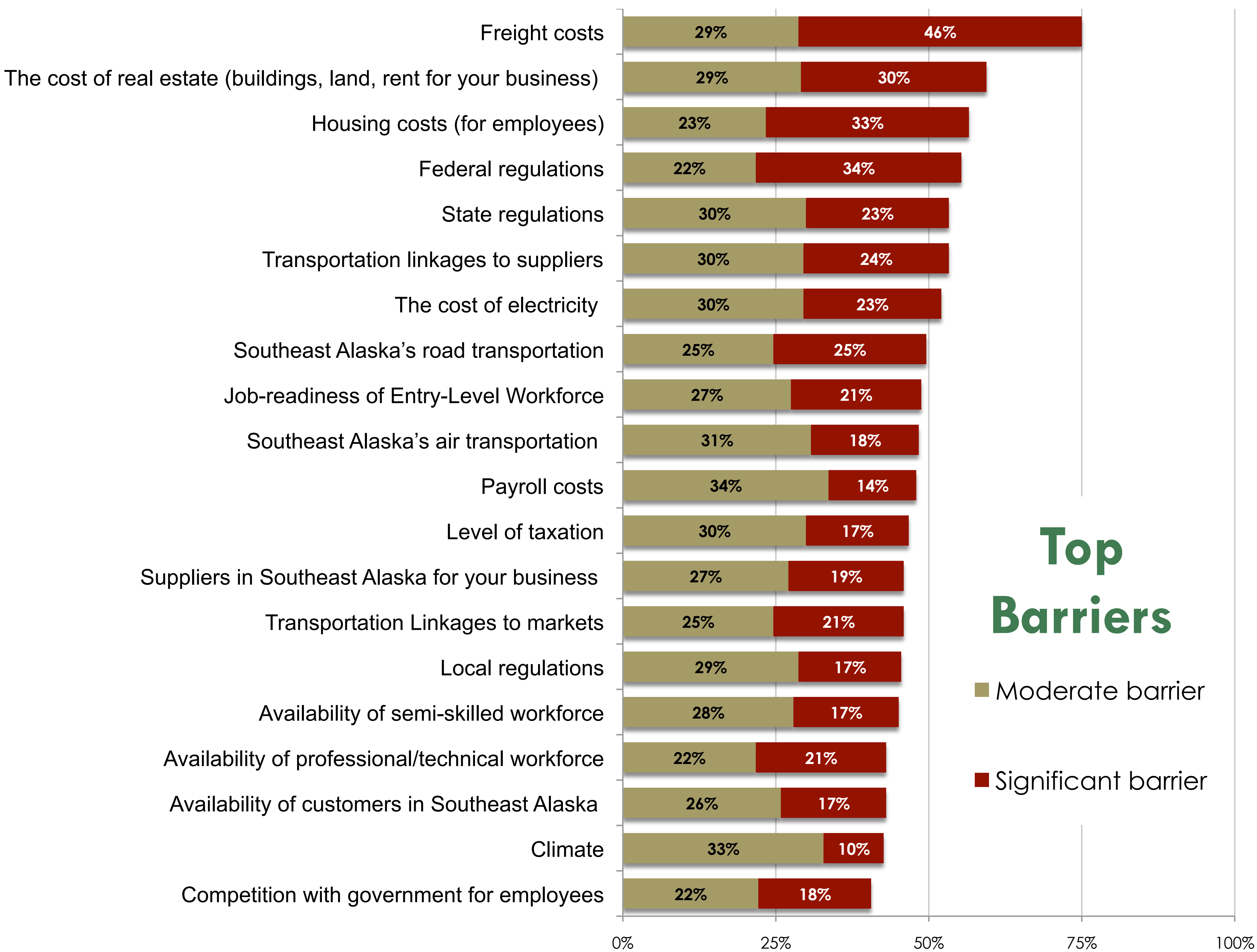
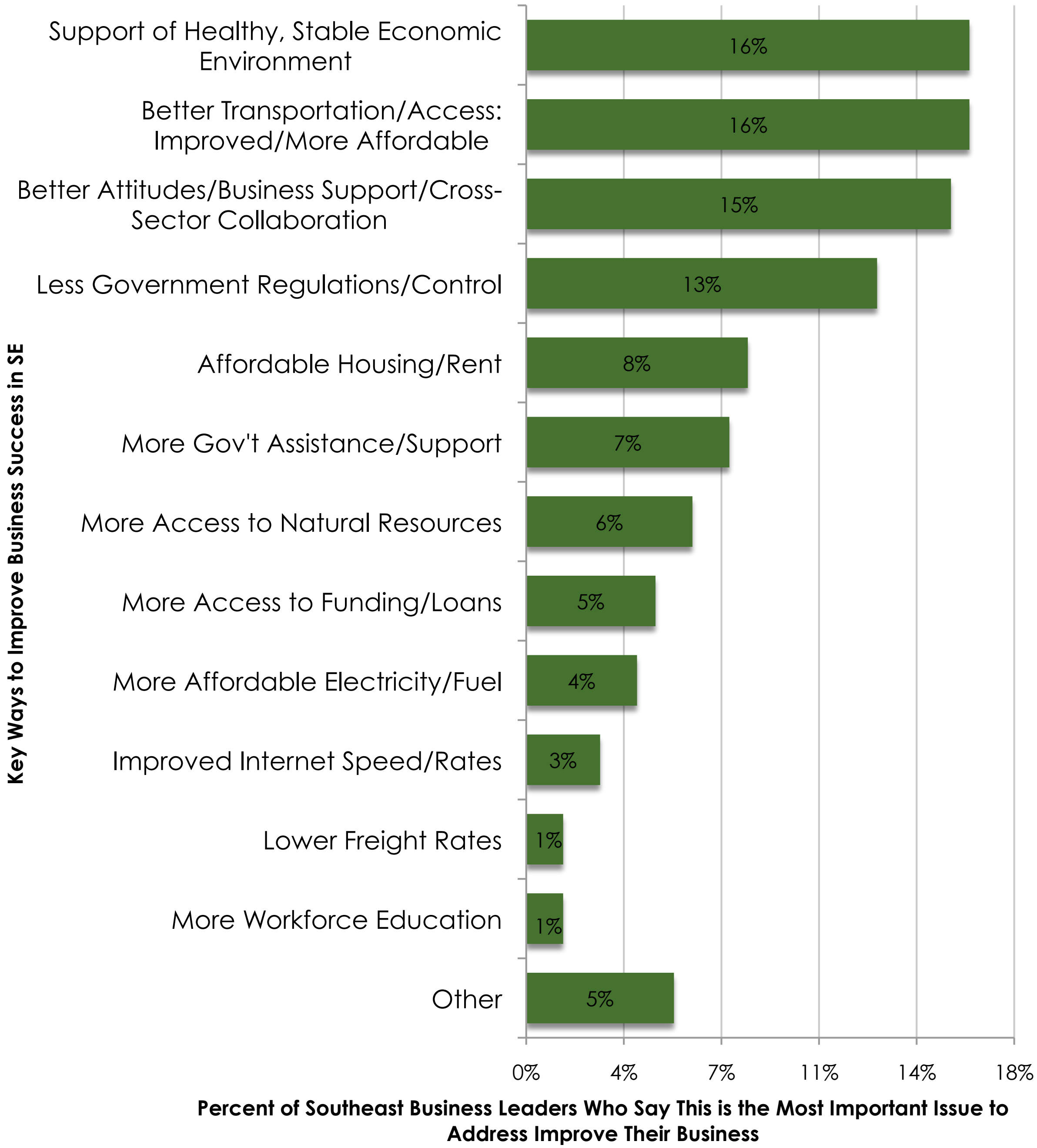
Top Benefits



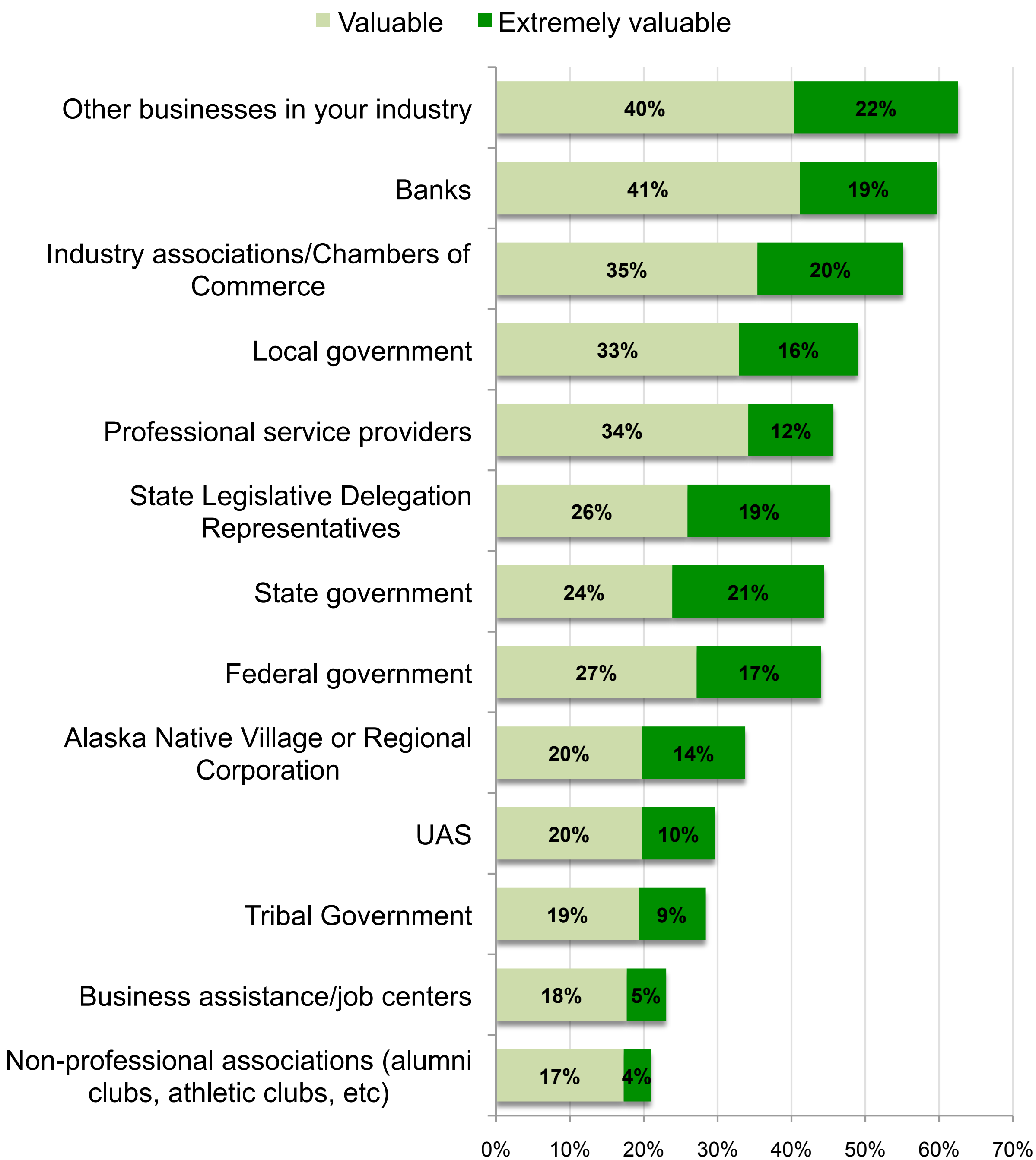


Top Barriers
Moderate barrier
Significant barrier
Freight costs 29% 46%
The cost of real estate (buildings, land, rent for your business) 29% 30%
Housing costs (for employees) 23% 33%
Federal regulations 22% 34%
State regulations 30% 23%
Transportation linkages to suppliers 30% 24%
The cost of electricity 30% 23%
Southeast Alaska's road transportation 25% 25%
Job-readiness of Entry-Level Workforce 27% 21%
Southeast Alaska's air transportation 31% 18%
Payroll costs 34% 14%
Level of taxation 30% 17%
Suppliers in Southeast Alaska for your business 27% 19%
Transportation Linkages to markets 25% 21%
Local regulations 29% 17%
Availability of semi-skilled workforce 28% 17%
Availability of professional/technical workforce 22% 21%
Availability of customers in Southeast Alaska 26% 17%
Climate 33% 10%
Competition with government for employees 22% 18%
0%
25%
50%
75%
100%

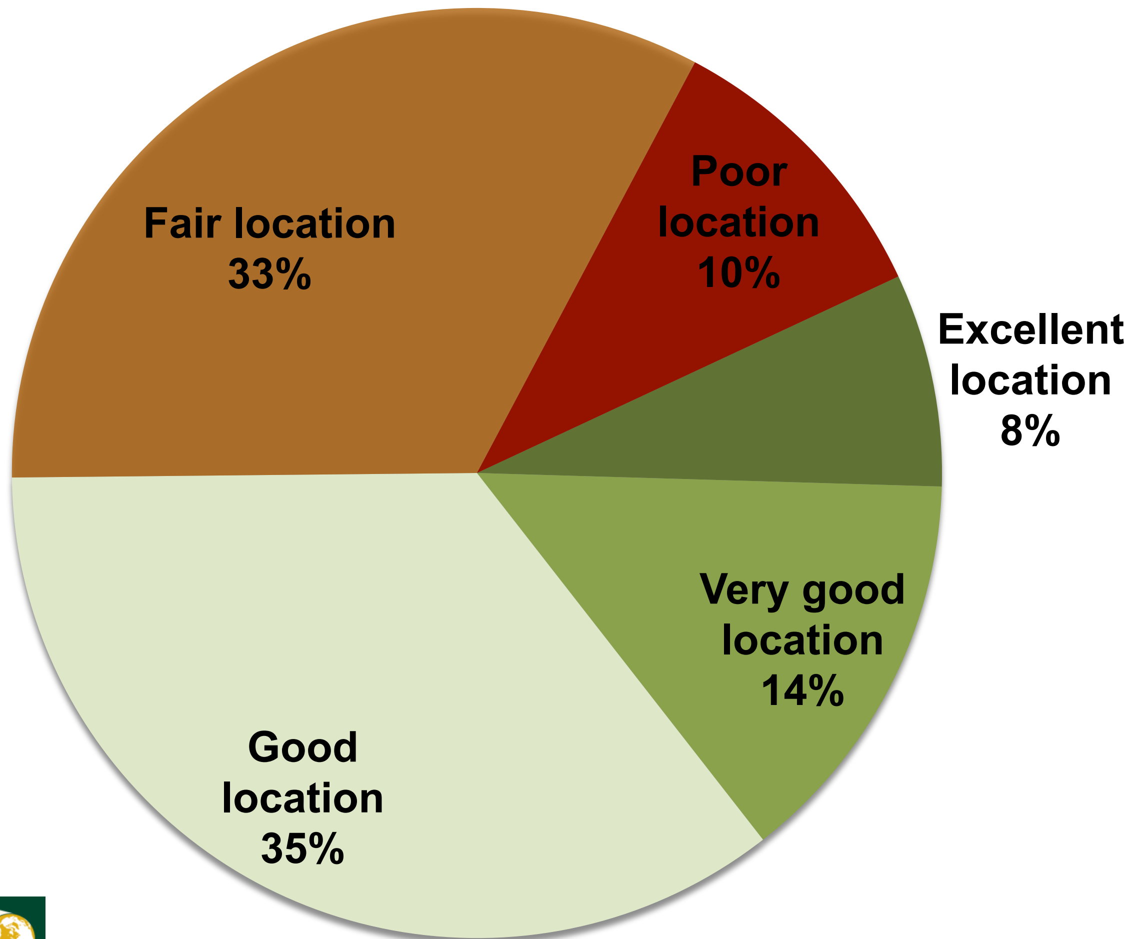


Considering your entire Southeast Alaska business environment, please list and explain the most important issue to address to improve your business's prospects for success. N=151

Please rate how valuable interaction with each of the following Southeast Alaska institutions is to your business.



How would you currently rate your region overall as a place for your business to succeed?



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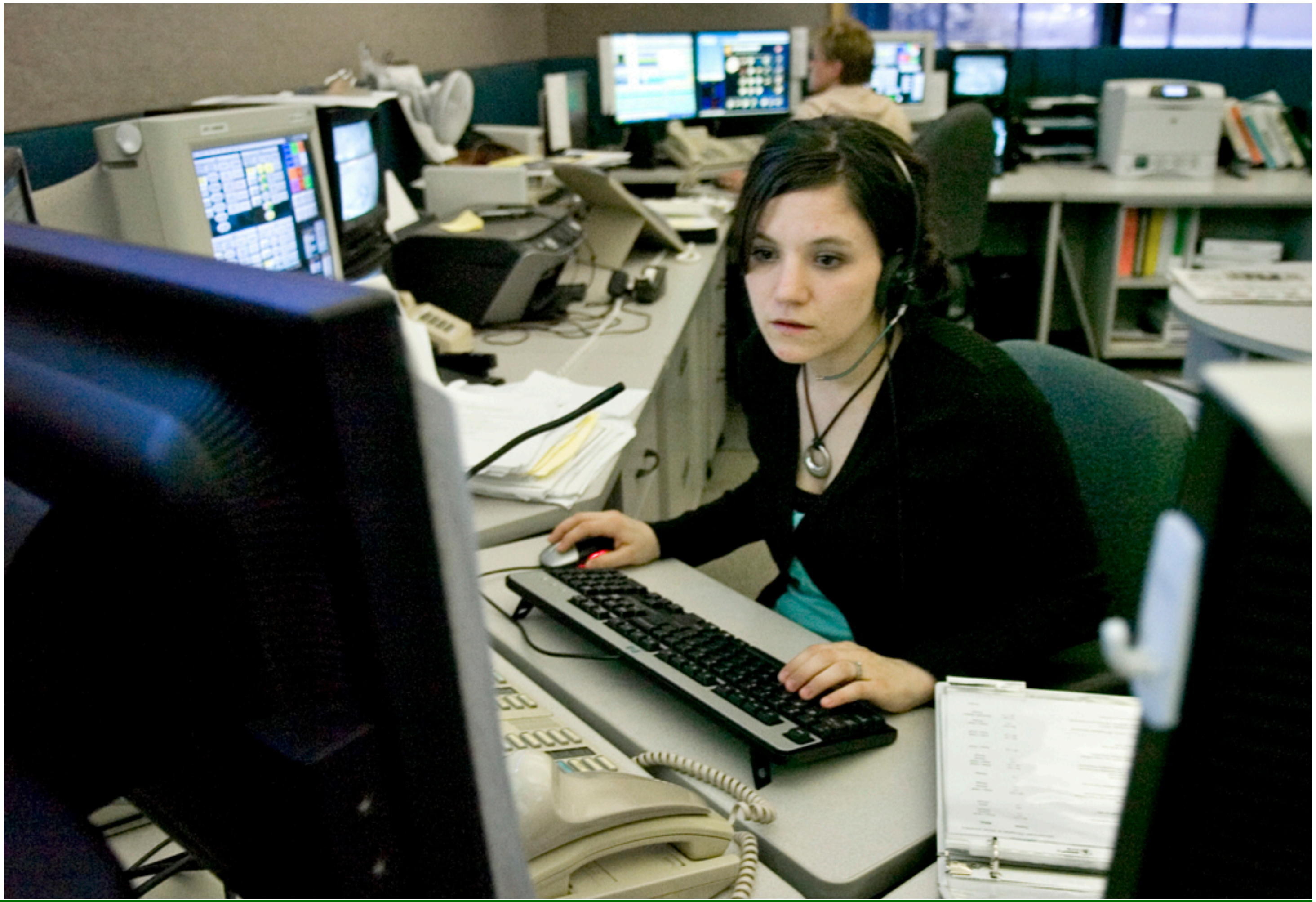

Labor Force

Photo Credit: Michael Penn/Juneau Empire

Private vs. Public Sector Employment

	Annual average Employment 2009	% of Employees in Juneau by Sector	Total Payroll (in thousands)	Avg. Annual Wage
Private Sector	**22,914**	45%	$795,357	**$34,711**
Total Government	**13,295**	55%	$642,082	**$48,294**
Federal Government	1,745	48%	$120,846	**$69,269**
State Government	5,483	77%	$268,867	**$49,039**
Local Government*	6,068	37%	$252,370	**$41,590**
Total Employment	**36,209**	48%	$1,437,440	**$39,698**

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Southeast Alaska's Top 10 Private Employers, 2009

2009	2008	Employer	Average Number of Employees (Range)
1	1	SEARHC (Southeast Alaska Regional Health Consortium)	750 - 999
2	2	Ketchikan General Hospital	250 - 499
3	3	Wal-Mart Associates Inc.	250 - 499
4	4	Hecla Greens Creek Mining Company	250 - 499
5	5	Alaska Airlines Inc.	250 - 499
6	8	Reach Inc.	100 - 249
7	7	Trident Seafood Corporation	100 - 249
8	9	Safeway Inc.	100 - 249
9	6	Fred Meyer Stores Inc.	100 - 249
10	10	Central Council Tlingit & Haida	100 - 249

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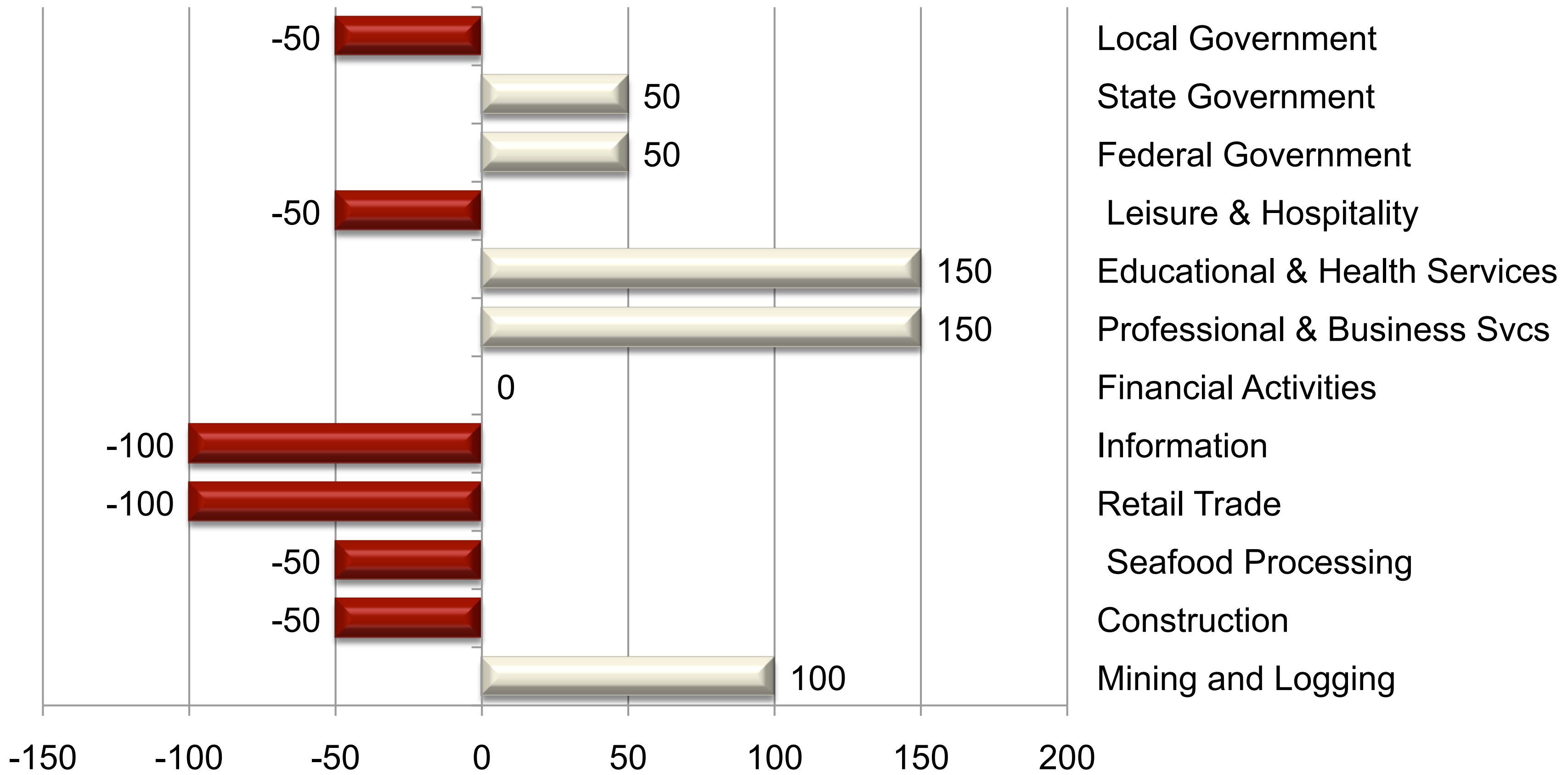
Estimated Change in Annual Average Southeast Employment 2009-2010



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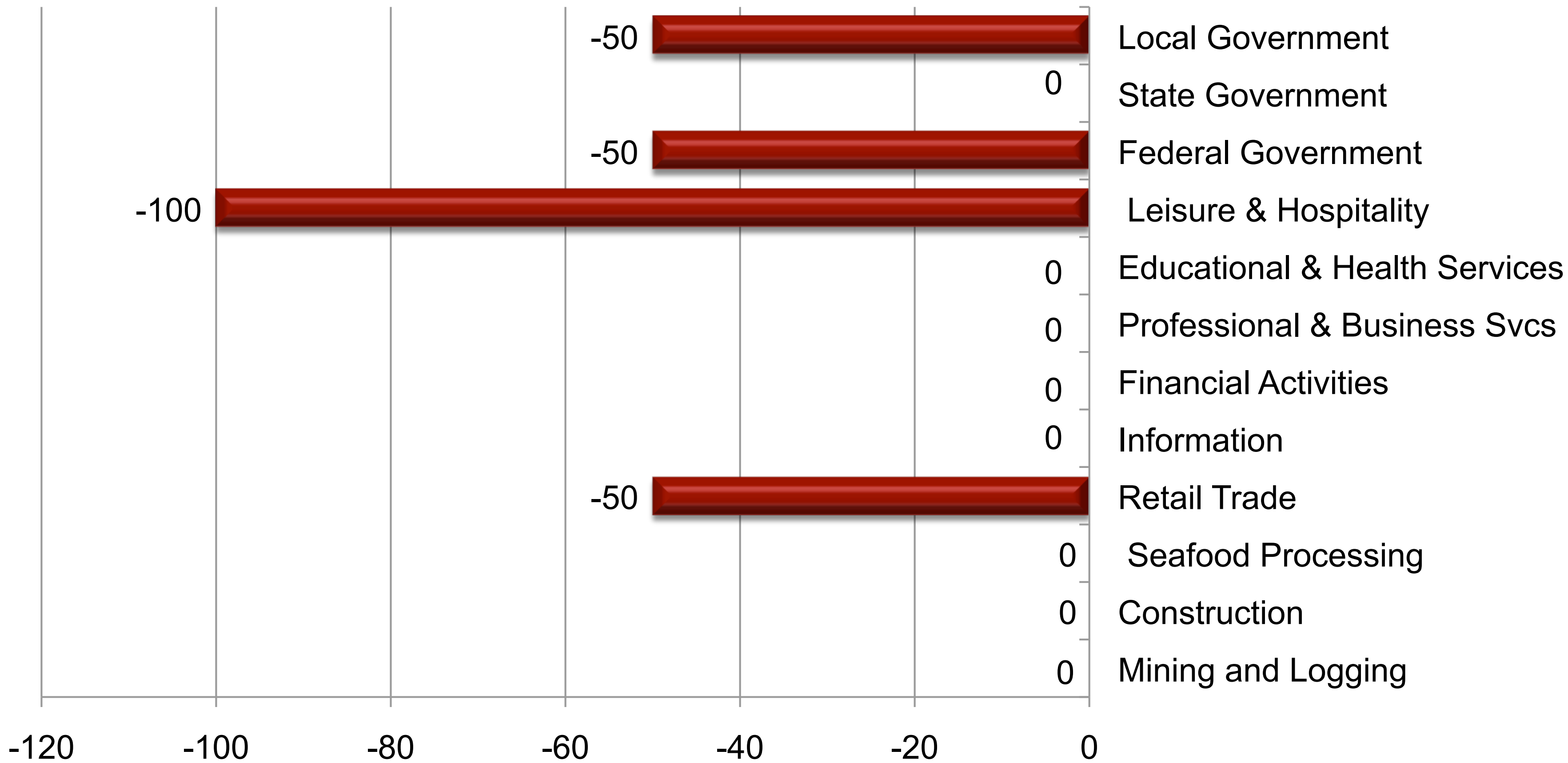
Projected Change in Annual Average Southeast Employment 2010-2011



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Percent of Nonresident Workers in Southeast Alaska in 2008

Borough or Census Area	State Government	Local Government	Private Industry
Haines Borough	6.8%	14.7%	50.6%
Juneau Borough	11.6%	11.7%	31.5%
Ketchikan Gateway Borough	28.8%	20.3%	39.1%
Prince of Wales-Outer Ketchikan	15.0%	17.5%	44.9%
Sitka Borough	18.3%	14.6%	39.0%
Skagway-Hoonah-Angoon	8.6%	19.5%	62.7%
Wrangell-Petersburg	2.5%	10.7%	49.0%
Yakutat Borough	7.1%	20.0%	49.2%
Southeast Alaska Region	**14.2%**	**15.2%**	**39.1%**

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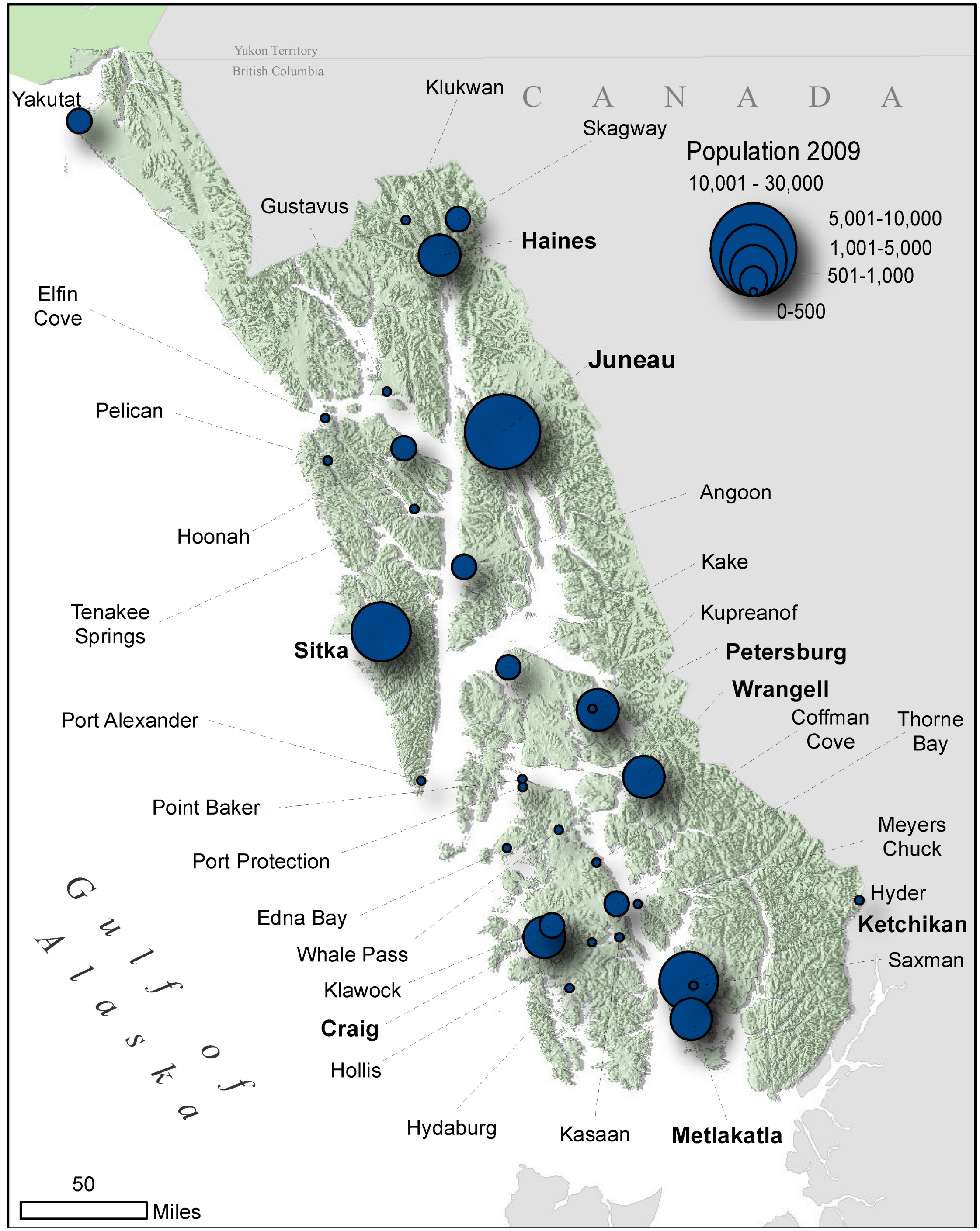
Demographics

Population of Southeast Alaska 2009



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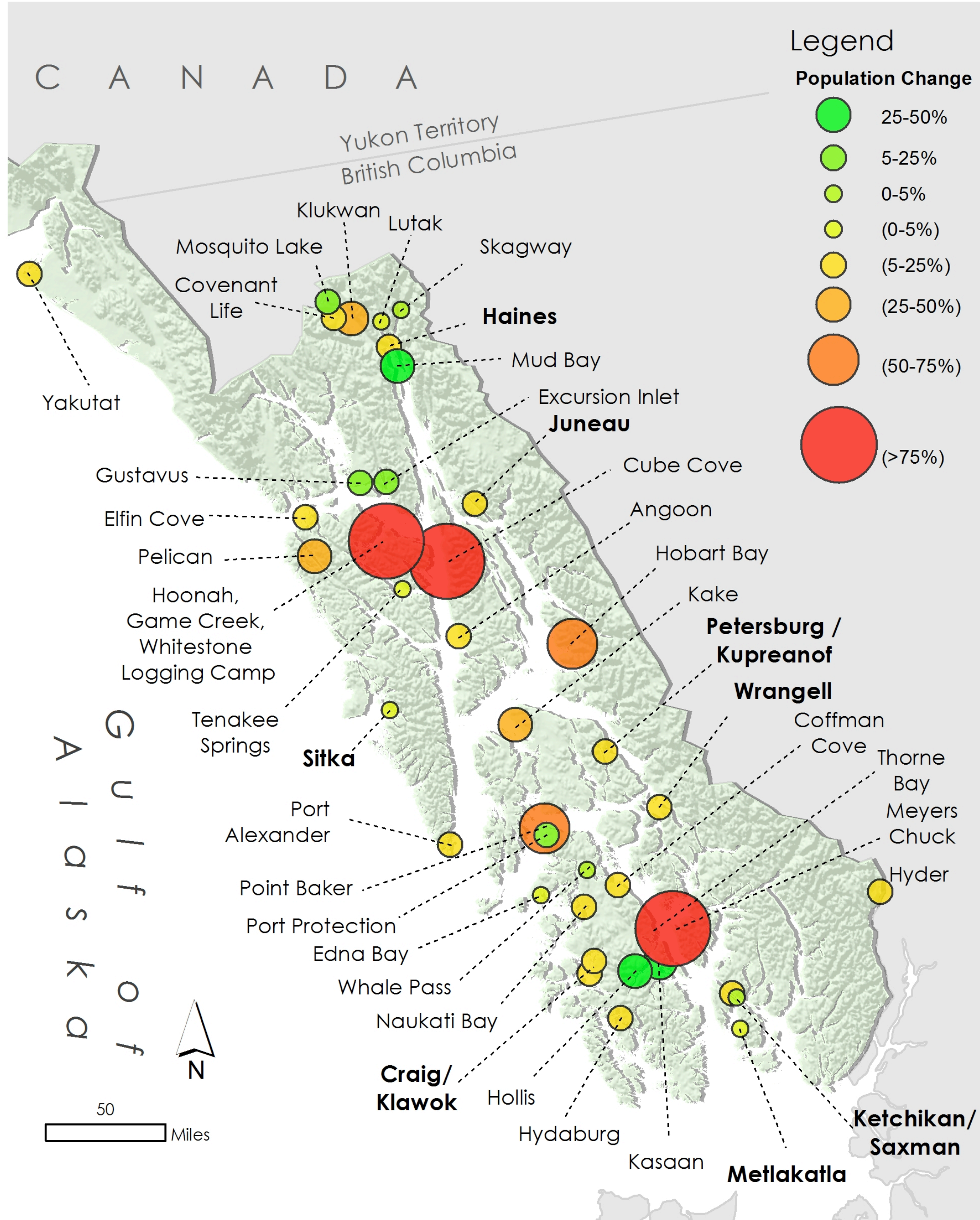
From 2000 to 2009, 8,304 more people moved away from Southeast Alaska than moved to the region and the regional population outside of Juneau lost 8.7 percent. During the same time, the population of Alaska grew by 10 percent. The only region in Alaska expected to lose population in the future is Southeast Alaska.

Change in Southeast Alaska Population, 2000 to 2009



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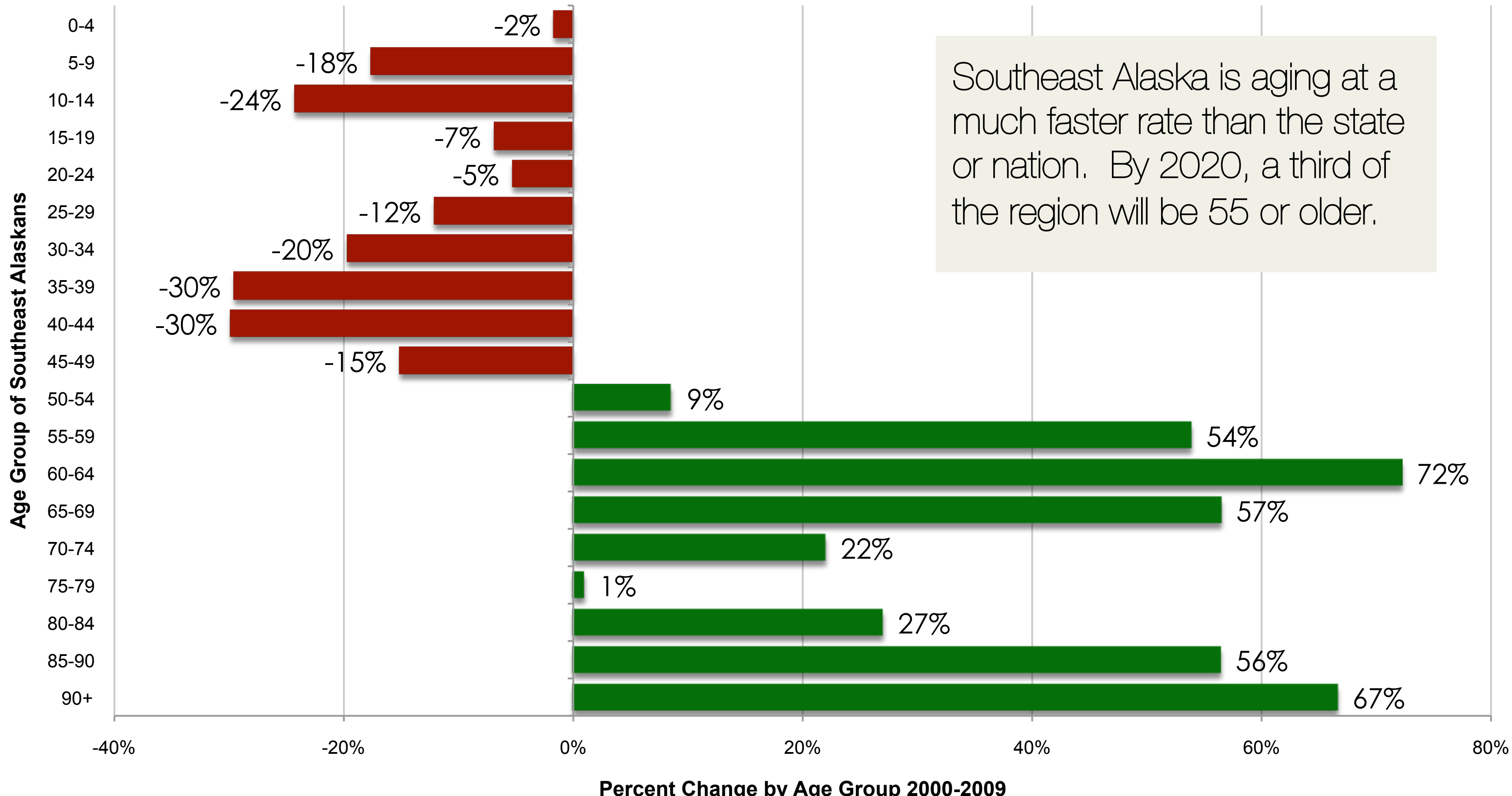
Change in Southeast Alaska Population by Age, 2000-2009



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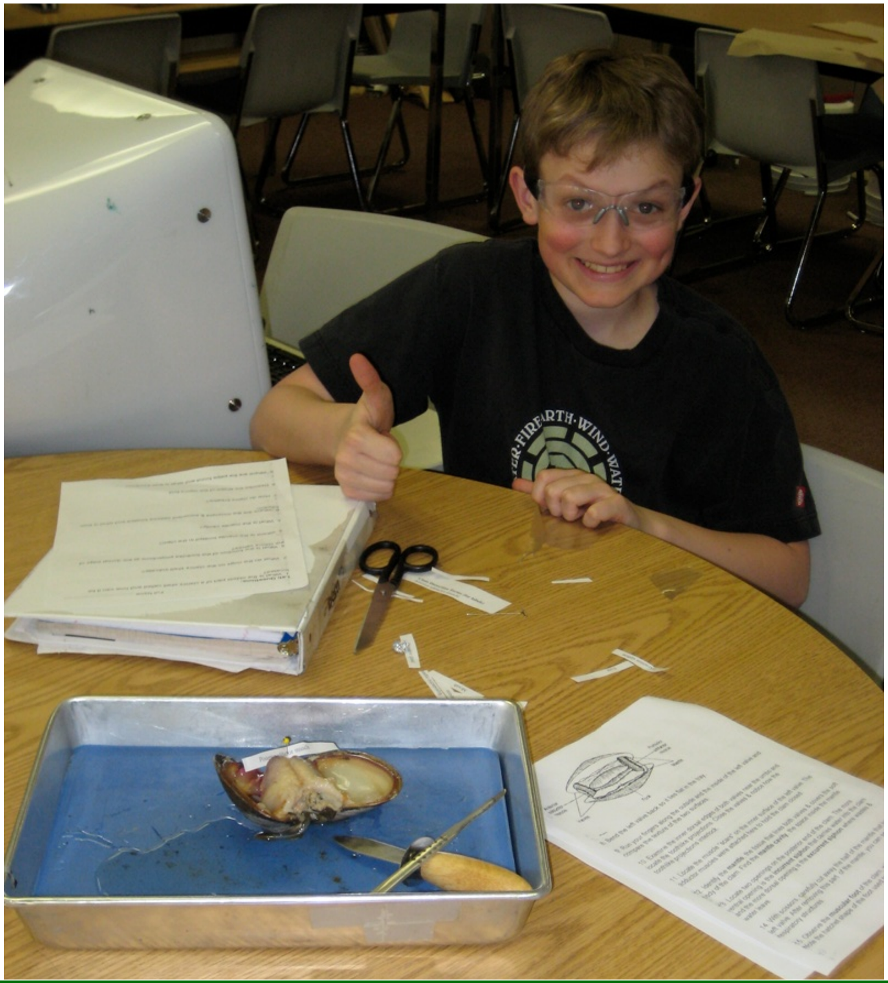
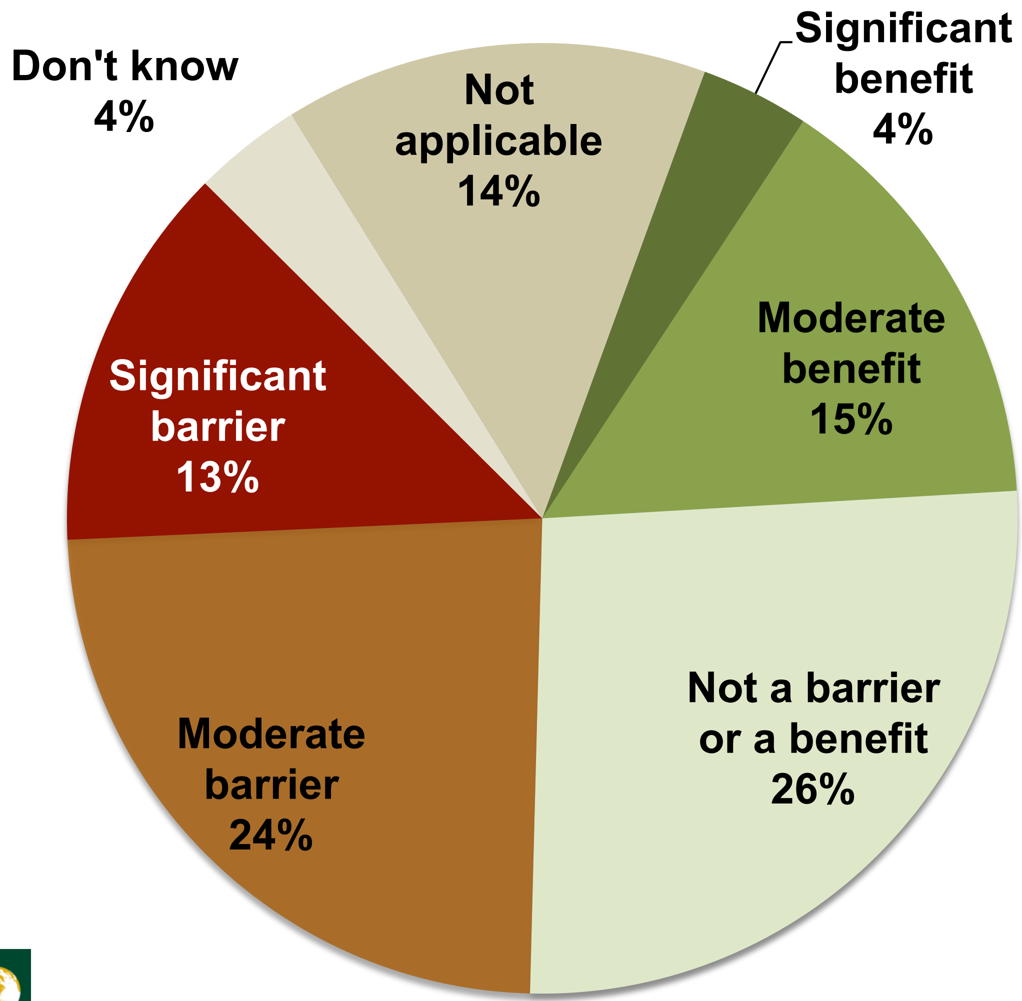


Education and Workforce Readiness

How significant is the quality of local high school graduates to operating your business?



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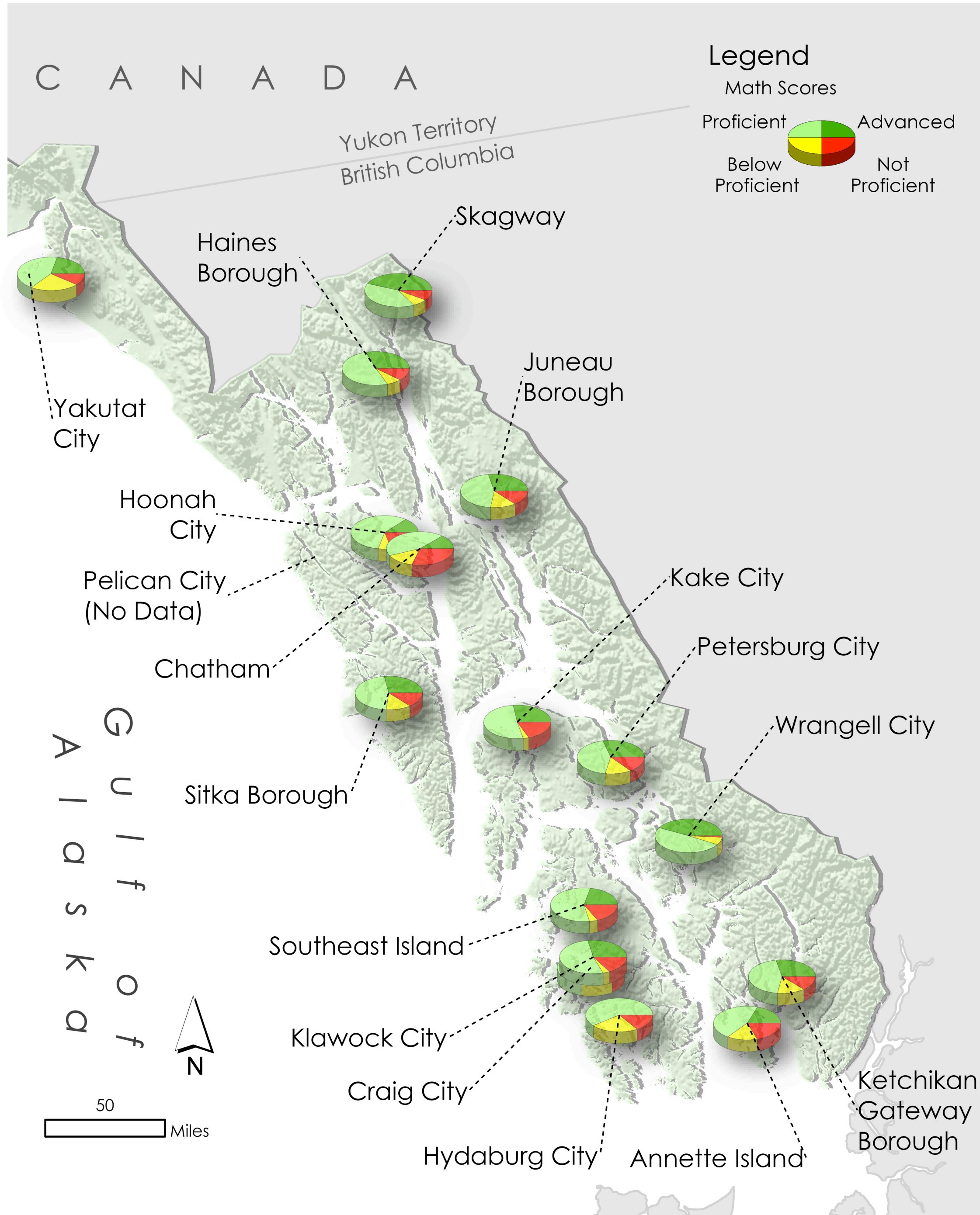
The schools in the region with the highest test scores can be found in Skagway, Wrangell and Haines.

Average 4th, 8th, & 10th grade SBA scores by School District, 2009



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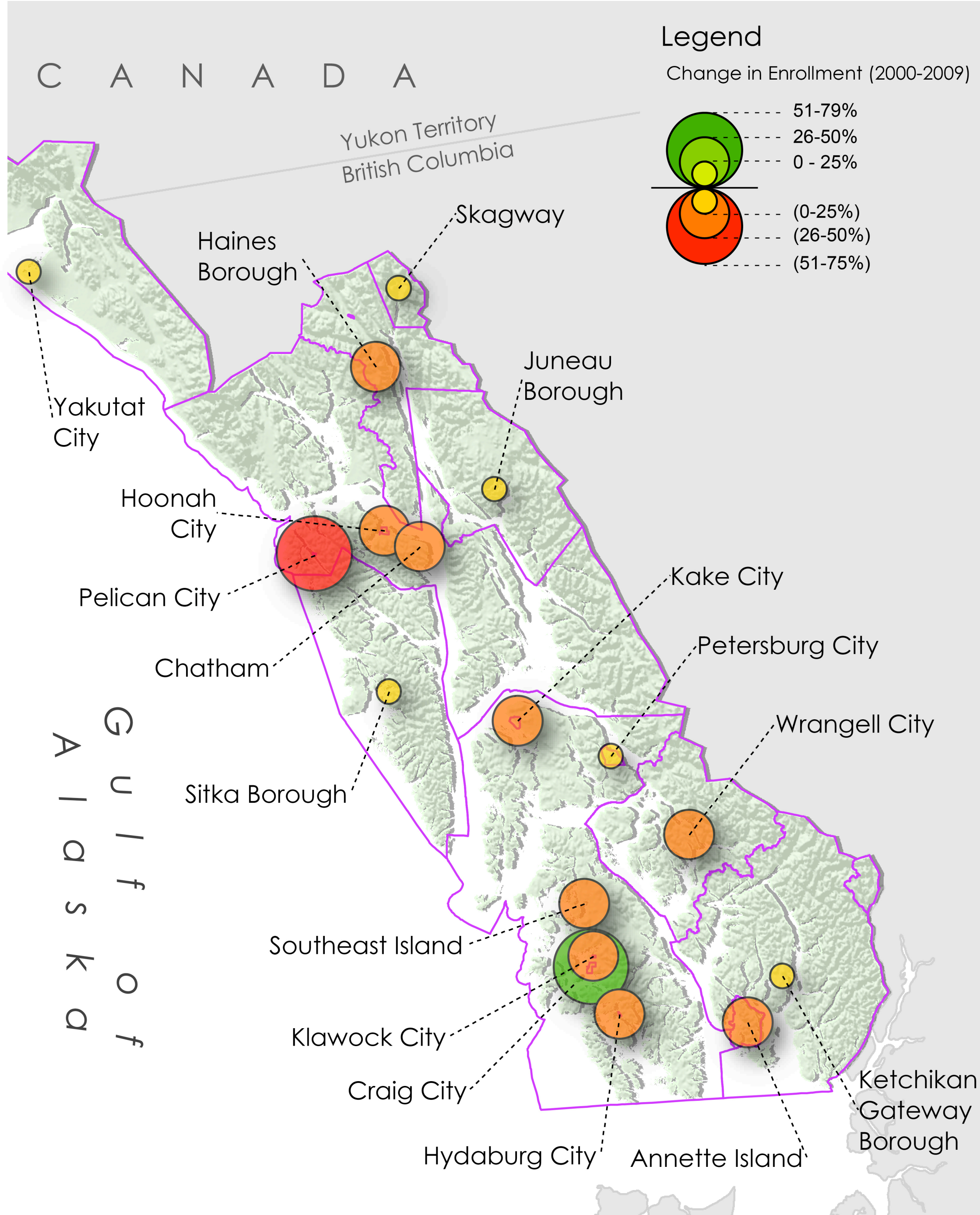
From 2000 to 2009, every Southeast Alaska school district saw enrollment declines between 12 and 58 percent.

Change in Preschool through 12th Grade Enrollment in Southeast Alaska by School District, 2000-2009



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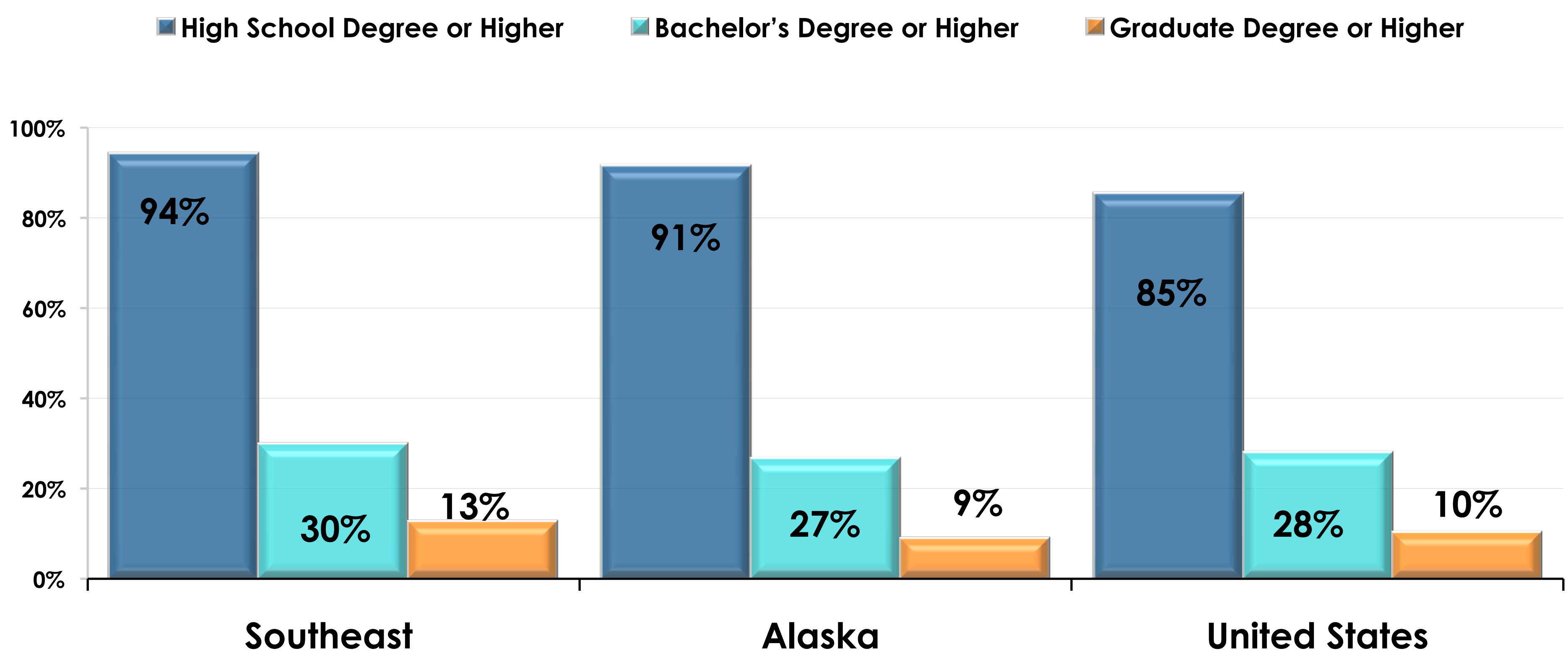
Educational Attainment by Percent 2009, Age 25+



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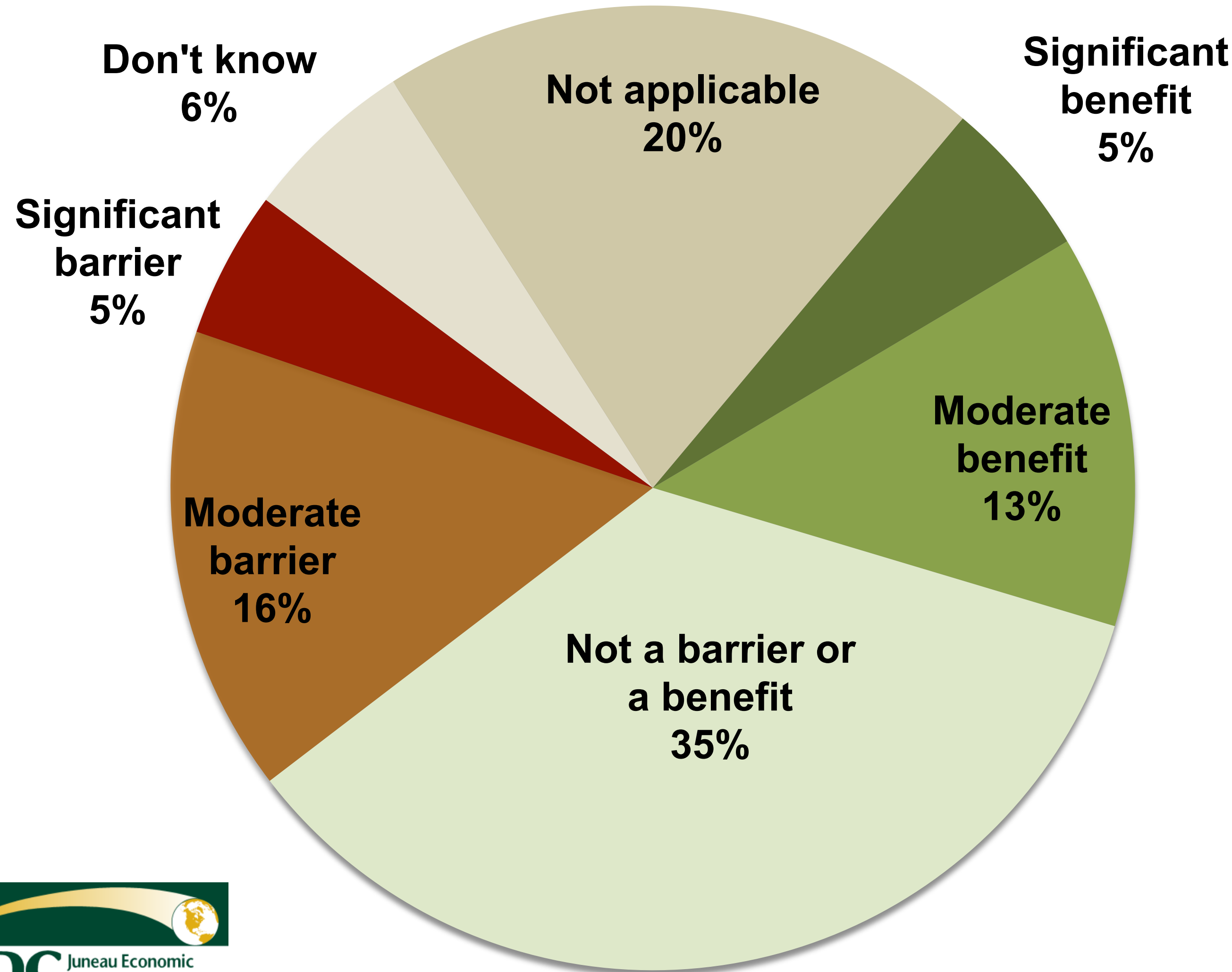
How significant is the quality of local University undergraduates to operating your business?



High Demand Job Area Programs: Enrollment at UAS Fall 2005-2009

UA Southeast	2005	2006	2007	2008	2009	Change 2005-2009	UAS as a % of UA
Teacher Education	269	299	288	351	398	48%	23%
Business Finance and Management	347	345	335	361	371	7%	12%
Health	132	122	132	135	165	25%	4%
Natural Resources	118	118	121	91	124	5%	7%
Information Technology	65	55	42	34	39	-40%	6%
Transportation	15	14	14	20	32	113%	5%
Construction	11	8	5	6	8	-27%	4%
Engineering and Related			-	2	1	NA	0%
Protective Services	2	1	-	-	-	NA	NA
Total	**959**	**962**	**937**	**1,000**	**1,138**	**19%**	**8%**

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Regional Retention: University of Alaska Graduates, 2000 to 2010, Residency at Enrollment & 2010

Residence Region at Enrollment	Total UA Grads Living in Southeast Alaska 2010	Total UA Grads Living All Places
Out of State or Unknown	289	6,270
MatSu Region	14	2,641
Fairbanks Region	55	5,361
Northern Region	13	516
Rural Interior Region	13	732
Southwest Region	16	1,123
Anchorage Region	104	11,556
Gulf Coast Region	61	3,085
Southeast Region	1,594	2,664
Total UA	**2,159**	**33,948**

Of the Southeast residents who graduate from the University of Alaska, 60 percent stay in or return to Southeast Alaska to live.

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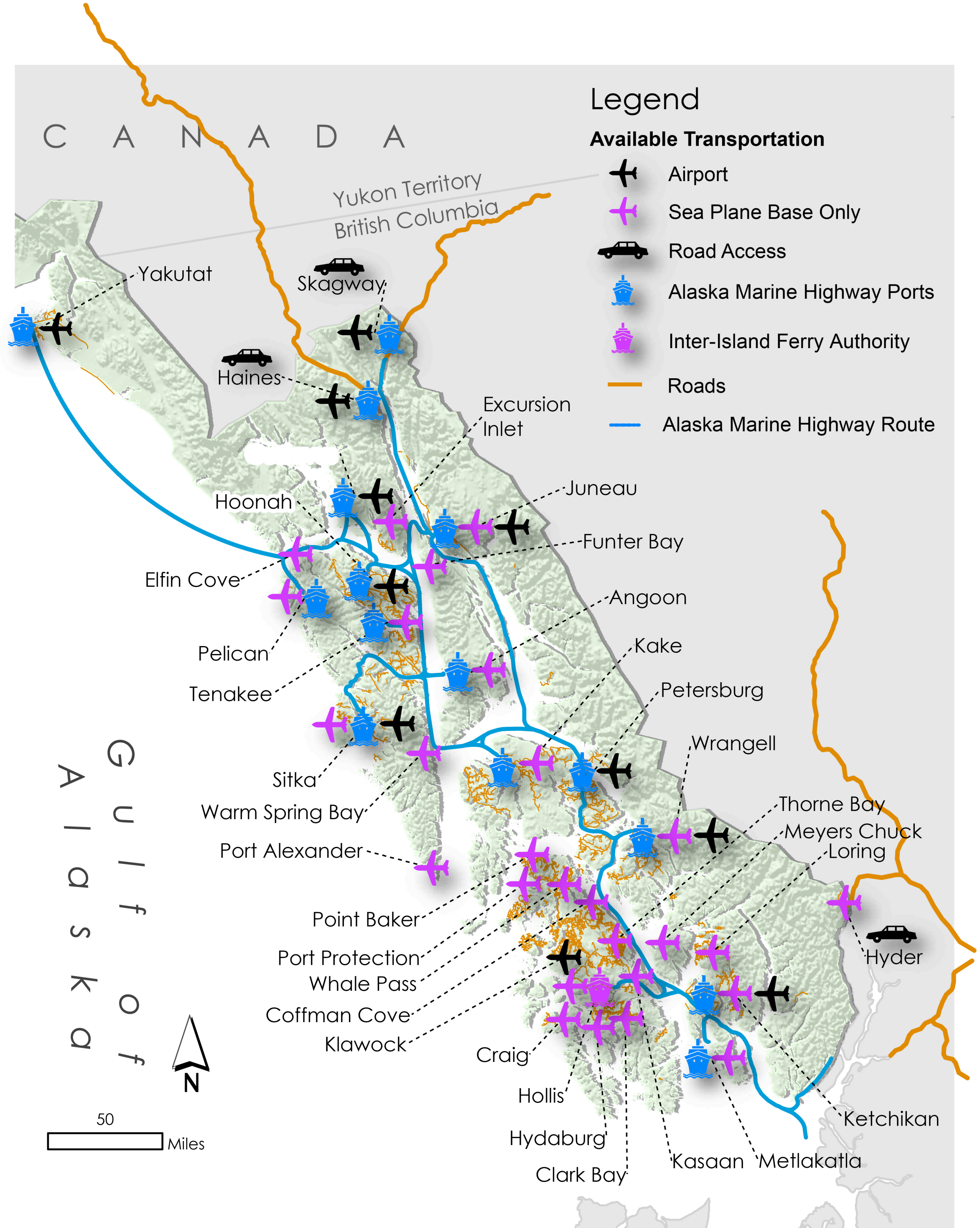
Southeast Physical Infrastructure

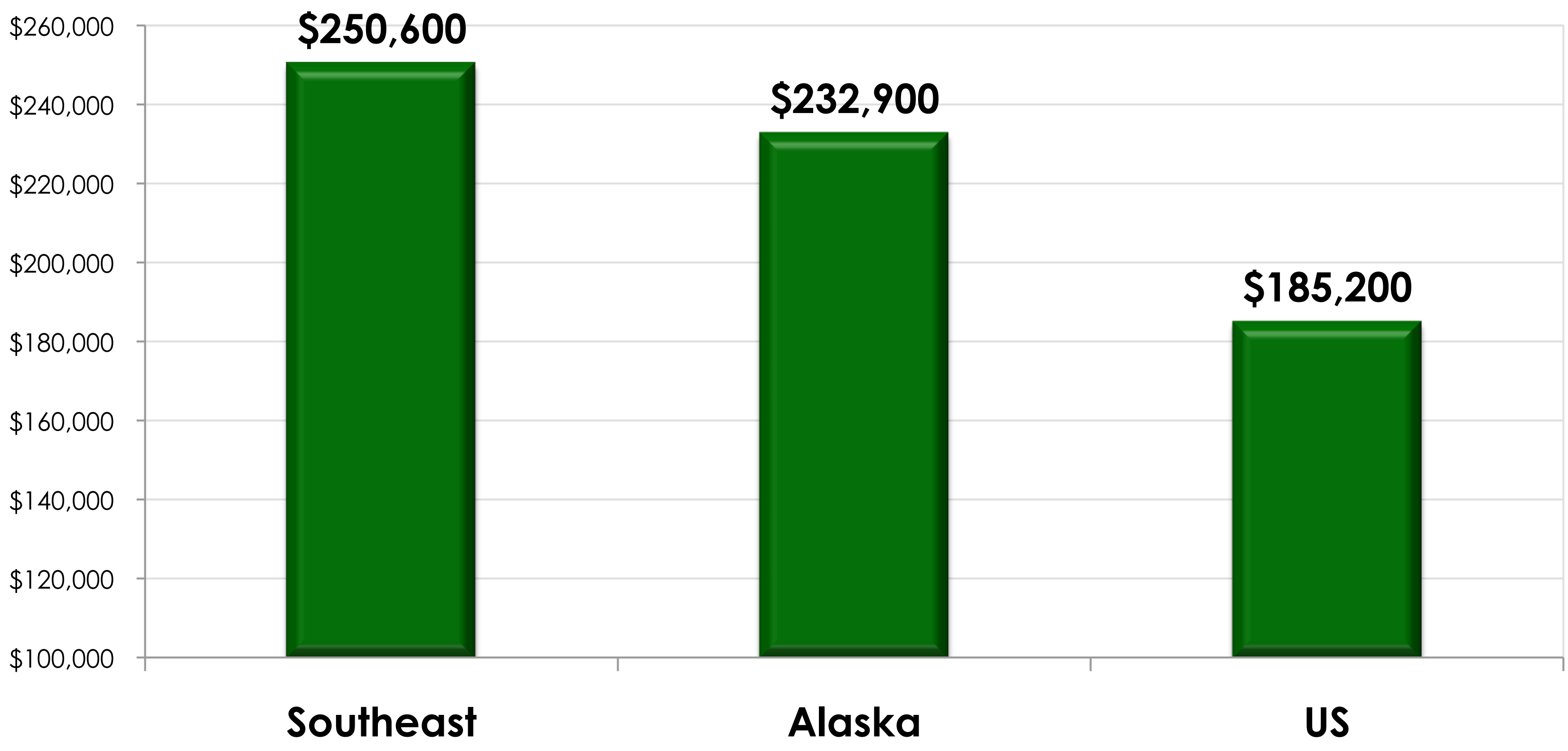
- Road Links
- Air Links
- Ferry Links
- Barge Links
- Regional Ship Repair Facilities

- Water
- Sewer
- Solid Waste
- Communications
- Real Estate

Transportation Infrastructure



Median Value of Owner-Occupied Housing Units, 2009



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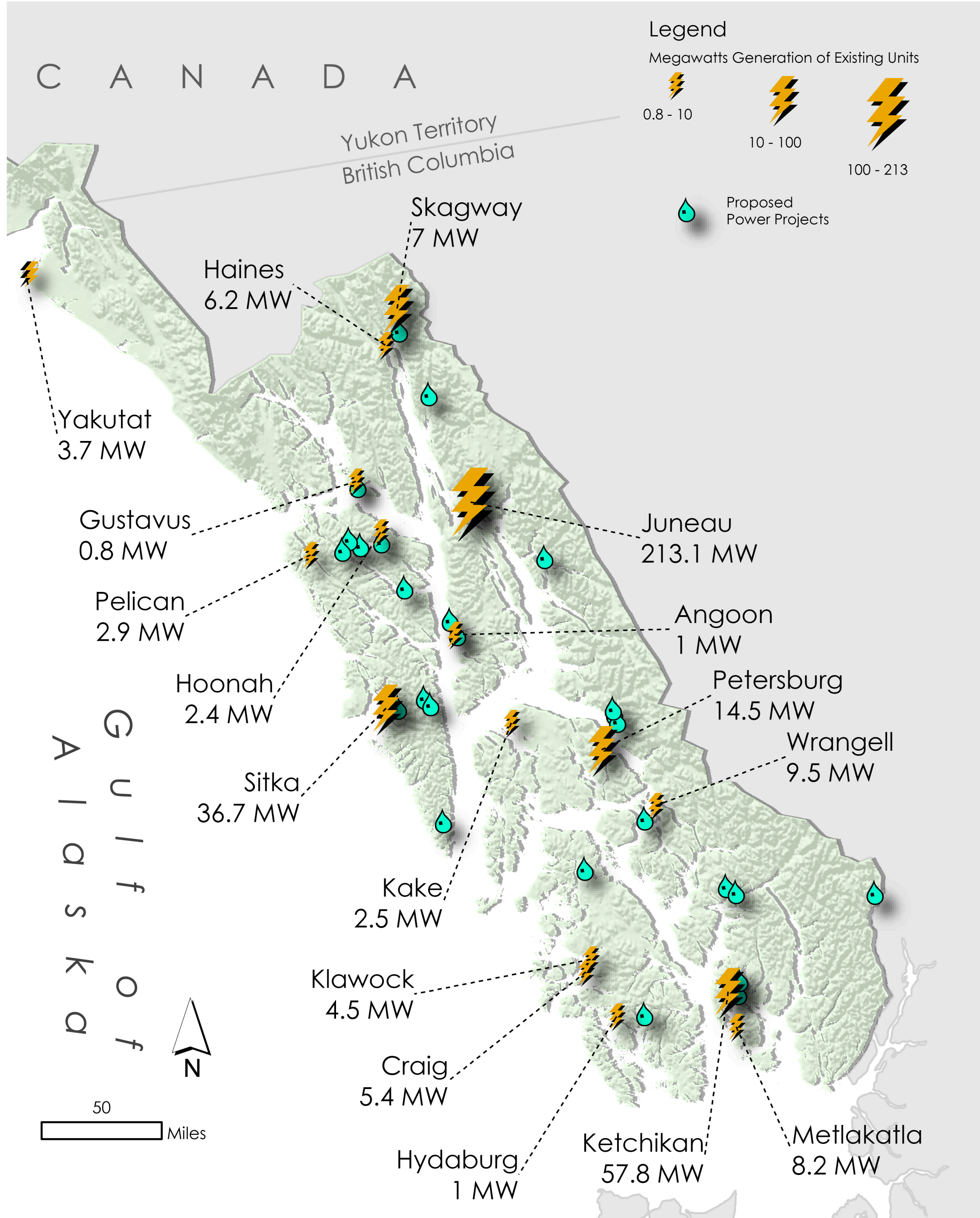
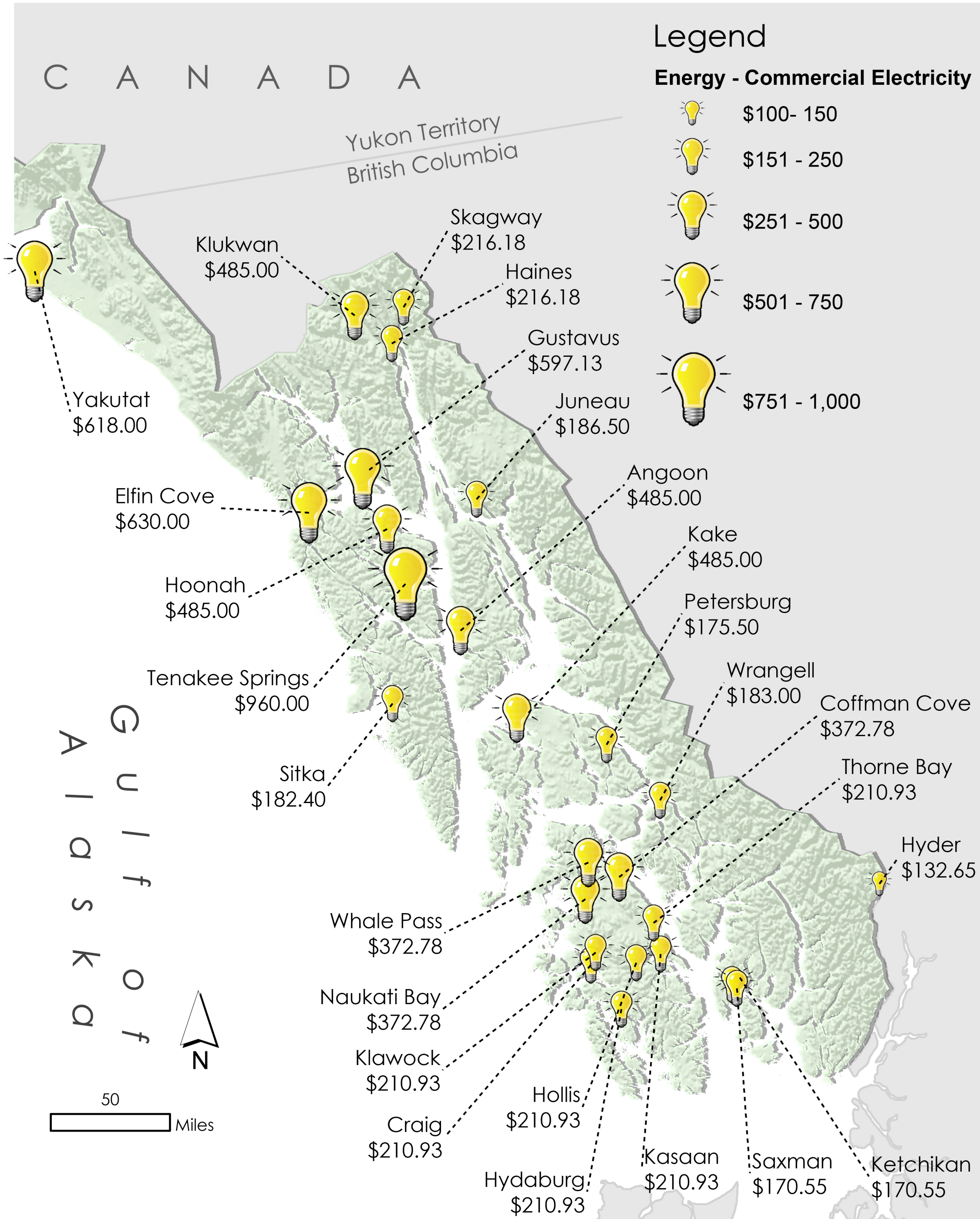
Energy

Southeast Alaska Megawatt Generation of Existing Units 2010 and Proposed Power Projects



Small Commercial Rate for 1,500 kWh/month by Southeast Alaska Community, December 2010



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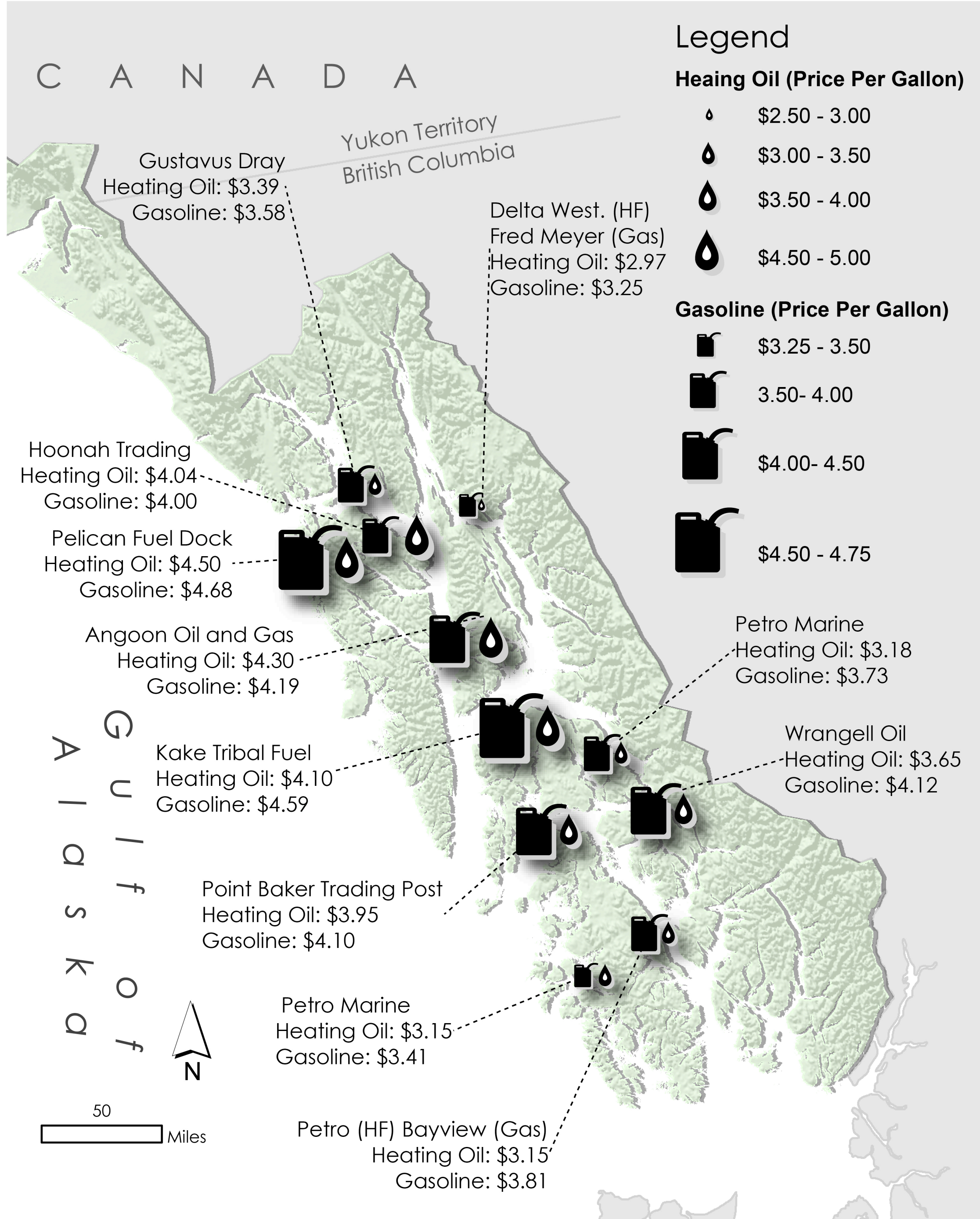
Fuel Prices in Southeast Alaska, June 2010



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Fisheries, Seafood Processing, & Mariculture

Commercial Fisheries Harvesting Workforce and Gross Earnings Southeast Alaska, 2006 to 2009

Year	Individuals who fished Permits*	Percent Nonresident Permit Holders	Estimated Number of Crew Members	Total Estimated Workforce**	Total Gross Earnings of Permit Holders***	Percentage of Total Gross Earnings by Nonresident Permit Holders
2006	2,520	21.2%	6,545	9,065	$135,937,555	27.8%
2007	2,638	22.6%	6,897	9,535	$191,835,207	26.8%
2008	2,815	22.5%	7,170	9,985	$201,478,290	26.2%
2009	2,835	23.8%	7,315	10,150	$173,481,400	30.4%

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Southeast Alaskan Resident's Top Three Fisheries, 2009

Rank	Top Five SE Fisheries by Pounds Harvested	Pounds Harvested by Southeast Residents	Total Pounds Harvested, Statewide	% SE Residents
1	Salmon, purse seine Southeast Alaska	73,762,638	144,726,376	51%
2	Salmon, drift gillnet Southeast Alaska	24,376,918	31,155,566	78%
3	Salmon, power troll, statewide	12,161,271	15,451,386	79%
	Top Five SE Fisheries by Gross Earnings	**Gross earnings for Southeast residents**	**Total Gross Earnings, Statewide**	**% SE Residents**
1	Halibut, longline vessels <60 feet, statewide	$25,843,750	$98,528,940	26%
2	Salmon, purse seine Southeast Alaska	$25,451,983	$50,191,745	51%
3	Salmon, power troll, statewide	$16,839,527	$21,457,637	78%
	Top 5 SE Fisheries by Number who Fished (permit holders only, does not include crew)	**No. Southeast Resident Fishermen Who Fished**	**Total No. Fishermen Who Fished, Statewide**	**% SE Residents**
1	Halibut longline vessels <60 feet, statewide	735	1877	39%
2	Salmon, power troll, statewide	604	750	81%
3	Salmon , hand troll, statewide	325	368	88%

Average per pound Seafood Values, Total Landings, by Southeast Residents

	Southeast Region Total ($/lb)	Pounds Landed (1,000)	Estm Gross Earnings ($1,000)
1990	$1.12	159,167.40	$178,750.30
2000	$0.86	148,710.50	$128,182.20
2008	$1.27	142,998.59	$181,255.40
2009	$0.84	170,491.94	143,266.85
Change 1990-2000	-23%	-7%	-28%
Change 2000-2009	-2%	15%	12%
Change 2008-2009	-34%	19%	-21%

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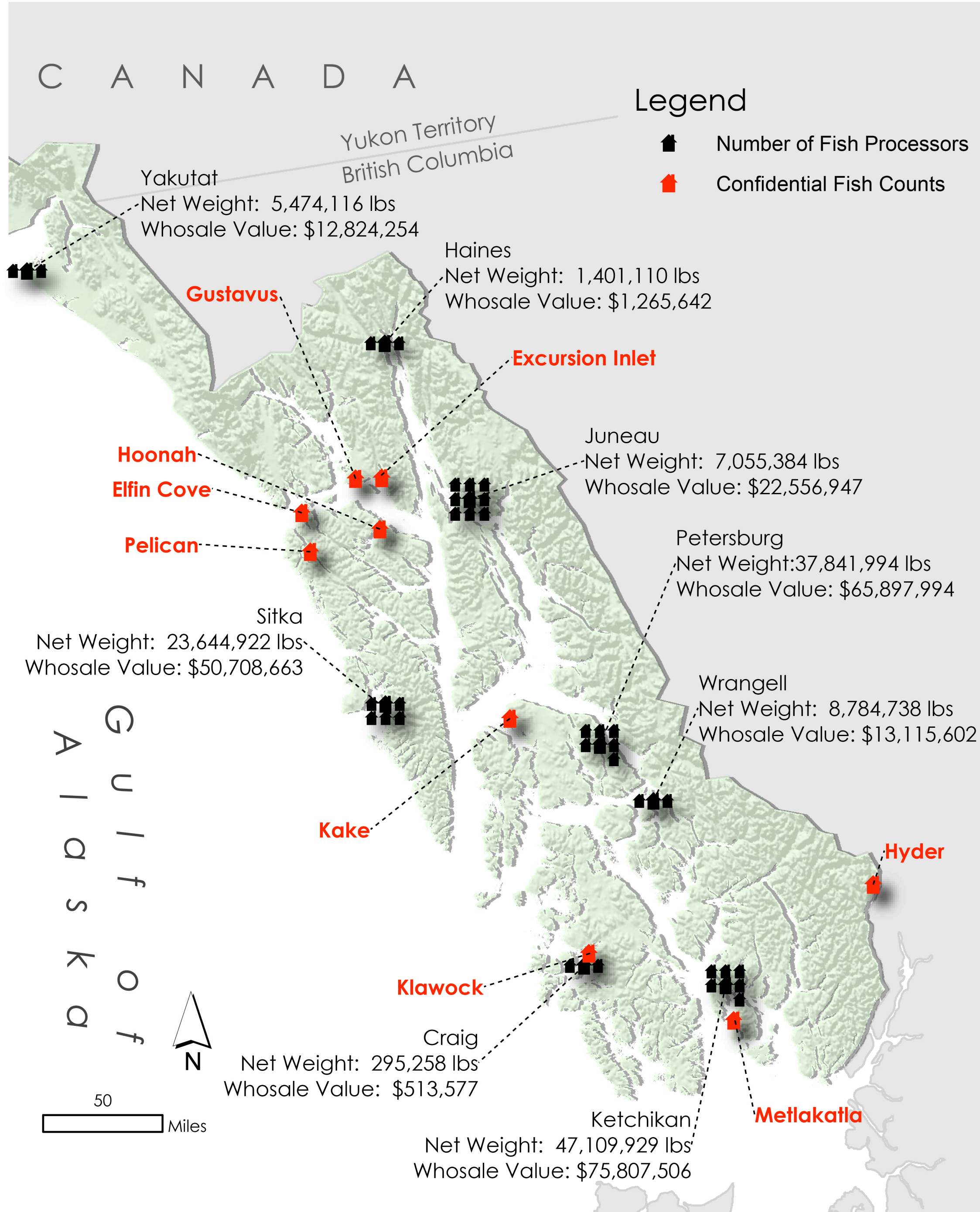
Seafood Production at Shorebased Plants in Southeast Alaska Communities, by Port 2009



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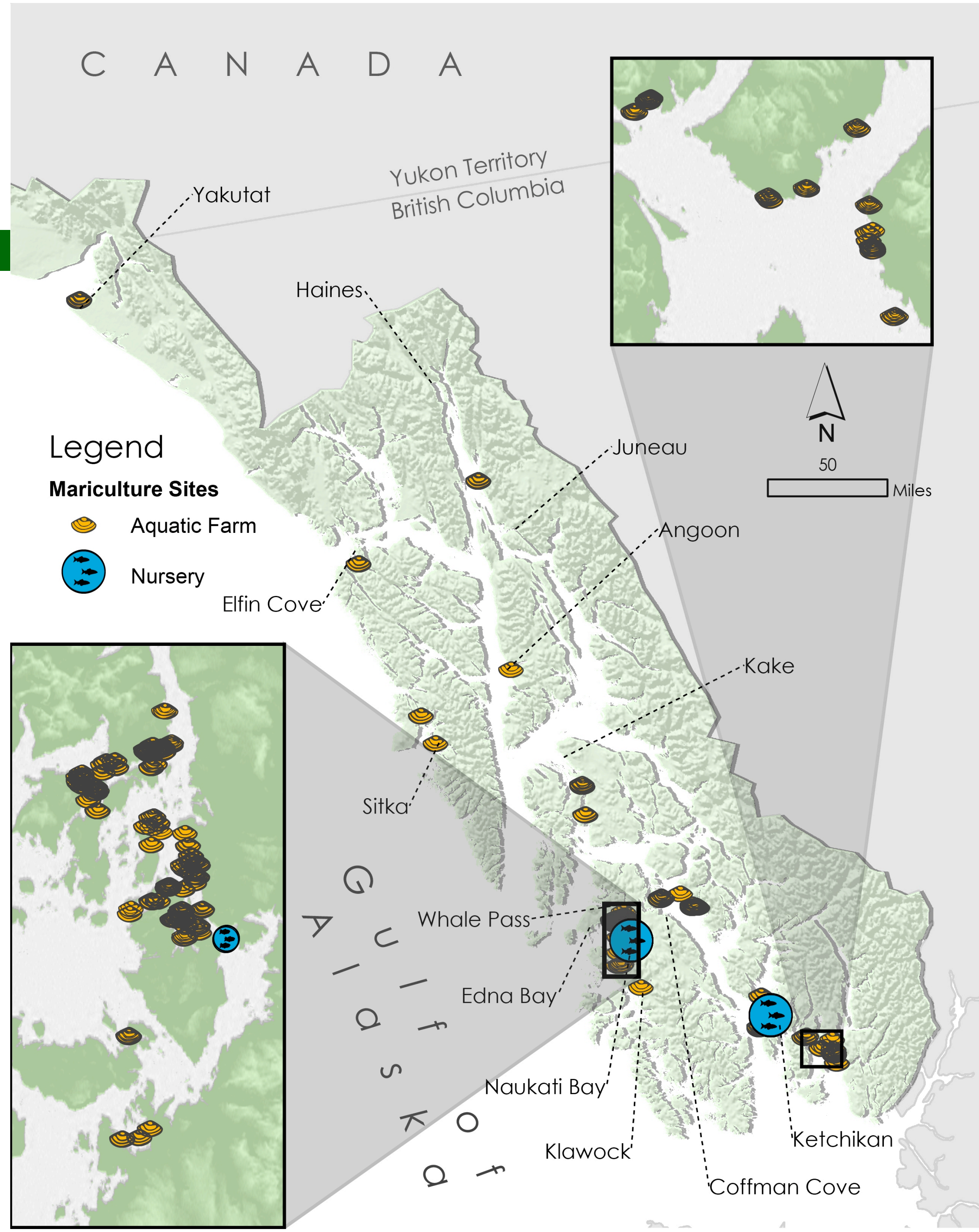
Mariculture

Sites of Aquatic Farms and Nurseries, Southeast Alaska 2010



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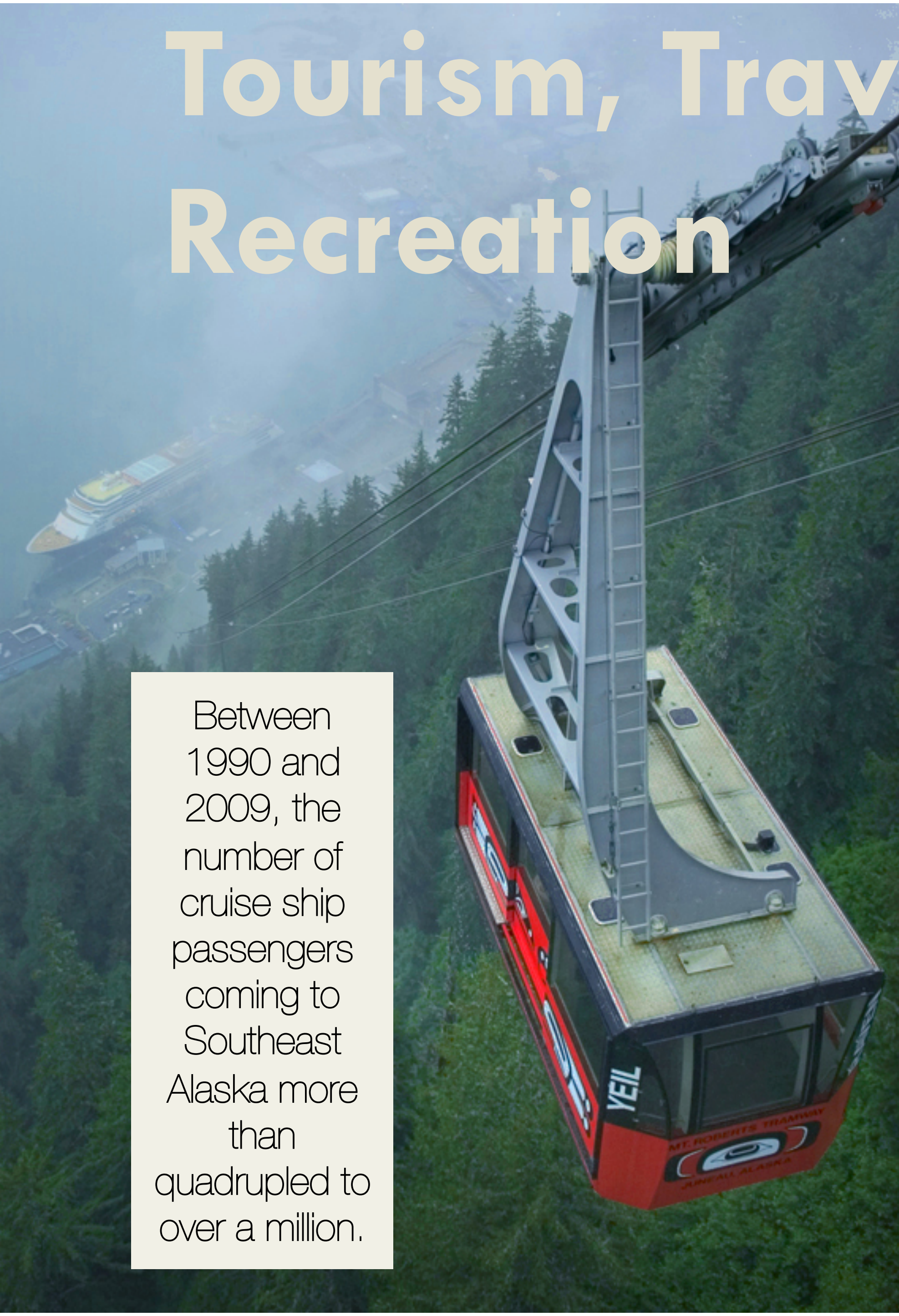
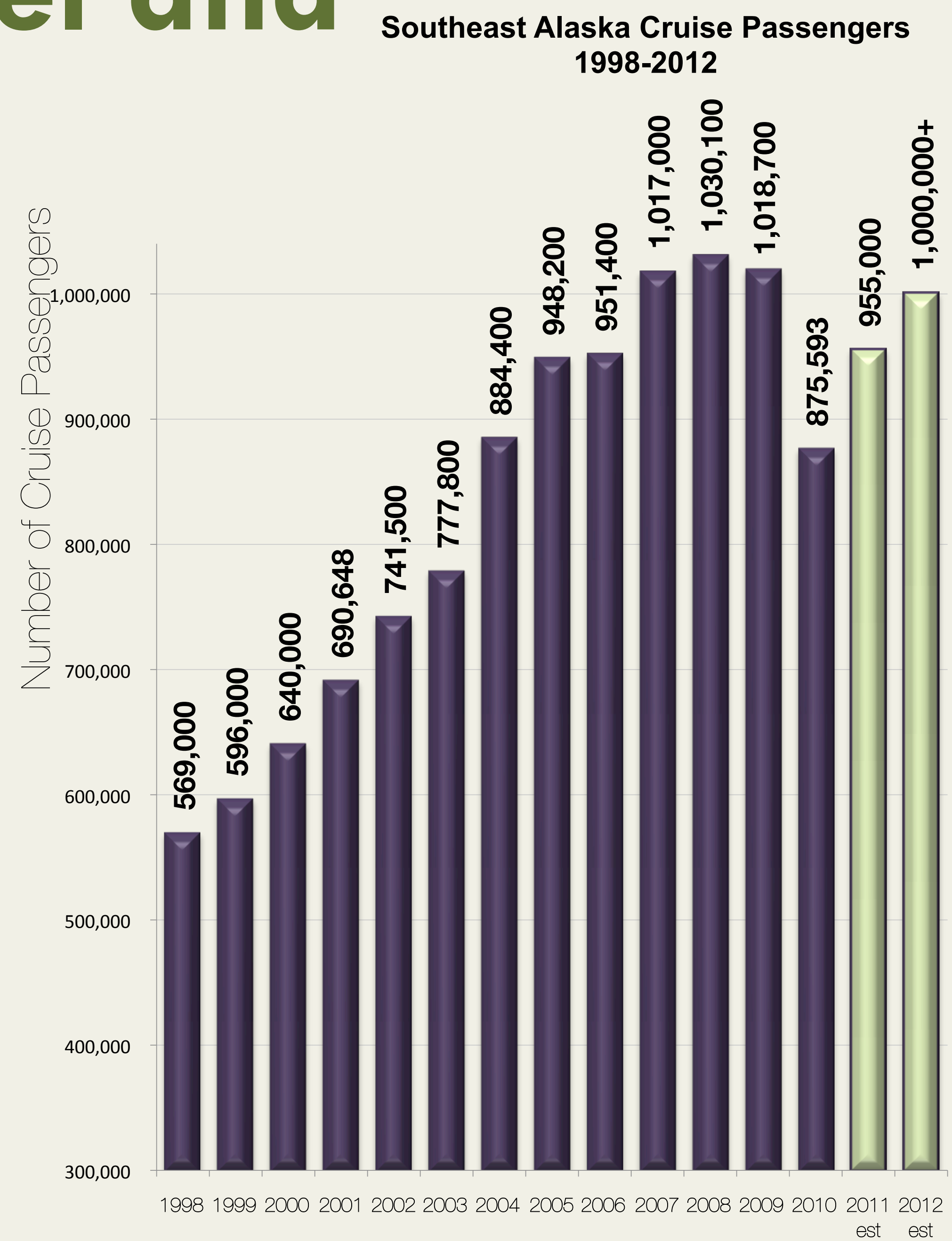
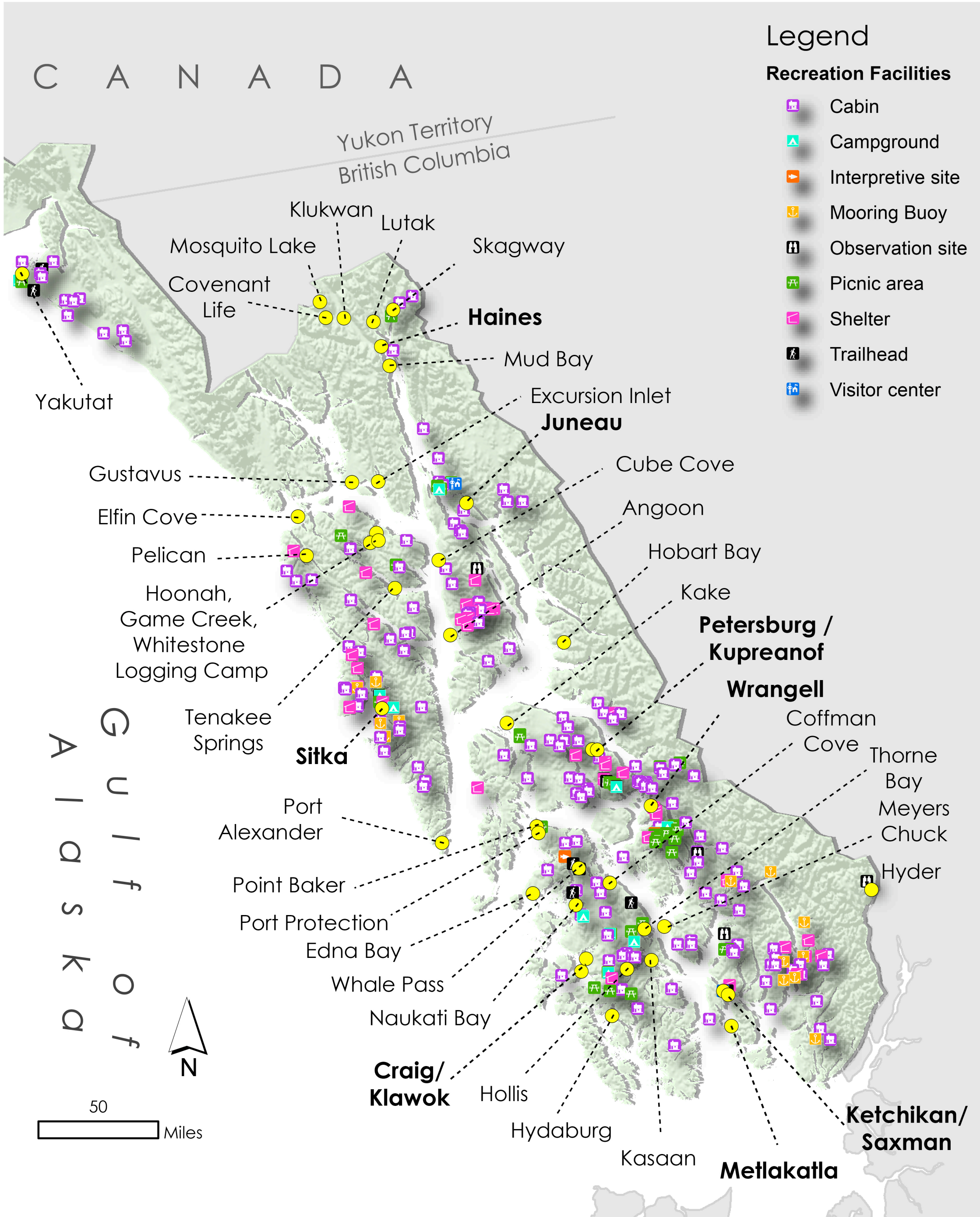
Tourism, Travel and Recreation



Between 1990 and 2009, the number of cruise ship passengers coming to Southeast Alaska more than quadrupled to over a million.





Location of Southeast Alaska Forest Service Recreation Facilities

Intangibles: Importance of Recreation, Culture and Quality of Life

Health Care

Private Southeast Health Care and Social Assistance Employment and Earnings, 2008 and 2009

	2009	2008	Change 2008-2009
Annual average Employment	3,576	3,489	2%
Annual average Wages	$38,800	$37,195	4%
Total Payroll	$139 million	$130 million	7%

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Mining Industry

Jobs 2009

- 413 in Southeast Alaska
  - Greens Creek = 333

Payroll 2009

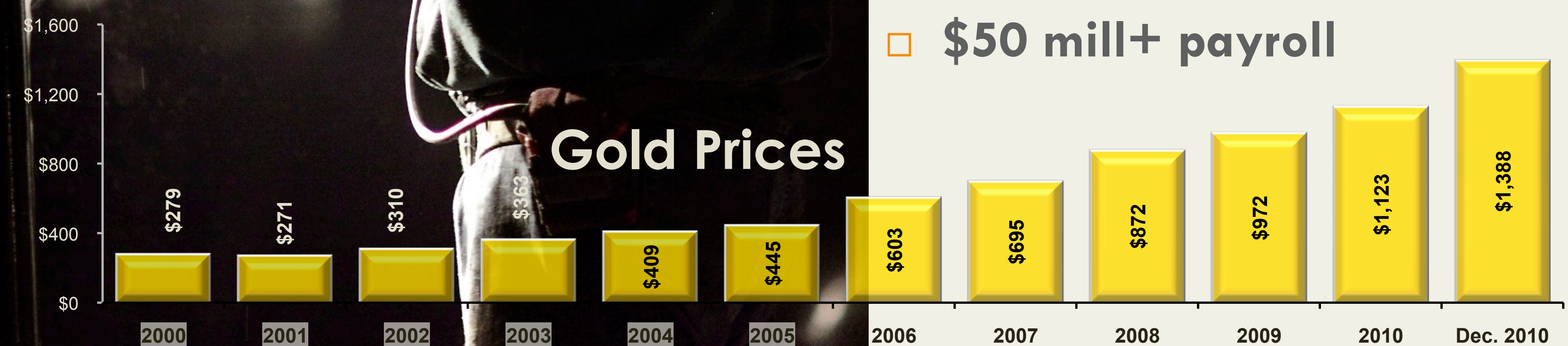
- $38 million

Average Wage 2009

- $92,000

Outlook 2011

- Kensington started production in 2010, plans for 200 jobs
- 600 mining jobs
- $50 mill+ payroll



Kensington

Juneau Economic Development Council

2009 Production

Silver
- 7.5 million ounces

Zinc
- 70,379 tons

Gold
- 67,278 ounces

Lead
- 22,253

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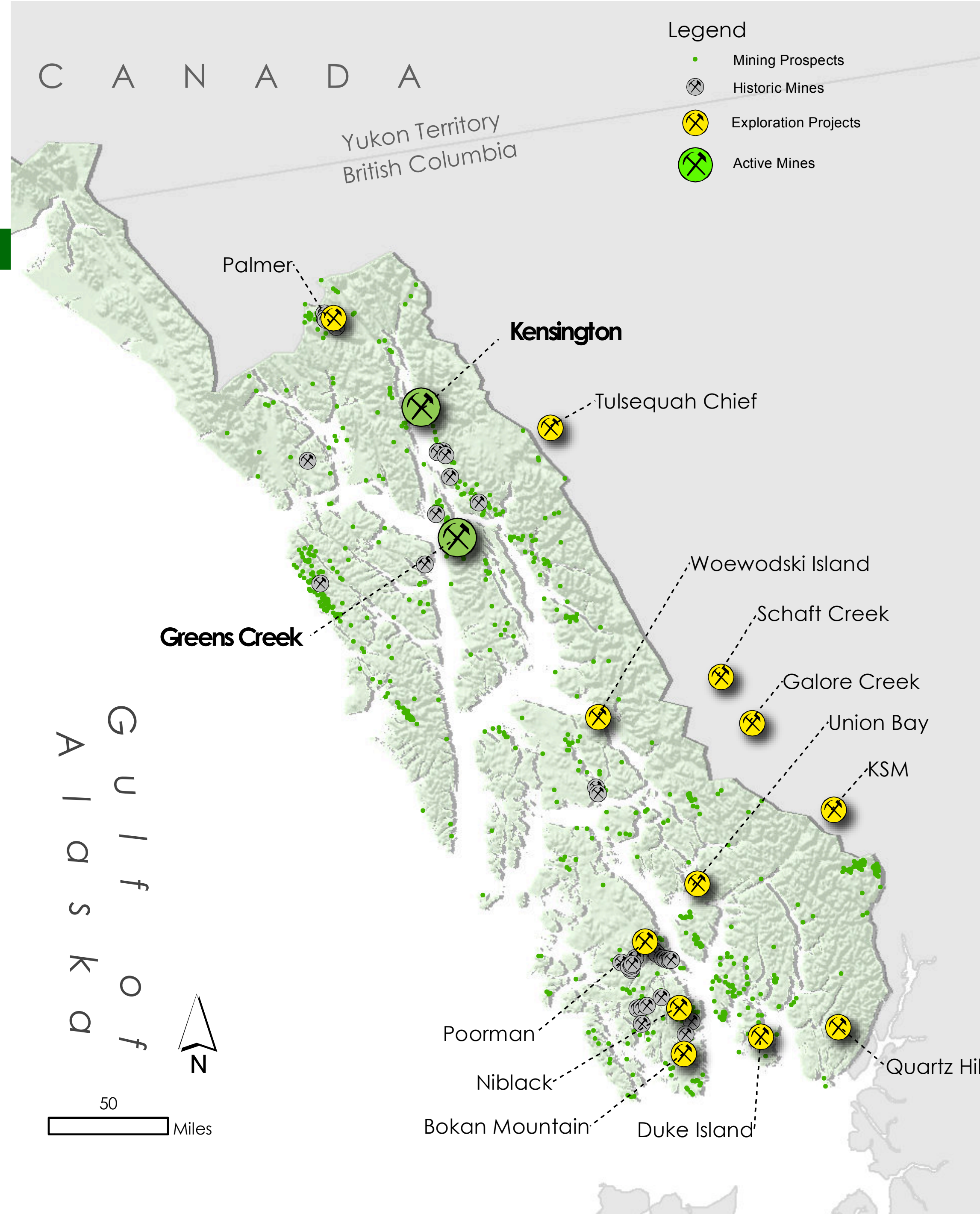
Southeast Alaska State Mining Claims, Mines, and Significant Mineral Deposits



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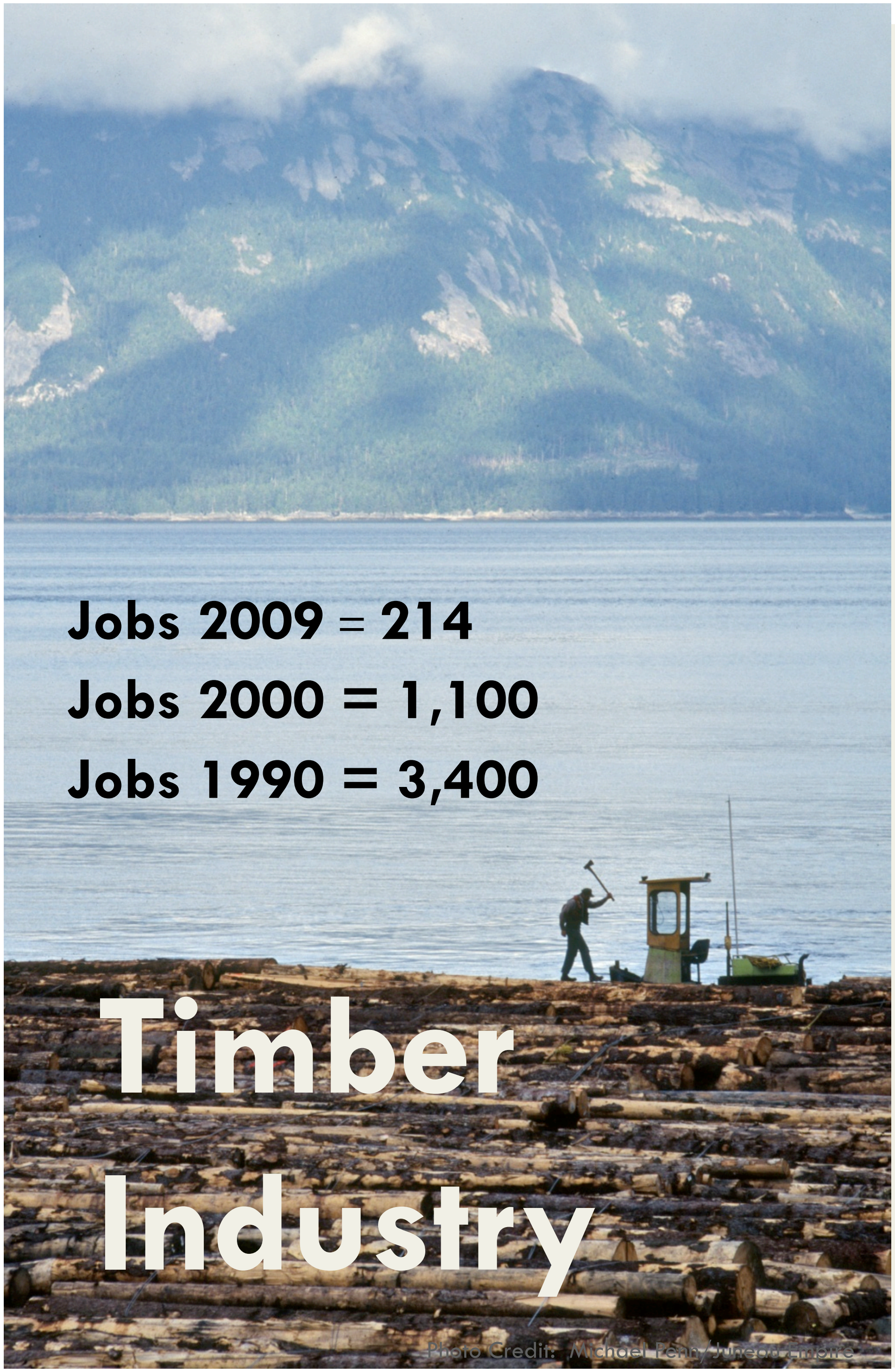
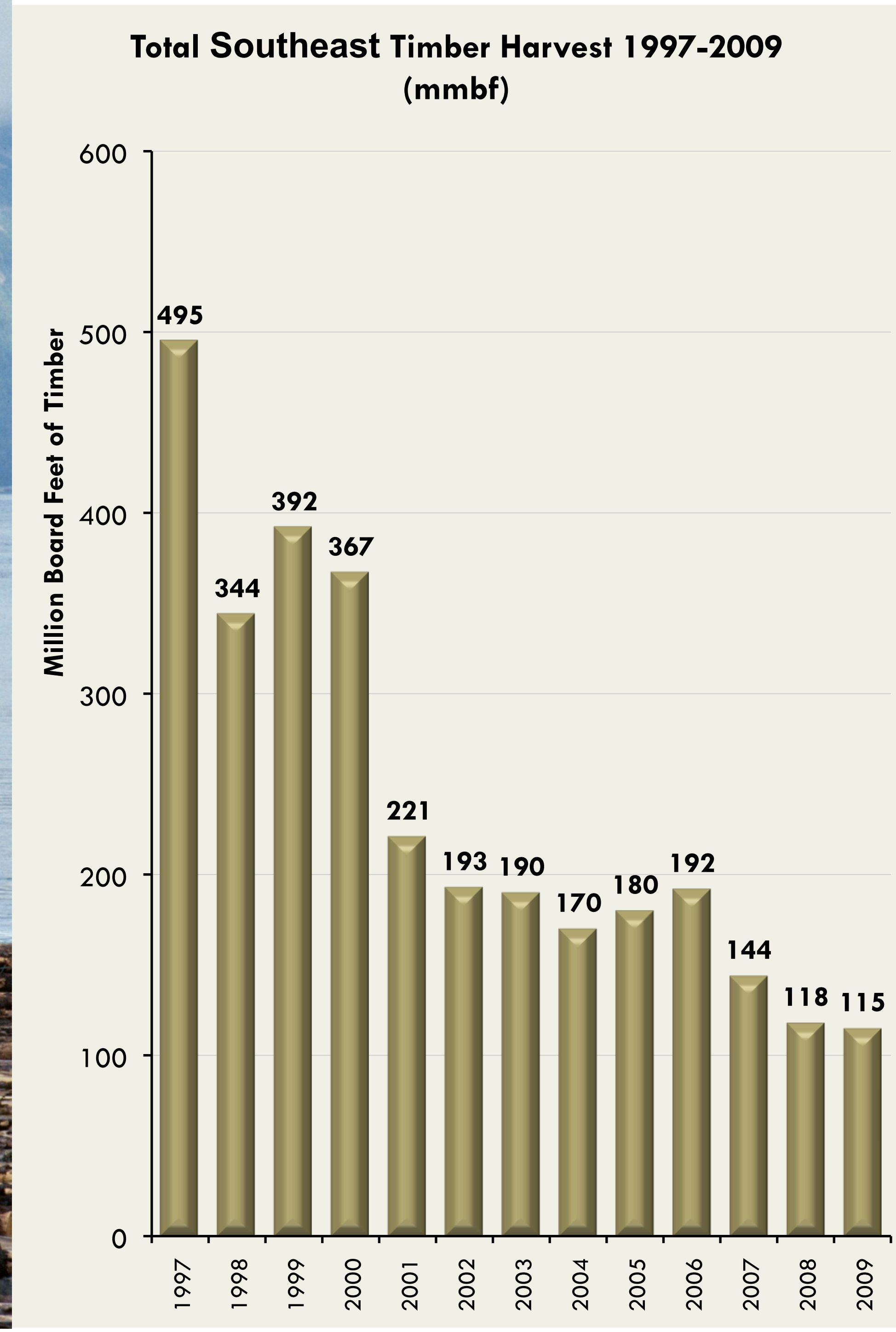

Jobs 2009 = 214
Jobs 2000 = 1,100
Jobs 1990 = 3,400
Timber Industry
Photo Credit: Michael Penn/Juneau Empire


Total Southeast Timber Harvest 1997-2009 (mmbf)
Million Board Feet of Timber
0
100
200
300
400
500
600
495
344
392
367
221
193
190
170
180
192
144
118
115
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009

Southeast Alaska Sawmills

Mill Name	Location	Status	# Employees 2009
Viking Lumber Co.	Craig	Active	32
D&L Woodworks	Hoonah	Active	2
Western Gold Cedar Products	Thorne Bay	Active	2
Thorne Bay Enterprises	Thorne Bay	Active	1
Falls Creek Forest Products	Petersburg	Active	1.5
Thorne Bay Wood Products	Thorne Bay	Active	5
Thuja Plicata Lumber	Thorne Bay	Active	3
Porter Lumber Co.	Thorne Bay	Active	2
St. Nick Forest Products	Craig	Active	3
The Mill	Petersburg	Active	1
Icy Straits Lumber & Milling Co.	Hoonah	Active	5
Pacific Log & Lumber	Ketchikan	Idle	0
Northern Star Cedar	Thorne Bay	Idle	0
J. Peterson	Thorne Bay	Idle	0
Silver Bay, Inc.	Wrangell	Uninstalled	0
Alaska Fibre	Petersburg	Uninstalled	0
Gateway Forest Products (lumber)	Ketchikan	Uninstalled	0
Ketchikan Renaissance Group	Ketchikan	Uninstalled	0
Herring Bay Lumber	Ketchikan	Uninstalled	0
Annette Island Sawmill	Metlakatla	Uninstalled	0
Metlakatla Forest Products	Metlakatla	Uninstalled	0
Kasaan Mountain Lumber & Log	Kasaan	Uninstalled	0
Chilkoot Lumber Co.	Haines	Uninstalled	0

Forest Restoration

Juneau Economic Development Council

Research and Development

Research Facility
Ted Stevens Marine Research Institute (NOAA Auke Bay Laboratories)
NOAA National Weather Service
UAF-School of Fisheries and Ocean Sciences (Lena Point)
Alaska Coastal Rainforest Center
Juneau Forestry Sciences Laboratory (Forest Service Research)
Alaska Wood Utilization Research and Development Center (Forest Service Research)
UAS Juneau Campus
UAS Ketchikan Campus
UAS Sitka Campus
ADFG offices located throughout SE
Héen Latinee Experimental Forest (site at north end of Juneau road system)
Maybeso Experimental Forest (on POW)
The Nature Conservancy (a research NGO)

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Finance

All SE census areas have at least one banking facility.

	Total AK branches	Total Regional branches
Alaska Pacific Bank	5	5
First Bank	8	8
Wells Fargo	50	11
Key Bank	17	3
First Nat'l Bank Alaska	30	5
Alaska USA FCU	35	4
True North FCU	5	3
ALPS FCU	1	1
Tongass FCU	5	5
Denali Alaskan FCU	16	1
Credit Union	7	1
Total	**179**	**47**

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Per Capita Tax Burden, Southeast Alaska and Statewide, 2009

Southeast wide average	$2,148
Municipality of Anchorage	$1,547
Alaska average (excluding North slope Borough)	$1,682
Alaska average (including North Slope Borough)	$2,107

Juneau and Ketchikan, as with Skagway, benefit from the sales tax collected from the influx of summer tourists. They have structured their tax revenue collection such that property taxes are lower per capita than Anchorage and Fairbanks, with sales tax providing more than half of the per capita tax revenue.

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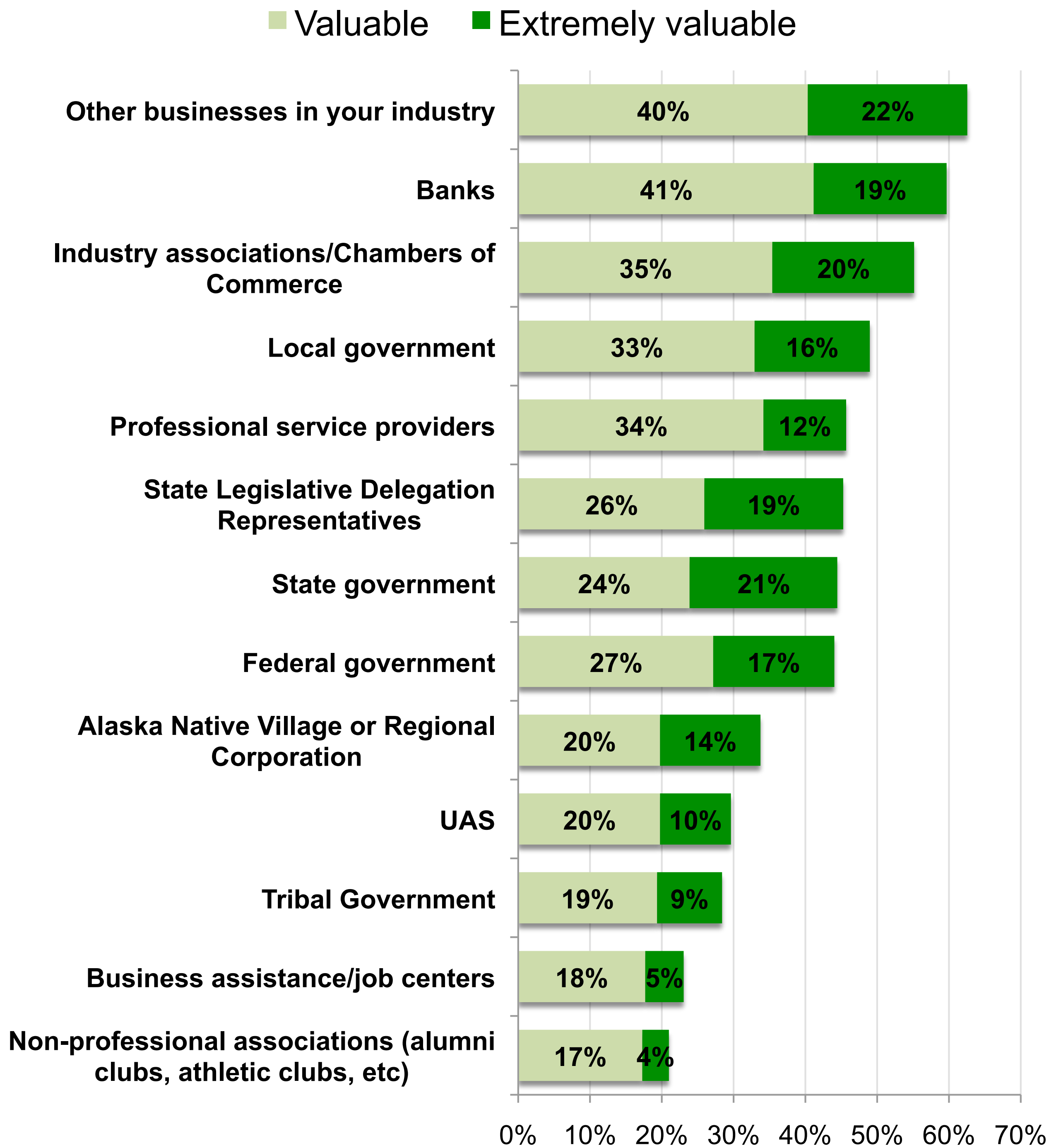
Connective Organizations

Rate how valuable interaction with each of the following institutions is to your business.



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The next phase:

Cluster Development Initiative

Juneau Economic Development Council

Cluster Working Group Approach

The asset mapping results will serve as the basis for identifying "clusters" of regional economic activity.

- An economic cluster:
  - a set of firms in the same or related field
  - located in the same geographic area
  - linked by service or supplier relationships, common customers and/or supporting institutions
  - share reliance on regional labor market
  - complement but also compete with one another
  - draw productive advantage from their mutual proximity

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Cluster Working Group Approach

- CWG approach promotes economic integration by participation from a broad industry “eco-system”:
  - Private industry – from large firms headquartered outside region and local firms to entrepreneurs
  - Federal, state and local government agencies
  - Non- profit, social service and environmental organizations
  - Trade organizations
  - Organized labor
  - Tribal governments and corporations
  - University staff and faculty
  - Local and regional economic development groups

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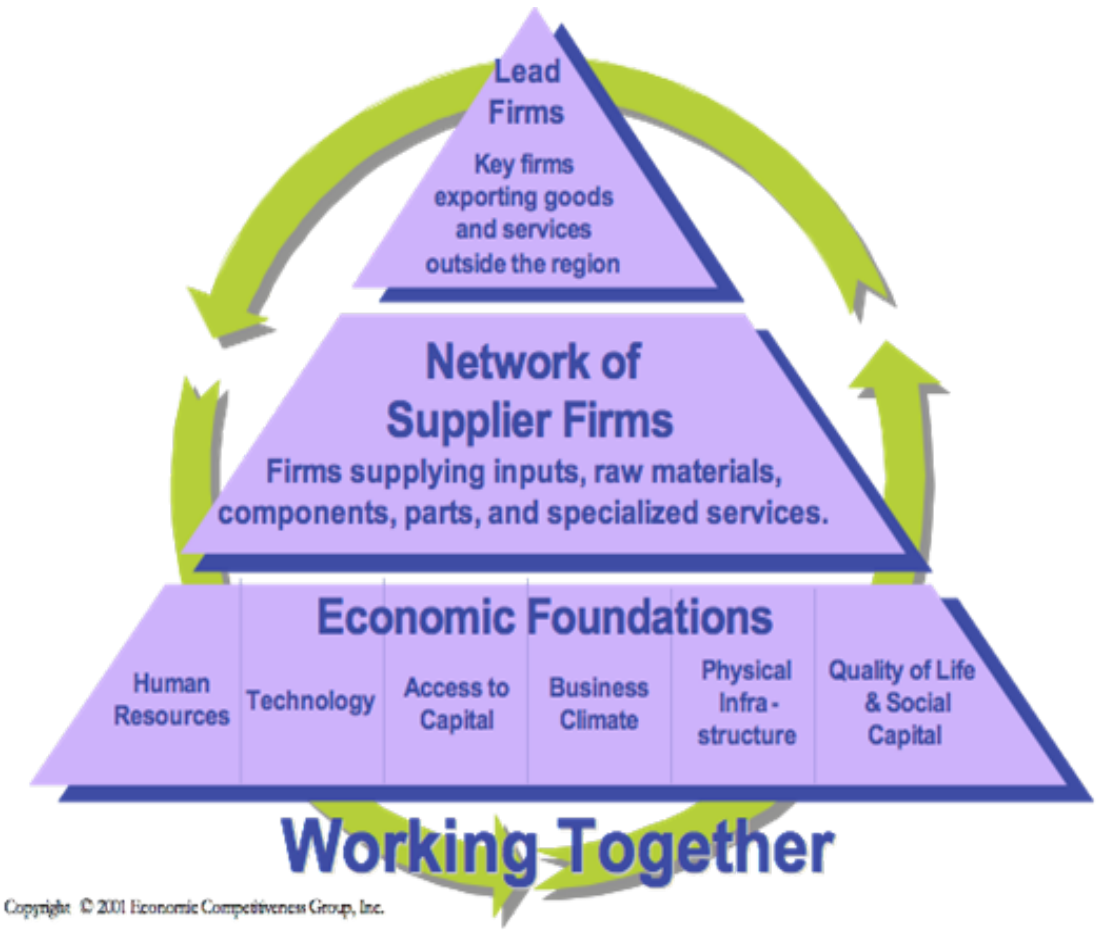
Cluster Working Group Approach



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Cluster Working Group Development and Implementation

The JEDC team will

- Identify and recruit approximately 20 member working group for the following clusters
  - Ocean Products
  - Forest Products
  - Visitor Products
  - Renewable Energy (seed)
- Provide facilitation for up to 3 meetings for each CWG
- Provide for sharing of work and feed back between each CWG
- Arrange for task oriented small-group meetings to access research and industry experts

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Strategic Plan

- Each CWG will develop a business plan for industry expansion and economic development.
- Action initiatives may include:
  - Enhancing the region's technology and infrastructure foundations
  - Workforce and human resource development
  - Improved access to funding and capital
  - Sources for generation of renewable, alternative energy
  - Innovative methods of utilization of the region's natural resources to expand business opportunities

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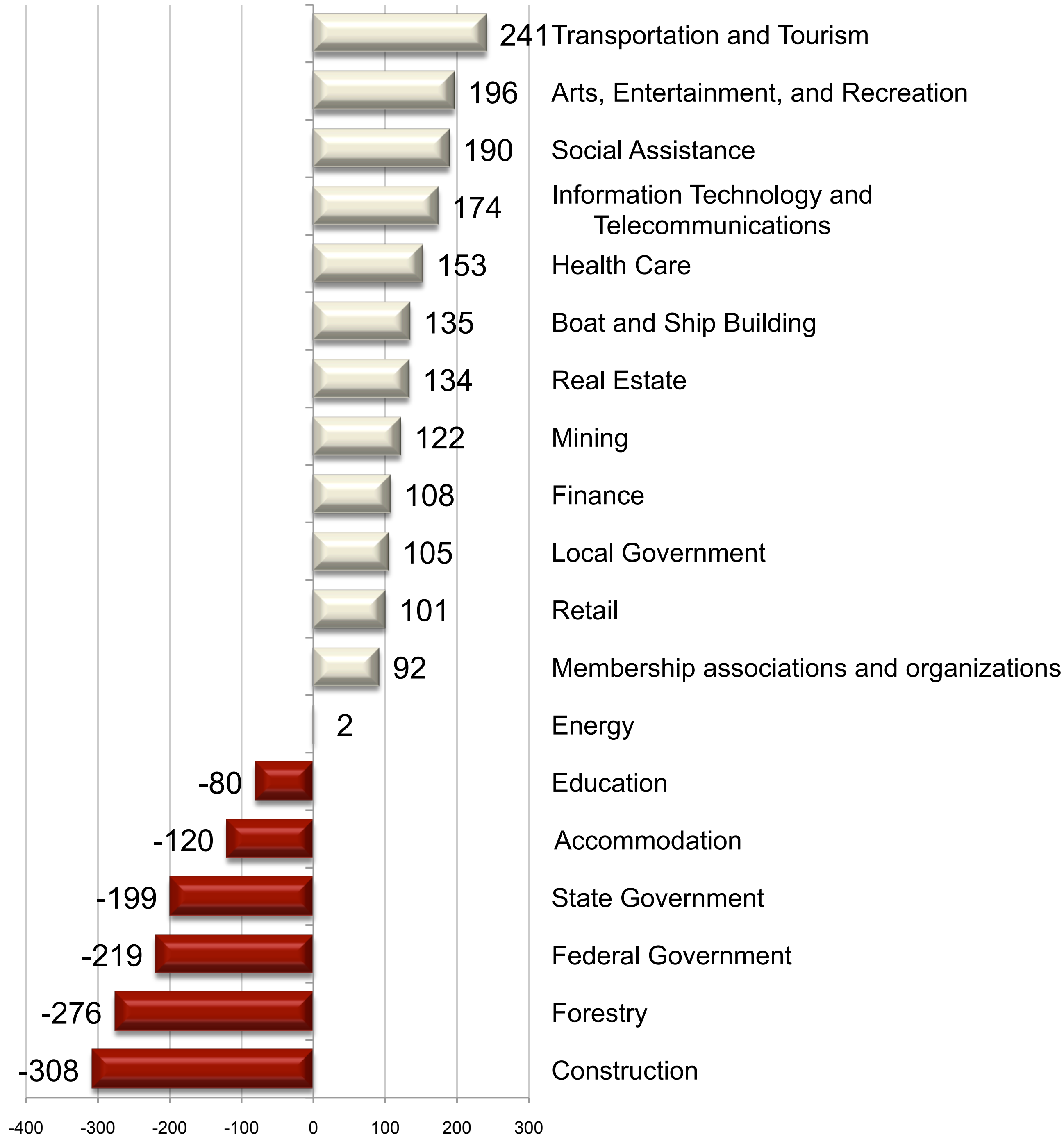
Strategic Plan

- The Southeast Alaska Strategic Plan for economic development will be the aggregation of each CWG individual plan.
- "Champions" will be identified to lead the move from discussion to direct action.
- Important Consideration: Success of these initiatives will depend on ongoing support after April.

Change in Southeast Alaska Private Sector Employment 2003-2009



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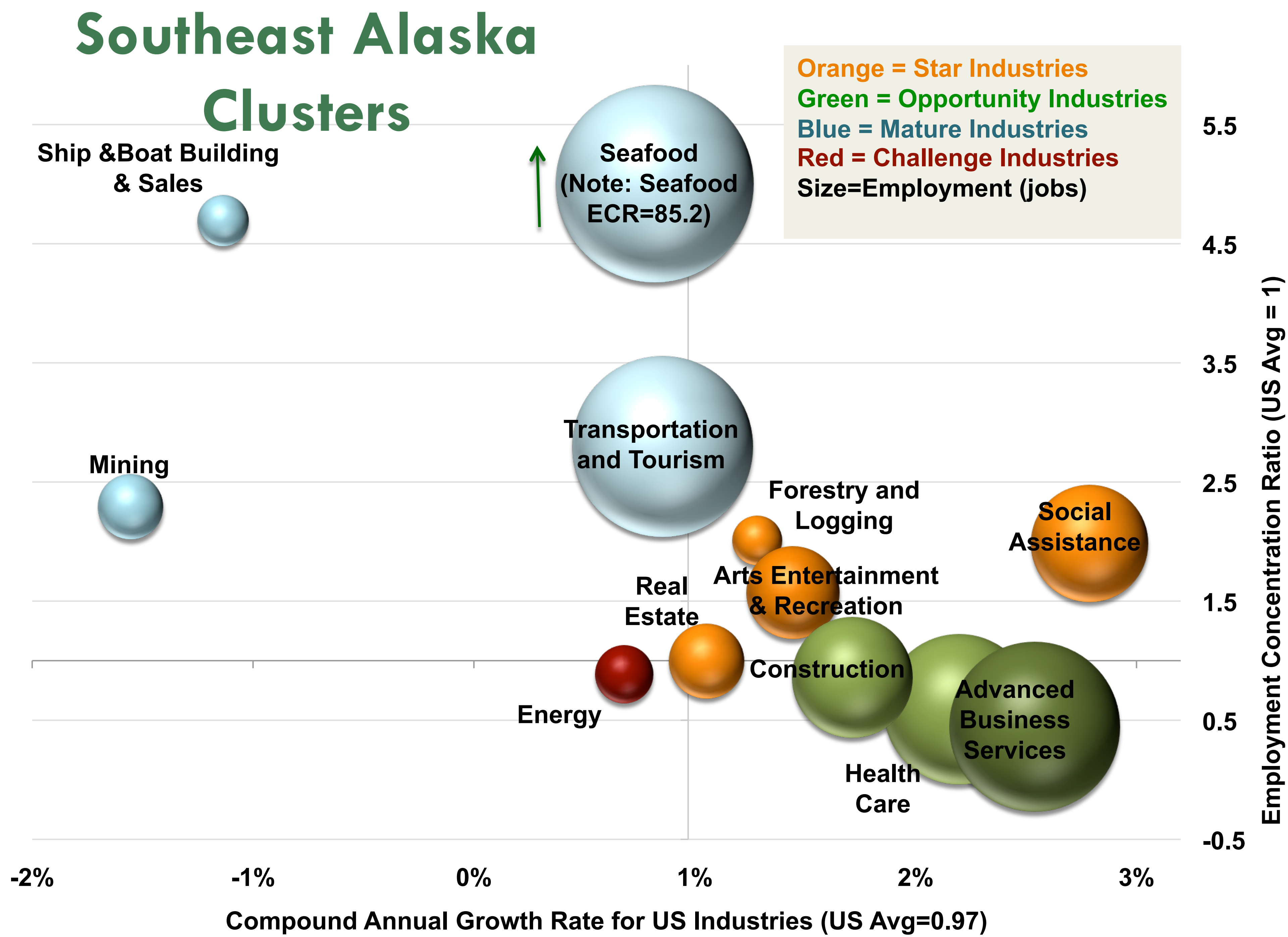

Southeast Alaska Clusters
Orange = Star Industries
Green = Opportunity Industries
Blue = Mature Industries
Red = Challenge Industries
Size=Employment (jobs)
Ship &Boat Building & Sales
Seafood (Note: Seafood ECR=85.2)
Transportation and Tourism
Mining
Forestry and Logging
Social Assistance
Arts Entertainment & Recreation
Real Estate
Construction
Energy
Advanced Business Services
Health Care
5.5
4.5
3.5
2.5
1.5
0.5
-0.5
-2%
-1%
0%
1%
2%
3%
Compound Annual Growth Rate for US Industries (US Avg=0.97)
Employment Concentration Ratio (US Avg = 1)

Southeast Alaska Annual Private Sector Employment: Select Clusters

Star clusters (higher than average employment concentration in the region, in growing markets)
Arts and Entertainment, Social Assistance, Forestry and Logging, Real Estate

Opportunity Clusters (lower employment concentration than average, but in growing markets)
Advanced Business Services, Health Care, Construction

Mature Clusters (higher employment than average, but in slower growing markets)
Fishing and Seafood Processing, Mining, Ship and Boat Building, Transportation and Tourism

Challenge Clusters (low employment concentration and in slow growth markets)
Energy

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Southeast Alaska Annual Private Sector Employment: Select Clusters

Cluster/Industry Name	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Seafood	3,680	3,845	2,396	199,896,080	$51,989	85.2	0.4%
Boating/Ship Building	140	254	24	12,090,194	$47,662	4.7	-1.1%
Transportation and Tourism	3,175	3,225	312	109,505,610	$33,953	2.8	0.9%
Mining	291	413	14	37,980,160	$91,962	2.3	-1.6%
Social Assistance	1,155	1,344	85	34,797,825	$25,896	2.0	2.8%
Forestry and Logging	510	238	32	11,759,446	$49,375	2.0	1.3%
Arts, Entertainment, and Recreation	653	849	102	16,392,498	$19,310	1.6	1.4%
Real Estate and Rental and Leasing	419	553	93	20,967,669	$37,933	1.0	1.1%
Construction	1,748	1,436	304	87,105,638	$60,648	0.9	1.7%
Energy	338	329	38	11,447,202	$34,768	0.9	0.7%
Health Care	2,080	2,232	134	103,951,255	$46,570	0.6	2.2%
Advanced Business Services	2,582	2,856	442	120,487,309	$42,195	0.4	1.4%

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Cluster: Visitor Products

Cluster/Industry Name	NAICS Industry Code	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Transportation and Tourism		**3,175**	**3,225**	**312**	**109,505,610**	**$33,953**	**2.8**	**0.9%**
Air transportation	481	702	716	39	26,690,965	$37,295	5.5	0.7%
Water transportation	483	262	268	19	15,859,978	$59,124	15.2	0.3%
Truck transportation	484	189	214	21	8,497,920	$39,787	0.6	1.0%
Scenic and sightseeing transportation	487	488	727	100	25,185,358	$34,639	98.0	1.6%
Support activities for transportation	488	321	207	26	10,300,807	$49,762	1.4	0.0%
Accommodation	721	1,213	1,094	107	22,970,582	$21,005	2.2	0.5%

Juneau Economic Development Council

Cluster: Forest Products

Cluster/Industry Name	NAICS Industry Code	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Forestry and Logging		**510**	**238**	**32**	**11,759,446**	**$49,375**	**2.0**	**1.3%**
Logging	1133	371	158	17	8,261,299	$52,149	11.6	2.0%
Support activities for forestry	1153	20	24	6	1,374,076	$56,858	6.0	0.6%
Wood product manufacturing	321	119	56	9	2,124,071	$38,214	0.6	-0.8%

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Cluster: Ocean Products

Cluster/Industry Name	NAICS Industry Code	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Seafood		**3,680**	**3,845**	**2,396**	**199,896,080**	**$51,989**	**85.2**	**0.4%**
Animal aquaculture	1125	136	131	16	4,827,371	$36,968	79.6	-0.4%
Seafood product preparation and packaging	3117	1,413	1,390	44	43,763,787	$31,487	133.7	1.0%
Fish and seafood merchant wholesalers	424460	52	43	20	2,246,922	$52,052	6.8	0.3%
Fishing	na	2,079	2,281	2,316	149,058,000	$65,338	na	0.0%

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Cluster: Advanced Business Services

Cluster/Industry Name	NAICS Industry Code	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Advanced Business Services		**2,582**	**2,856**	**442**	**120,487,309**	**42,195**	**0.4**	**1.4%**
Electronic markets and agents and brokers	425	18	24	10	892,796	$37,991	0.1	0.5%
Information	1022	503	561	59	23,819,421	$42,453	0.7	0.4%
Telecommunications	517	156	224	29	13,997,986	$62,468	0.8	-0.9%
Professional, Scientific and Tech Services	54	585	632	148	26,423,899	$41,810	0.1	3.8%
Management of Companies and Enterprises	55	84	50	5	5,453,783	$109,076	0.3	6.2%
Financial Activities	1023	1,211	1,319	190	56,811,801	$43,088	0.8	0.5%
Administrative and support services	561	614	589	116	18,562,435	$31,529	0.3	1.6%

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Cluster: Mining

Cluster/Industry Name	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Mining	291	413	14	37,980,160	$91,962	2.3	-1.6%

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Cluster: Energy
Seed Cluster: Renewable Energy

Cluster/Industry Name	NAICS Industry Code	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Energy		**338**	**329**	**38**	**11,447,202**	**$34,768**	**0.9**	**0.7%**
Petroleum merchant wholesalers	4247	101	87	7	2,739,930	$31,554	3.2	-0.2%
Gasoline stations	4471	143	154	23	3,358,353	$21,796	0.7	1.2%
Power generation and supply	2211	94	88	8	5,348,919	$60,554	0.8	0.6%

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Cluster: Boat and Ship Building
Seed Cluster: Metal Fabrication

Cluster/Industry Name	NAICS Industry Code	Annual Average Monthly Employment 2003	Annual Average Monthly Employment 2009	SE Businesses 2009	SE Wages 2009	Avg. SE wage 2009	Economic Concentration Ratio	US Compound Annual Growth Rate 2009-2019
Boating/Ship Building		**140**	**254**	**24**	**12,090,194**	**$47,662**	**4.7**	**-1.1%**
Ship and boat building	3366	60	195	8	9,996,085	$51,262	5.4	-1.1%
Boat dealers	441222	60	39	12	1,487,906	$38,647	4.2	1.3%
Marinas	713930	20	20	4	606,203	$30,060	2.4	1.0%

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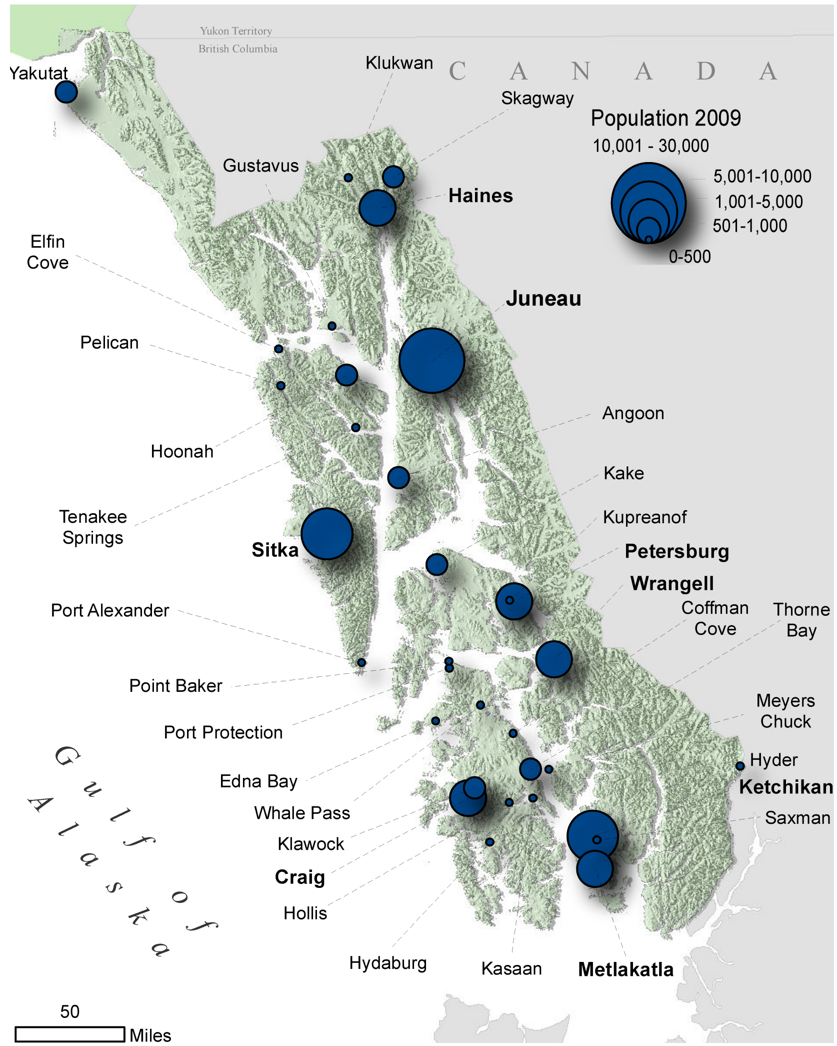
Southeast Alaska Asset Map

Phase I of the Southeast Alaska Cluster Initiative



Thank You

JEDC Juneau Economic Development Council