

KODIAK CITY COUNCIL

WORK SESSION AGENDA

Tuesday, January 22, 2019

Kodiak Public Library Multi-Purpose Room

7:30 p.m.

Work sessions are informal meetings of the City Council where Councilmembers review the upcoming regular meeting agenda packet and seek or receive information from staff. Although additional items not listed on the work session agenda are sometimes discussed when introduced by the Mayor, Council, or staff, no formal action is taken at work sessions and items that require formal Council action are placed on a regular Council meeting agenda. Public comments at work sessions are NOT considered part of the official record. Public comments intended for the "official record" should be made at a regular City Council meeting.

Discussion Items

1. Public Comments (limited to 3 minutes)
2. Alaska Public Entity Insurance Presentation – (Carleen Mitchell and Cole Cummins) 1
3. Tsunami Siren Update.....3
4. Finalize the Near Island Plan9
5. Discuss City Participation in Southwest Alaska Municipal Conference (SWAMC)
Comprehensive Economic Development Strategy (CEDS) Plan120
6. Elected Officials Training/Travel Requests
7. January 24, 2019, Agenda Packet Review

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APEI Fast Facts

- **In business since 1986:** APEI's roots go back to the Association of Alaska School Boards; organized as a non-profit corporation.
- **In 2018-2019 APEI has 73 members:** 37 municipal and related entities and 34 school districts and charter schools.

APEI Program Philosophies

- **Contributions (premiums):** Designed to be equitable between members based on detailed analysis of their loss history.
- **Focus on loss control:** APEI is fully committed to helping members reduce losses by providing effective loss control services.
- **Independent representation through brokers:** APEI works solely through Alaska licensed brokers who coordinate members' coverage, ensuring that members get independent insurance advice so that their specific insurance needs are met.

APEI Financial Strength

	<u>As of 6/30/18</u>	<u>As of 6/30/17</u>
Total Assets	\$29.4 mil	\$28.2 mil
<u>Total Liabilities</u>	<u>\$12.0 mil</u>	<u>\$13.8 mil</u>
Net Position	\$17.4 mil	\$14.4 mil

Excess Coverage

APEI carries Excess Insurance and Reinsurance to protect the company in the event of large losses. Major retentions and overall limits are:

	<u>APEI Retention</u>	<u>Policy Limit</u>
Property	\$500,000	\$200 mil program aggregate
Liability	\$500,000	\$15.5 mil per occurrence
WC	\$1,000,000	Statutory limits



Insurance Coverage Highlights

Liability Coverage includes:

- Police, Employment Practices, and Educator's legal liability
- Non-owned Watercraft and Aviation protection
- Volunteer and Student Accident Medical Coverage

Auto:

- Replacement cost coverage on emergency vehicles
- Non-owned auto coverage for all members as part of the liability coverage

Property:

- Full replacement cost coverage on appraised structures
- The deductible for earthquake and flood damage is the same as for general property coverage
- Mechanical breakdown coverage, including jurisdictional inspections

Cyber Liability: Cyber liability coverage, including protection for lost income, investigation costs, and electronic data restoration

Crime: Comprehensive crime coverage, including employee dishonesty and fidelity coverages

Aviation and Marine Coverage: Available on a pass-through basis through arrangements that APEI has with commercial insurance carriers

Tenant's User Liability Insurance Program (TULIP): Available for members' lessees of public facilities

Special Program Features

Safety Equipment and Training Grants: APEI offers grants from \$1,000 to \$5,000 per member per year to be applied to safety training or equipment, including personal protective equipment. Grant levels vary depending on member premium.

3-Year Agreement: Members can save 5% on annual contributions in exchange for agreeing to remain in the APEI program for three years

Dividends & Longevity Credits: \$1.0 million in dividends were returned to members at the 2017/18 renewal, and \$1.1 mil was returned in 2018/19 in the form of longevity credits. Over \$12 million has been paid back to members since 2011.

Loss Control Premium Credit/Reduction: Members can save on their annual contributions by engaging in loss control activities such as employee training, performing safety inspections, and maintaining an active safety committee

Focus on Loss Control: APEI has a robust loss control program with a variety of services and training options available to meet each members' unique needs, including on-site and online training options and consultation services.



City of Kodiak
KODIAK POLICE DEPARTMENT
Office of the Chief of Police



MEMORANDUM

To: Mike Tvenge, City Manager
From: Timothy Putney, Chief of Police
Date: January 16, 2019
Subject: Siren Alert and Warning System (SAWS)

Introduction

The City of Kodiak's Siren Alert and Warning System (SAWS) is comprised of Plectron sirens, Alerting Communicators of America (ACA) RDT/TTS sirens, and American Signal Corporation sirens. The Plectron and ACA sirens were acquired between 1984 and 1986, and the American Signal Corporation sirens were acquired sometime in the 1990's.

The sirens are activated through radio consoles at the Kodiak Police Department's Public Safety Answering Point (PSAP). The activation or cancellation signal is sent to Pillar Mountain where it is transmitted and received by the individual sirens. The activation or cancellation signal can be sent to Pillar Mountain through a radio signal or hard line which offers some redundancy. The Kodiak Fire Department also has the ability to activate the alarms if necessary.

The City owns 12 sirens and the Kodiak Island Borough owns an additional 9 sirens along the road system. City and Borough sirens are all part of the same system activated through the PSAP, and maintenance is the responsibility of their respective municipal body.

Maintenance and Inspections

The City and Borough both utilize Aksala Electronics for siren maintenance. The City had an annual contract with Aksala to inspect the individual sirens between 2004 and 2014. Aksala produced a report each year describing the general condition of the speaker array, electronics box, and battery box at each location and recommended repairs. The speaker arrays, electronics enclosures, and battery boxes were originally manufactured using sheet metal. As the metal rusts away, Aksala replaces the speaker arrays with aluminum boxes and the electronics enclosures and battery boxes are replaced with fiberglass. The City continues to use Aksala to inspect and repair faulty

sirens. Aksala has recently finished extensive repairs on the siren erected outside the Harbor Master's Office, and the siren in the 700 block of Mission Road is being repaired now.

In 2009 the City of Kodiak received \$34,609 in grant money to hire a communications consultant who subsequently completed a comprehensive assessment of the City and Borough SAWS.

The result of the study was that at least another 6 years of service could be expected from the current SAWS. The recommendation was to continue annual inspections and regular maintenance until the sirens were replaced. This study recommended relocating 5 of the City sirens; however, the current inundation zone could not have been considered, nor did the study address acoustical effectiveness of the current or suggested locations.

Individual Siren Evaluations

The sirens owned by the City consist of the following: 2 Alerting Communicators of America (ACA) RDT/TTS, 5 Plectron, and 2 American Signal Corporation, and 3 American Signal Corporation Compulert computer programmable sirens. I reviewed Aksala Electronics' 2012, 2013, and 2014 annual inspections of the City's sirens. The inference from the reports is critical repairs were prioritized, most of the battery banks were 10 years old but still functioning well, and moisture and rust were a regular concern. The following is a summary of the current inventory with notes on each siren.

Siren at Gibson Cove is an ACA RDT/TTS

- Speaker array rusting through and was recommended for replacement in 2014
- Replaced gel cell batteries in 2017
- Inspected again in late 2017
- This siren is not operational today.

Siren at Pier III is an American Signal Corporation

- Electronics enclosure and speaker array were rusting through in 2014
- Repairs were made in 2016 to keep the siren functioning

Siren on Jack Hinkle is a Plectron

- Electronics enclosure was rebuilt in 2004
- Speaker array was replaced in 2010
- Inspected in 2016 and 2018

Siren at Harbor Master's Office is an American Signal Corporation Compulert

- Siren battery replaced in 2018
- Speaker array and electronics enclosure were rebuilt in January 2019

Siren behind the Fire Department is an ACA RDT/TTS

- Surface rust on the speaker array

Siren on Hemlock Street is a Plectron

- Speaker array showing signs of rust
- Repairs made in 2016 and 2018

Siren in the 700 block of Mission Road is a Plectron

- Gel cell batteries replaced in 2017
- Another inspection made in late 2017
- Siren is not operational today and is scheduled for repairs now

Siren in Dog Bay is a Plectron

- Speaker array is rusting
- Repairs were made in 2016 to keep it functional

Siren in the alley behind 1300 block of Rezanof Drive is a Plectron

- Repairs were made in 2016
- Speaker array has rust holes
- Siren output is muffled by Spruce trees growing around it (tree branches are in contact with speaker array). They should be trimmed back at least 10 feet.
- This siren is not in the inundation zone. There is potential to slightly relocate this siren to a more strategic location, depending on available property access and nearby utilities.

Siren at the Dairy Barn (Signal Hill) is an American Signal Corporation Compulert

- Siren speaker array appears rusted
- This siren is not functioning today
- This siren is far from the inundation zone and may not serve any notification purpose for a tsunami

Siren at the National Guard Armory is an American Signal Corporation Compulert

- This siren is not functioning today
- This siren is far from the inundation zone and may not serve any notification purpose for a tsunami

Siren at the Civil Air Patrol (CAP) Hangar is an American Signal Corporation

- Speaker array has a large rust hole
- Electronics box shows signs of rust and should be replaced
- This siren is far from the inundation zone and serves no notification purpose for a tsunami

Note: In each annual report I reviewed, Aksala recommended removing or relocating the sirens at the Civil Air Patrol Hangar, National Guard Armory, and the Dairy Barn.

Conclusion

The units making up the current SAWS are 25 to 35 years old with some individual units having newer enclosures or electrical components. The software used in the three “new” computer programmable Compulert sirens is from the 1990’s and requires the almost obsolete DOS (disk operating system) to run.

New sirens come in different sizes which are capable of broadcasting signals that reach about 1,200 feet to 4,200 feet. The further a siren’s signal reaches the bigger and more expensive it is. A good starting point for budgetary considerations would be approximately \$57,000 per siren. This includes a new mounting pole, shipping to Kodiak, and installation. If a new siren can be integrated into the existing SAWS it will sound different.

The inundation zones and communication methods have all changed since the current SAWS was designed and installed. Further evaluation of the current site locations and any potential relocation site is being conducted.



Shown with optional side-light kit¹

► Model MOD Series

Modulator High-Powered Omni Speaker

Federal Signal's Modulator High-Powered Speaker Array offers the same proven technology as the original Modulator with the exception of a smaller compact chassis. Modulator provides a flat frequency response up to 2000Hz producing intense warning signals and digital voice messaging over a large area. The Modulator design enables the siren to produce a high sound level and intelligible voice communications.

The innovative omni-directional electronic Modulator speaker array consists of modules that utilize four 100 watt drivers. It also provides clear voice communication and offers warning signals which are produced by Federal Signal's UltraVoice™ electronic controller and amplifier system. Custom tones and professionally recorded voice messages for the UltraVoice controller are available and can be purchased upon request.

The Modulator High-Powered Speaker Array combined with the UltraVoice controller is ideal for community/municipal, industrial and military applications where immediate instruction is necessary. The MOD6032 and MOD6048 have been replaced by the MOD8032B, which is shorter, lighter and more compact.

The Modulator and UltraVoice controller can be networked via radio, IP, landline, cellular and/or satellite communications. Powering is available in AC, DC, or solar. The system typically operates from batteries which are charged from either AC or Solar. Federal Signal can also provide customized solutions to fit your special applications.

¹ Modulator models purchased after September, 2017, are pre-configured to support top and side lights kits for visual signaling options.

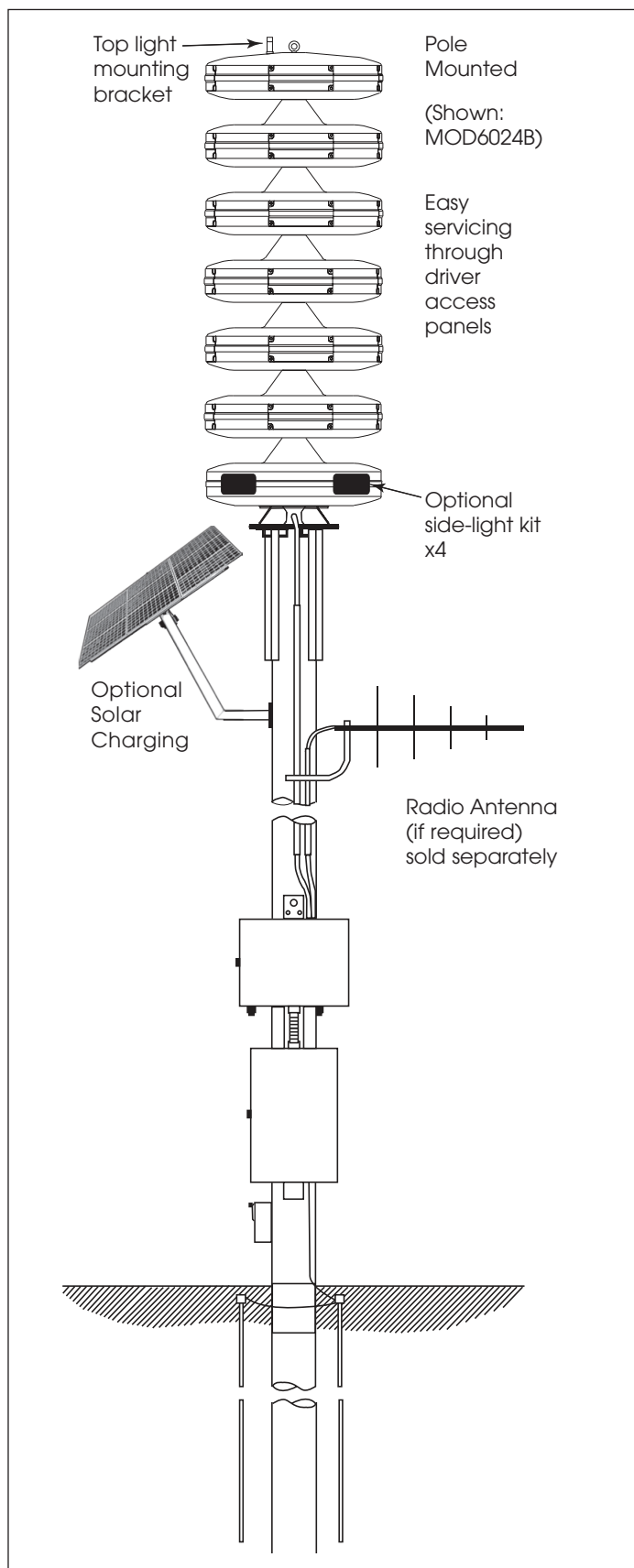
FEATURES

- Light-weight, compact design
- Utilizes Federal Signal Ultravoicé™ for control and amplification
- Excellent frequency response for clear voice reproduction
- 360° coverage without sound variation in horizontal planes
- Easy servicing through convenient access panels
- Anechoic chamber-certified
- Optional visual signaling accessories available
- Optional steel/concrete pole mounting

MODEL	ACTIVE MODULES	TOTAL WATT	DECIBELS @ 100'	EFFECTIVE RANGE @ 70 dBc	HEIGHT IN	MM	NET WEIGHT LBS	KG	SHIPPING WT LBS	KG
MOD1004B¹	1	400	106 dBc	1,200'	28"	71	125	56.8	264	120
MOD2008B¹	2	800	112 dBc	1,800'	43"	109.2	190	86.4	294	133.6
MOD3012B¹	3	1200	115 dBc	2,200'	57"	144.7	255	115.9	444	201.8
MOD4016B¹	4	1600	118 dBc	2,800'	72"	182.8	320	145.5	544	247.3
MOD5020B¹	5	2000	120 dBc	3,100'	86"	218.4	385	175	744	338.2
MOD6024B¹	6	2400	121 dBc	3,400'	101"	256.5	450	204.5	960	436.4
MOD8032B¹	8	3200	124 dBc	4,200'	130"	330.2	580	263.6	1392	632.7

¹Add the letter C to the Modulator model name for steel/concrete pole mount model

Modulator® High-Powered Omni Speaker (MOD)



SPECIFICATIONS

Frequency Response:	200-2000Hz
Color	Off-White
Paint Type	TGIC-polyester powder coat
Modulator Horn Type	Hyperbolic flare
Horizontal Coverage	360° +/- 1 dBc
Diameter	35"/88.9cm
Wind Loading @ 110mph wind velocity ¹ :	
MOD1004B	251 lbs
MOD2008B	377 lbs
MOD3012B	503 lbs
MOD4016B	629 lbs
MOD5020B	755 lbs
MOD6024B	881 lbs
MOD8032B	1133 lbs

¹ Wind loading is the calculated force of wind at 110mph (shoreline), exposure D (flat, unobstructed coastal areas) on frontal area 4.64 ft. per American National Standards Institute A58.1 "Minimum design loads for buildings and other structures."

HOW TO ORDER

Contact our Federal Signal Sales Engineers to design a system that meets your specific requirements.

Specify speaker array model number – each speaker array model must be ordered with a specific corresponding UV and Amplifier.

Speaker	Controller ²
MOD1004B ¹	UV + 1 UV400
MOD2008B ¹	UV + 2 UV400
MOD3012B ¹	UV + 3 UV400
MOD4016B ¹	UV + 4 UV400
MOD5020B ¹	UV + 5 UV400
MOD6024B ¹	UV + 6 UV400
MOD8032B ¹	UV + 8 UV400

¹ Add the letter C to the Modulator model for Steel/Concrete pole mount (i.e. MOD1004BC)

² Controllers available in Radio, IP, and Landline.

Note: 40 feet of cable is supplied with siren. Extension cable in 10 foot increments is also available. Mounting the UV controller further than 100 feet is not recommended (further mounting may decrease power output).

See page 50 for the Solar Panel option.

OPTIONAL ACCESSORIES

Description	Part Number
Hazardous Location LED Light	191XL-024*
Side-light Kit	MOD-QF-KIT

*Indicate color: (A) Amber, (B) Blue, (C) Clear, (G) Green or (R) Red

REPLACEMENT PARTS

Description	Part Number
Driver, 100 watt	K8570063A



MEMORANDUM

TO: Mayor Branson and City Council members
FROM: Mike Tvenge, City Manager
DATE: December 11, 2018/ updated January 22, 2019
RE: Near Island Development Plan

This proposed land use plan has been reviewed by both the Council and community during several presentations all public and transparent. Most recently during the December 11 work session, however; there was not a full council, including the mayor present.

Our notes from the January 9, 2018 Work Session identifies the Near Island Concept C as the preferred Land Use Plan. This land use is identified as Figure 10 on page 19 of the plan.

Included in the comprehensive packet of materials is input from the Technical Advisory Committee meetings and public comments suggested for future use of Near Island. These comments were solicited during the public open house stakeholders meetings hosted by Aaron Christie, Michelle McNulty-Ritter, Tim Potter and Michaela Kozak all of DOWL.

Step one – temporary approval by council of a development plan with defined land use

Step two – File a completed application for rezone with KIB Community Development Department which will be reviewed with KIB Planning and Zoning Commission and within approximately 90 days a public hearing is held. Once approved by P&Z, within 30 days they forward the recommendation to Kodiak Island Borough Assembly for adoption by Ordinance. The City council would likely approve of the final plan by Resolution.

Step three – implement disposal methods such lease or sale

Other steps would include how much of the trail system will be maintained by City Parks and Recreation, creating designated rights of way or easements along the trails for preservation and much much more.



Near Island Development Plan 2017

Near Island Development Plan

Prepared For:

The City of Kodiak

DECEMBER 2017

Prepared by:



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Appendices

Appendix A: Updated Conditional Use Permit

Appendix B: Public Involvement Materials

Introduction

Near Island is part of the Kodiak Island Archipelago, which for over 7,500 years has been inhabited by the Alutiq people or Sugpiaq as they are known in their native language (Alutiqmuseum.org). The original inhabitants subsisted by hunting, fishing, farming, and gathering. The first known outsiders to settle on the island were Russian explorers in 1784. Following the 1867 Alaska purchase by the United States, the island became part of the United States.

Near Island was owned by the State of Alaska until 1968 when the City of Kodiak acquired it. Until 1974, there had been no development on Near Island, although there had been development on several of the other islands in the surrounding area. The island had been used for livestock grazing and some recreational uses, but these uses were relatively light as they were restricted by lack of a connection to the main island.

Since 1974, the island has been developed with a small boat harbor, Trident Basin Seaplane Base, the Kodiak Seafood and Marine Science Center (formerly the Fishery Industrial Technology Center (FITC)), commercial and office uses, a multi-family residential building, quarry operations, parks, and a recreational trail system. The Fred Zharoff Memorial Bridge (Near Island Bridge) was constructed in the Mid-1980's, connecting Near Island to the City of Kodiak. Utilities have also been extended across the island.



Image 1: Fred Zharoff Memorial Bridge



Image 2: Boats Docked at St. Herman's Harbor

Background

Various large-scale planning efforts addressing the future growth and development of Near Island have occurred since 1974. Each of these efforts has built off of the previous plans and has intended to provide flexibility so that development could be responsive to future growth and needs of the community.

1974 Near Island Comprehensive Development Plan

The first comprehensive development plan for Near Island was completed in 1974 in preparation of impending land demands associated with the proposed new small boat harbor in St. Herman's Harbor (formerly Dog Bay). The 1974 Near Island Comprehensive Development Plan (CDP) was adopted by the Kodiak Island Borough (KIB) in 1980. The next few years saw the development of the small boat harbor, the linking of Near Island and the City of Kodiak by bridge, and the siting for the proposed Kodiak Seafood and Marine Science Center. These new developments, paired with the proposal of other suggested uses on Near Island, demonstrated the need for a comprehensive strategy to manage future development on Near Island. The proposed 1974 Land Use Plan is shown in Figure 1.

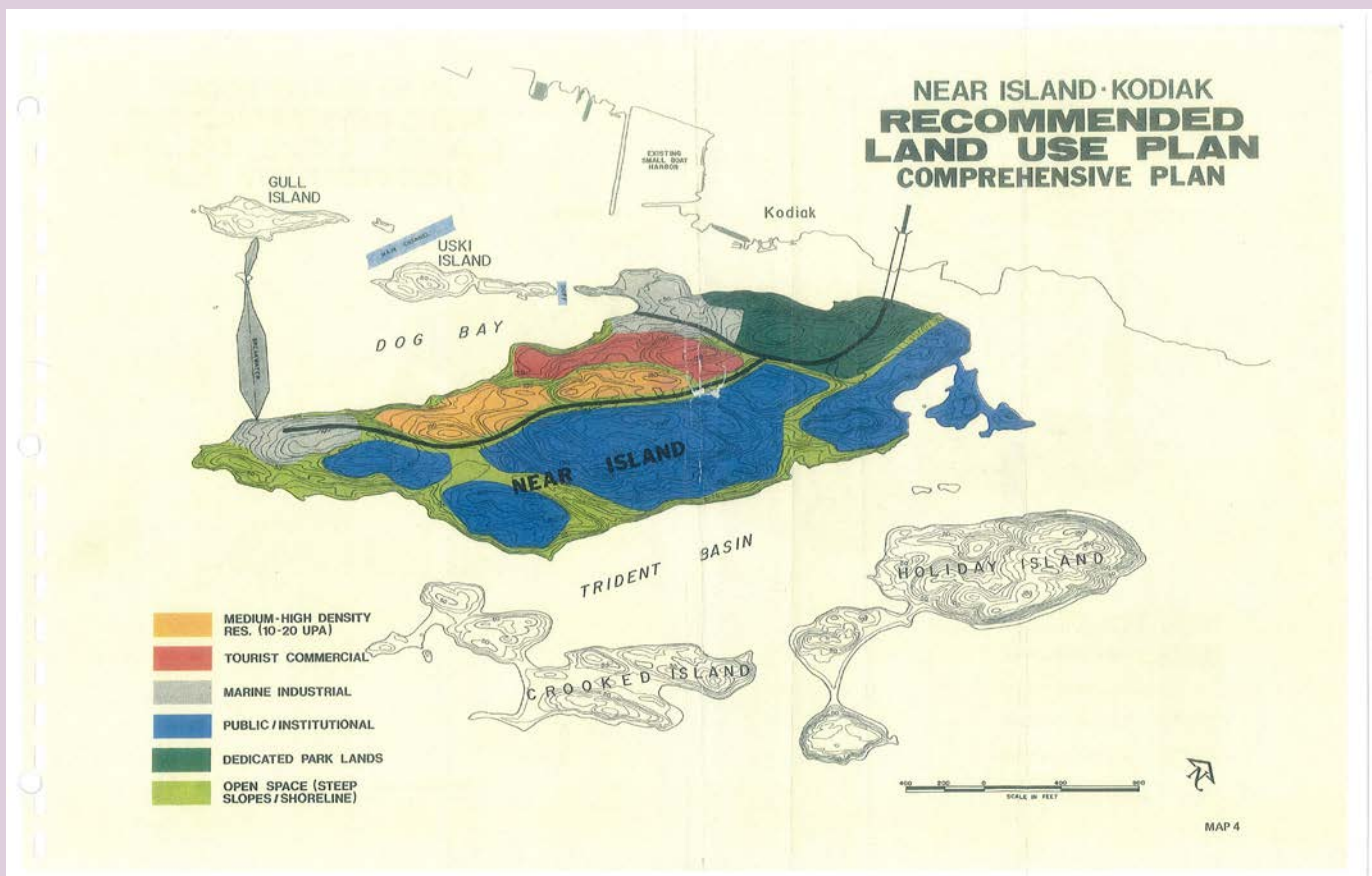


Figure 1: 1974 Recommended Land Use Map

1987 Near Island Comprehensive Development Plan

The most current CDP for Near Island was adopted by the Kodiak Island Borough in 1987. The City of Kodiak, as property owner of Near Island, recognized the need to manage future growth of the island and created the Near Island Task Force in 1985. Task Force Members were given the charge of making recommendations to the City Council for future development of Near Island.

The 1987 CDP provides a variety of land uses for specific areas of the island including commercial, industrial, residential, institutional, future development reserve, greenbelts, and parks (Figure 2). However, large portions of the island were left undesignated with the intent to allow future decision makers the flexibility of developing these portions of the island as the infrastructure and needs of the community grew. In addition, the 1987 CDP prioritized developing a plan for disposal of property.

The 1987 CDP also identified the need for a Near Island Recreational Trail that would circumnavigate the perimeter of the Island as well as a trail bisecting the island through various observation points which would later be identified in the 1999 Trails Development Plan. The intent of the trail was to allow community access to major portions of Near Island. The trail was intended for hiking, biking, and jogging. All motorized vehicles were proposed to be prohibited. Acknowledging the benefits of both the trail system and potential future development, the CDP stated that if a trail was to be interrupted by a specific development, then an alternative route should be established within reasonable proximity of the existing trail.

1999 Trails Development Plan

Recreational use of Near Island by residents of Kodiak rose considerably after the completion of the Near Island Bridge. Meeting minutes from the January 9, 1990 city council work session indicates that the City Council repeated the notion that the trail and development had equal priority. A trail committee was established to look at the concept of formalized trails on Near Island and to develop goals and objectives as part of a draft Trails Development Plan (TDP). During work sessions for this plan considerable discussion identified the need for Near Island development standards. The TDP ultimately identified a trail that circumnavigates Near Island and that provides connections to prominent observation points, to the small boat harbor, and the Kodiak Seafood and Marine Science Center (Figure 3).

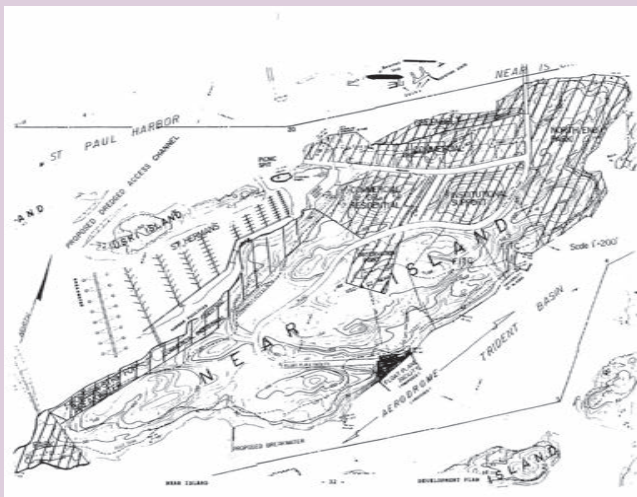


Figure 2: 1987 Recommended Land Use Map

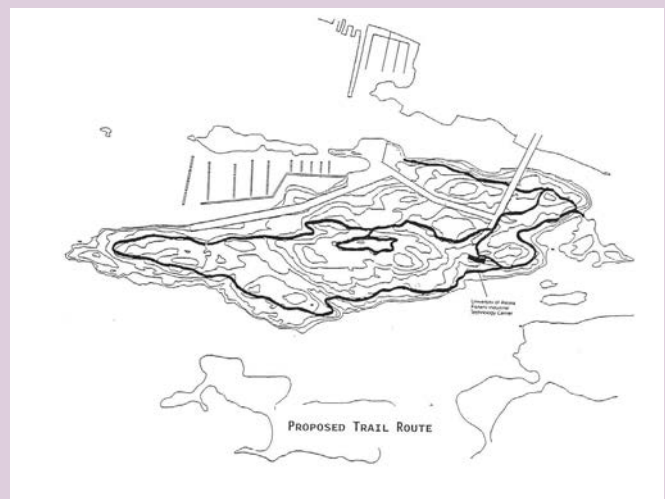


Figure 3: Trail Development Plan's Proposed Trail Route

2002 Design Workshop

In 2002, a group of design professionals from across the country hosted a four-day workshop where they spent two days learning as much as possible about the community and another two days to take a step back and provide fresh perspective on identified issues. The intent of the workshop was not to provide solutions but rather to identify avenues for further examination. Three general areas were examined, including: the selection of sites for facilities, the development of Near Island, and pedestrian circulation. Regarding Near Island, the areas examined included: recreational value of the island, St. Herman Harbor, Trident Basin, Near Island Housing, uses for Quarried Area adjacent to Dog Bay Road, and the area between Dog Bay Road and Trident Way.



Image 3: Proposed Trident Basin Expansion from 2002 Design Workshop

Current Plan Objectives

Since the 1987 CDP was completed, the City of Kodiak and has sold land to private entities, development has occurred along Alimaq Drive, and gravel extraction has occurred outside of the original approved Conditional Use Permit boundary at the St. Herman's Quarry which resulted in impacts to a portion of the trail system near South End Park. A new conditional use permit has been put into place (Appendix A). Once land is sold off to a variety of private interests it is more difficult to control development patterns, including protecting areas for non-development. The Near Island Development Plan update is intended to provide the City of Kodiak a plan that:

- Encourages revenue generation via balancing development and land conservation.
- Allows the City of Kodiak to anticipate and plan for the future development of Near Island. Specifically, which types of uses are desired and where areas of development and non-development should occur.
- Provides clear goals and recommendations with clear steps for implantation.

Existing Conditions

Near Island is approximately 1.5 miles long and has a land area of almost 280 acres. The island is connected to the City’s downtown area via the Near Island Bridge. Near Island has mixed land uses, zoning districts, and levels of development. The island is oblong-shaped and is oriented in a northeast-southwest direction.

Existing Soils

The soils on Near Island are similar to those typically found in the surrounding Kodiak area. They are relatively shallow, volcanic in origin and underlain by bedrock relatively close to the surface. New topsoil ranges in depth from 2- 6 inches in the area. This is underlain by 6- 10 inches of volcanic ash that was deposited as a result of the eruption of Katmai Volcano in 1912. Beneath this ash there is up to 2 feet of dark organic topsoil that was originally at the surface throughout the area. This topsoil is generally plastic and wet in nature and grades into leached fine grain clay. Beneath that is a thin layer of glacial till with rock fragments and highly compacted clay and silt. Tight soils and shallow bedrock on the island precludes the use of on-site sewage disposal systems.

Topography

Topography on the island varies from sea-level to slightly over 200 feet above sea-level. These topographic characteristics create challenging conditions relative to the development potential of the island (Figure 4). Industrial development requires relatively flat lands (0-3% slope). There are few large areas of naturally occurring “flat” areas on Near Island, most land suitable for industrial development has occurred through mining activities. Slopes from 3-5% can accommodate residential and commercial development; only a small portion of the island is within this range. Residential development can typically be constructed on slopes anywhere from 0% up to 25%, however, as slope increases creative design becomes necessary such as daylighting and removal of large cuts of lands which greatly increase the cost of development.



Image 4: Typical Coastline Along Near Island



LEGEND

Near Island Slope Analysis

- 0-3% All Development (Industrial, Commercial, Residential)
- 3-5% Commercial and Residential Development
- 5-10% Residential Development
- 10-25% Residential Development*
- >25% Avoid Development
- Parcels

*Higher cost associated with development in this slope range

Source: Kodiak Island Borough GIS

FIGURE 4: Slope Analysis Map

Land Use

Much of the undeveloped lands are covered with natural vegetation and used for public recreation and a network of official and unofficial trails. Several roads provide access from the Near Island Bridge to the southern and eastern portions of the island. Some portions of the roads are not within platted right-of-ways. A few of the parcels adjacent to Alimaq Drive are used for commercial business, a multi-family residential building and an office building. However, many parcels remain undeveloped. Alimaq Drive also provides access to St. Herman Harbor and an area currently used for gravel extraction and marine industrial uses.

Trident Way provides access to the Trident Basin Seaplane Base on the east side of the island. Trident Basin Seaplane Base is a city-owned, public-use seaplane base that provides the only float plane access accessible year-round by road on Kodiak Island. This is an essential seaplane base given its sheltered location and year-round ice-free waters. The area adjacent to Trident Basin is used for light industrial land uses. Additionally, institutional land uses have been developed on the east side of the island including Kodiak Seafood and Marine Science.



Image 5: Seaplanes Docked at Trident Basin



Image 6: Entrance to Kodiak Seafood and Marine Science Center



Image 7: Trail (on Near Island) passing beneath the Near Island Bridge



Image 8: Trail Improvements on Near Island

Zoning

There are several zoning districts on Near Island. The zoning districts overlay areas that are intended for specific land uses and do not follow the property lines at all locations (Figure 4).

There are two commercial zoning districts on Near Island: Business District and Retail Business District. The intent of the Business District is to protect and encourage the development of community business core areas that function efficiently as centers of retail business and retail service activities. The Business District is mostly confined to the parcels along Alimaq Drive although a few of the parcels also front onto Trident Way. Some of the parcels in the Business District remain undeveloped and some have been cleared of natural vegetation and are being used for commercial purposes. Several of the parcels have been developed with office buildings

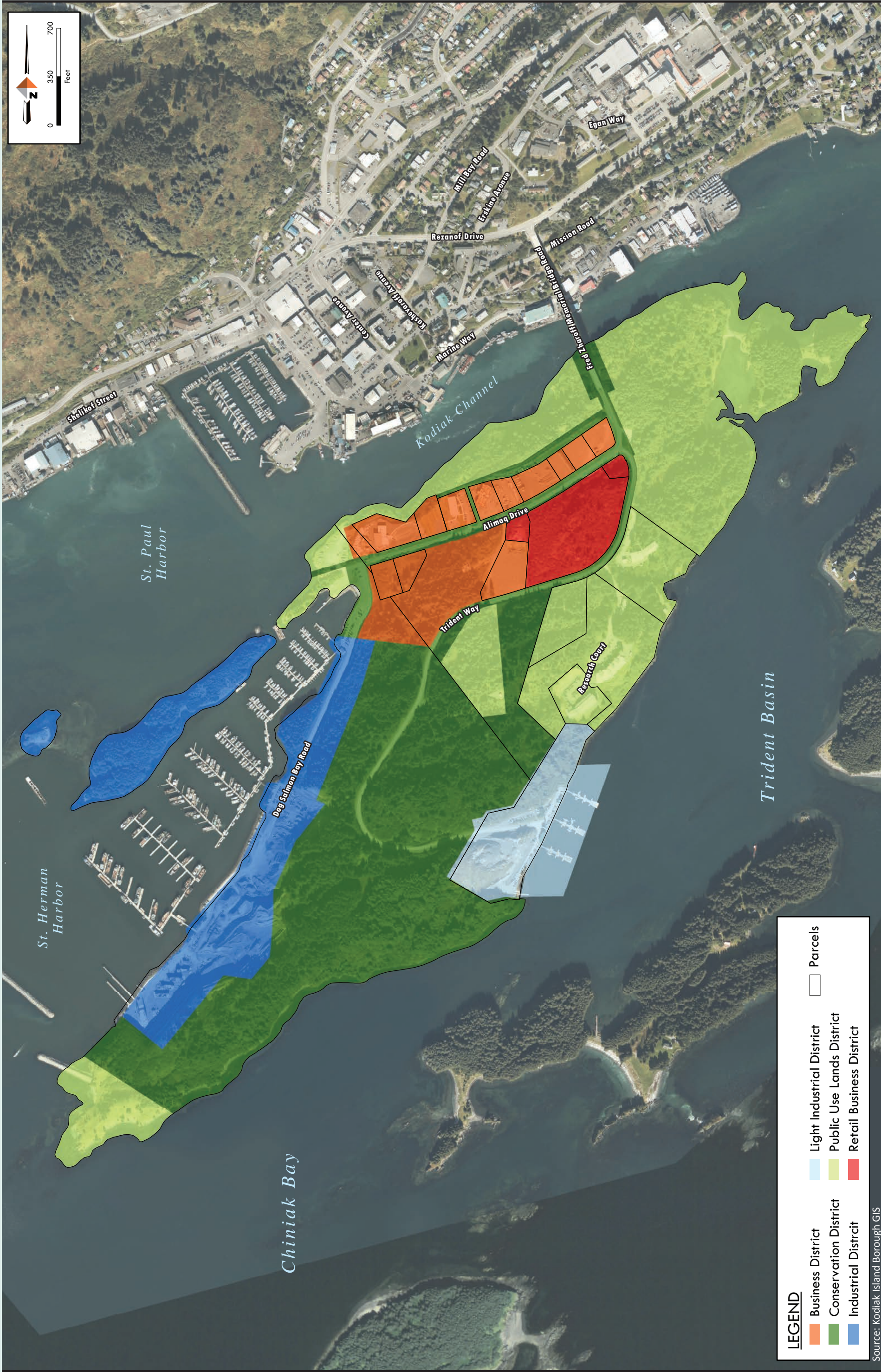
The Retail Business District is established for the purpose of providing for a wide range of retail and service businesses for the consumer population. Due to the potential for high traffic associated with these uses, the Retail Business District is limited to three parcels located near the intersection of Alimaq Drive and Trident Way. These parcels are currently undeveloped.

The Industrial District is established as a district in which the principal use of the land is for business, manufacturing, processing, fabricating, repair, etc. which may create some nuisance, but are neither properly associated nor compatible with residential land uses. The Industrial District is located adjacent to the Saint Herman Harbor and is currently used for a gravel extraction operation with the sole purpose of creating flat land to develop industrial lands to support the harbor and marine industrial uses.

The Light Industrial District is established for the purpose of providing for most commercial uses. It is intended specifically to provide land-intensive commercial uses, including some types of manufacturing, repairing, and assembling of goods, particularly those related to the fishing industry. The Light Industrial District on Near Island is located at the end of Trident Way and includes the Seaplane Base and surrounding parcels. The KIB Land Use Code requires airports to be with a Light Industrial zoning designation which is why this area was rezoned to Light Industrial.

The Public Use Lands District is established as a land use district for publicly owned land containing recreational, educational, and institutional uses. The district includes the South End Park, North End Park, and Rotary Park as well as the parcels on the east side of the island that have been developed with educational and institutional uses.

The Conservation District is established for the purpose of maintaining open space areas while providing for single-family residential, and limited commercial land uses. The Conservation District is located, primarily, on the southern portion of the island, and includes Trident Way, Alimaq Drive, and Near Island Bridge right-of-ways. The land is largely undeveloped apart from the roads and trails.



Source: Kodiak Island Borough GIS

FIGURE 5: Existing Zoning Map

Ownership and Leases

The majority of the land on Near Island is owned by the City of Kodiak (Figure 5). This includes the public parks, right-of-ways, Trident Basin Seaplane Base, St. Herman's Harbor, and several of the parcels along Trident Way and Alimaq Drive. All of the parcels along the west side of Alimaq Drive are privately owned as are a few of the parcels on the east side. The KIB owns the parcels occupied by the Kodiak Seafood and Marine Science Center.

The City of Kodiak leases two areas to private entities consisting of one property within the Light Industrial District adjacent to the Trident Basin Seaplane Base. Within the Trident Basin Airport there are leases to Island Air, Andrew Air, and Seahawk Air. The quarry is not a lease. A small area adjacent to Afognak Near Island, LLC's office building.

Utilities

Over the years a range of utilities have been extended to Near Island (Figure 6).

Electrical Service

Kodiak Electric Association (KEA) provides electric service to Near Island via two main feeds, one feed extends from Rezanof Drive, across the Near Island Bridge and the second feed consists of a submarine cable extending from downtown Kodiak and across the channel. After crossing the bridge the first feed extends, through a combination of above and below ground facilities, southeast along Trident Basin Way and provides electrical service to the University of Alaska Fishery Industrial Technology Center buildings, the Alaska Department of Fish and Game Building as well as the Float plane facilities located at the end of Trident Basin Way. After crossing the channel by submarine cable the second feed extends via above and below ground facilities northeast along Alimaq drive feeding the existing business and housing development. It also branches southwest and feeds the small boat harbor and harbor master office. There is an existing 15kV junction between the two main feeder circuits creating a looped circuit on the island.

After discussions with KEA it is anticipated that the existing electric system on Near Island is sufficient for substantial growth on Near Island.

Communications Service

Both Alaska Communications (AC) and GCI own buried and overhead telecommunication cable and fiber on Near Island. AC's facilities run from the main island of Kodiak across the bridge and branch at the intersection of Alimaq Drive and Trident Basin Way. The system extends south along the length of Alimaq Drive and provides service to the small boat harbor and several businesses. The feed which extends along Trident Basin Way feeds the research court and the float plane facilities at the end of Trident Basin Way.

GCI owns a cable communications system extending from the City of Kodiak and across the bridge. At the intersection of Alimaq Drive and Trident Basin Way the system branches with one feed extending southwest along Alimaq drive to feed Afognak Native Corporation near the small boat harbor and the other extending south to feed University of Alaska Fishery Industrial Technology Center and the Alaska Department of Fish and Game buildings.

It is anticipated that any additional development on Near Island which will require communication services could be accommodated by installing service feed from the already existing facilities located on the island.



LEGEND

- Parcels
- Leased Areas

Source: Kodiak Island Borough

FIGURE 6: Land Use and Ownership

Water System

The existing water system consists of a 16- inch ductile iron pipe extending from City of Kodiak running along the underside of the bridge to Near Island. At the intersection of Alimaq Drive and Trident Basin Way the water line reduces in size to a 12- inch ductile iron pipe, with one branch continuing southwest along Alimaq Drive and another 12- inch branch continuing south and running the entire length of Trident Basin Way. Along Alimaq Drive there are several water services feeding existing buildings and the small boat harbor as well as 6 service line stubs for future development. Approximately 10 fire hydrant assemblies provide fire protection along Alimaq drive and to the boat harbor, existing industrial activities and businesses. The 12- inch water line in Trident Basin Way feeds the research court and the float plane facilities at the end of the road. There are also existing fire hydrants along the length of Trident Way providing protection to existing development as well as any potential future development along the roadway. The existing water pipes are buried a minimum of 6 feet below existing grades.

The water system ranges in age from 22 to 28 years old with some individual service lines installed more recently. Watermains have sufficient capacity to meet existing demands. Ductile iron pipe has a very long life expectancy, approximately 50 years or more, as a result it is anticipated that the water system will be in good service condition for many years to come. It appears that during design the pipes were sized to accommodate future development and it is anticipated that they can provide sufficient water service capacity to Near Island and most future developments.

Sanitary Sewer System

There are two existing sanitary sewer basins on Near Island. The northern half of Trident Way and Alimaq Drive flow via gravity through a system of manholes and ductile iron pipes, ranging from 8 to 10 inches, to a lift station adjacent to the St. Herman's Harbor harbormaster's office. The southern portion of Trident Way gravity drains through 8-inch ductile iron pipes southwest to the float plane facilities where it is then pumped back to the northeast 4-inch HDPE force main and discharges to a manhole. The sanitary sewer flow generated on the island is pumped via a 6-inch HDPE force main to the northeast below Alimaq Drive and across the bridge where it is discharged into an 8 inch ductile iron pipe below the northwest end of the bridge and the old KEA substation.

The sanitary sewer system was constructed at the same time as the water system. The City of Kodiak has confirmed that the existing collection system has sufficient capacity to handle current demands as well as future growth. However, the lift station next to the Harbor Office was placed by the City from another location. The capacity is unknown in regards to future development.

Stormwater Drainage System

Kodiak is located in a coastal rainforest zone and receives more than 77 inches of precipitation annually. The storm drainage system on Near Island consists of a system of culverts and roadside ditches used to adequately convey surface water from the developed areas and roadways to several pipes that outfall directly to the surrounding ocean where dilution and dispersion quickly occurs.

It should be recognized that any future development or removal and replacement of pervious areas with impervious surfaces would trigger the need to determine the capacity of the existing culvert and ditch system and if it can handle additional runoff from newly developed impervious areas. If significant development is proposed capacity upgrades will likely be required. An adequate drainage plan should be completed so that sidewalks along the rights-of-way can be constructed with future development.

Lighting

Street Lighting is limited to only a few locations on Near Island. Light poles illuminate the bridge as well as Trident Basin Way to the Research Court driveway. The only other existing lighting along Trident Basin Way exists at the float plane facility. Alimaq Drive does not have any existing lighting, although both parking areas for the small boat harbor and the harbor floats are illuminated.



Image 9: Light poles on St. Herman Harbor Floats



Public Involvement & Project Process

Technical Advisory Committee

A Technical Advisory Committee (TAC) was established as part of this project and included representatives from the: Kodiak Island Borough, Community Development Department, Alaska Fish & Game, City of Kodiak Public Works Department, Kodiak City Council, Parks & Recreation, Island Trails Network, and the Ports & Harbor Advisory Board. The role of this committee was to provide technical feedback regarding existing conditions, the practicality of moving forward specific ideas, and to provide insight to any known conflicts and/or opportunities. Two TAC meetings were held. The first meeting was on the morning of February 1, 2016 and was the first opportunity to introduce the project to the TAC, review the work done-to-date, and to get feedback on the accuracy of the existing conditions as presented. Comments from the TAC included suggestions for future presentation materials and addressed issues, opportunities and constraints. Meeting notes and list of attendees are included in Appendix A.

The second TAC meeting was held on the morning of May 5, 2016. The group discussed the three proposed Land Use Concepts and some feedback was provided. The majority of the conversation was in regards to recent trail disturbance and how the restoration would be completed and by whom.

Public Meetings

Two public meetings were held. Both followed a mixed format beginning with an open house, followed by a presentation, and ended with a question and answer period. The first public meeting was on the evening of February 1, 2016. This meeting was the first opportunity to introduce the project to the public, review the work done-to-date, and listen to the public's preferred areas for development. Project representatives worked with the 26 attendees to collect information on existing conditions, preferred areas for development, desired types of development, and areas reserved for conservation.

A second public meeting was held the evening of May 5, 2016 and followed the same format as the first. There were 33 attendees, many of whom had attended the first public meeting. The results from feedback at the first TAC and public meeting, online/e-mail comments, site investigations, and stakeholder discussions were used to develop three draft land use concepts. The three draft concepts were presented at the second TAC and public meetings. Figures 6, 7 & 8 represent each proposed Land Use Concept. A description for each concept is also provided. Each concept depicted various levels of land use designation changes to encourage feedback from the public.

Common themes derived from the findings and recommendations from past planning efforts were carried through on each concept. Each concept provided circular trail connections around Near Island, and promoted a vegetated buffer

between the roadways and development (images 10 & 11). A proposed coastal trail along the harbor is also included, which would allow for a vegetated buffer between the roadway and the water (Image 12). Additionally, the retail business (red designation) was increased to encourage tourism related business.

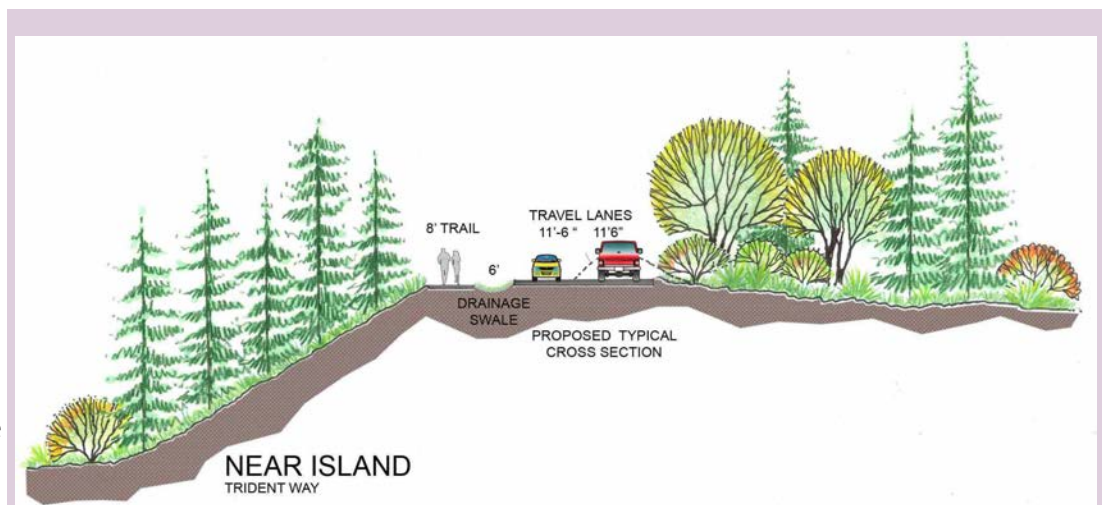


Image 10: Trident Way Proposed Typical Cross-Section Looking Northeast

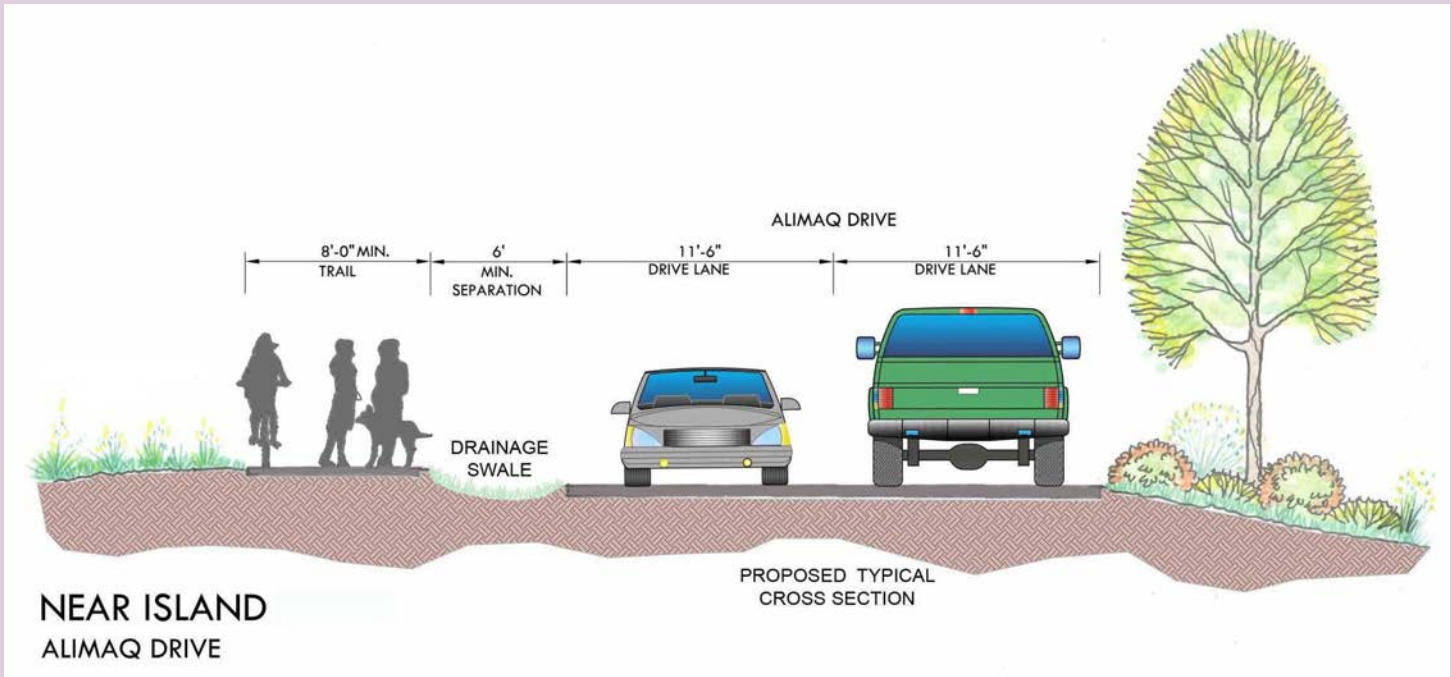


Image 11: Alimaq Drive Proposed Typical Cross-Section Looking Northeast

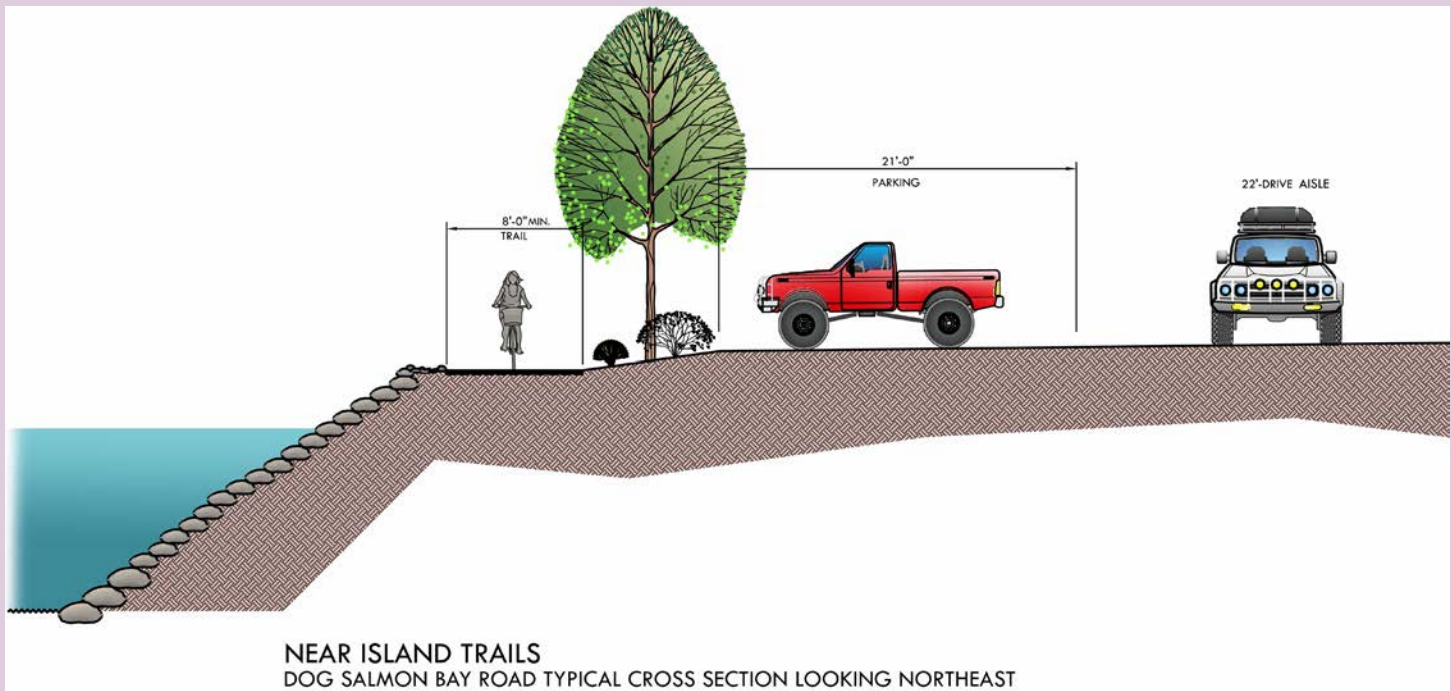


Image 12: Dog Salmon Bay Road Proposed Typical Cross-Section Looking Northeast

Concept A Minimized Development

This concept reflects public feedback to not expand the industrial area the original conditional use permit and recent amended boundary. Specifically it limits both the industrial area supporting the harbor and the float plane basin to their current areas of disturbance. This concept does not add any new commercial or institutional land uses.

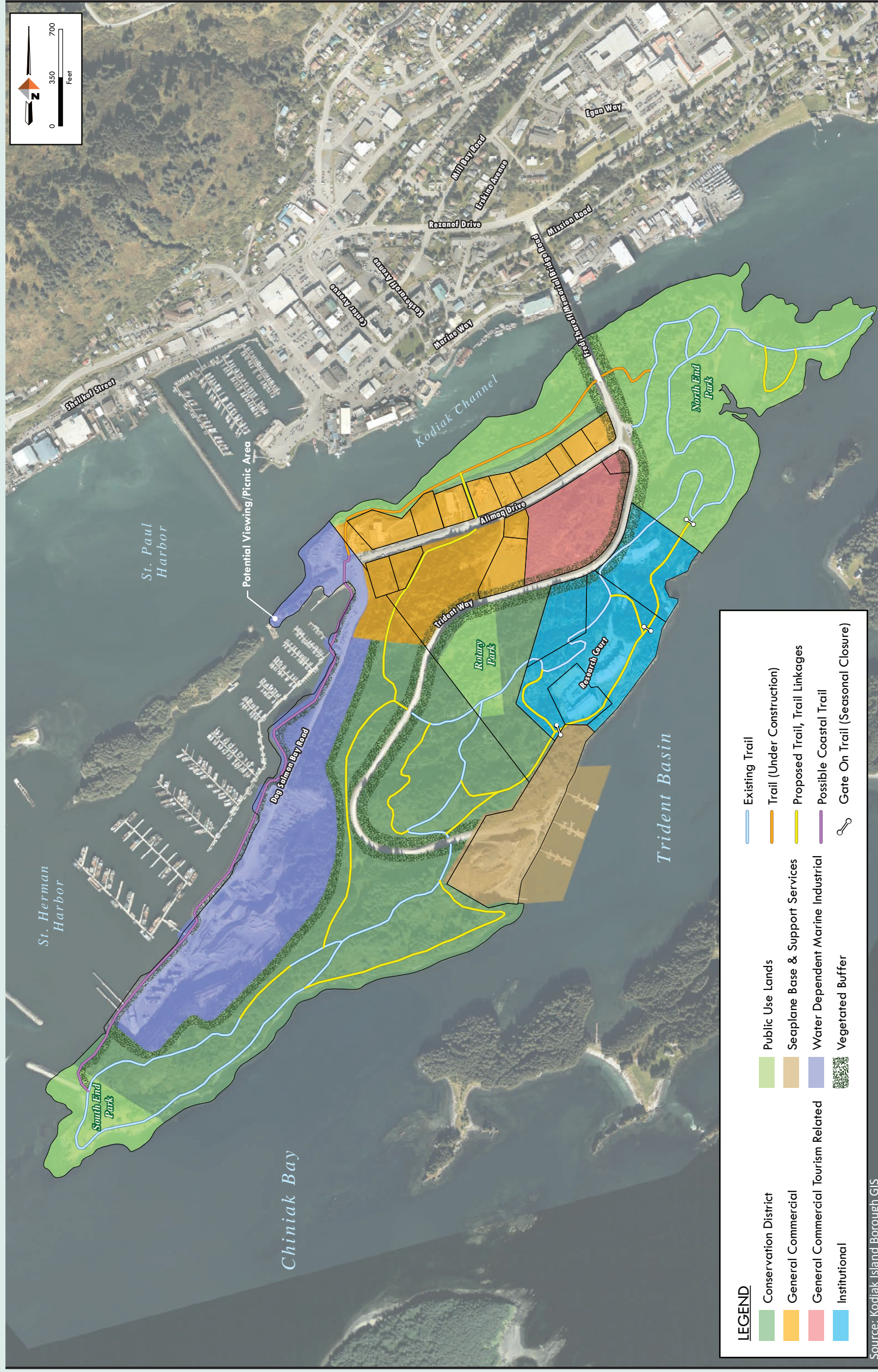
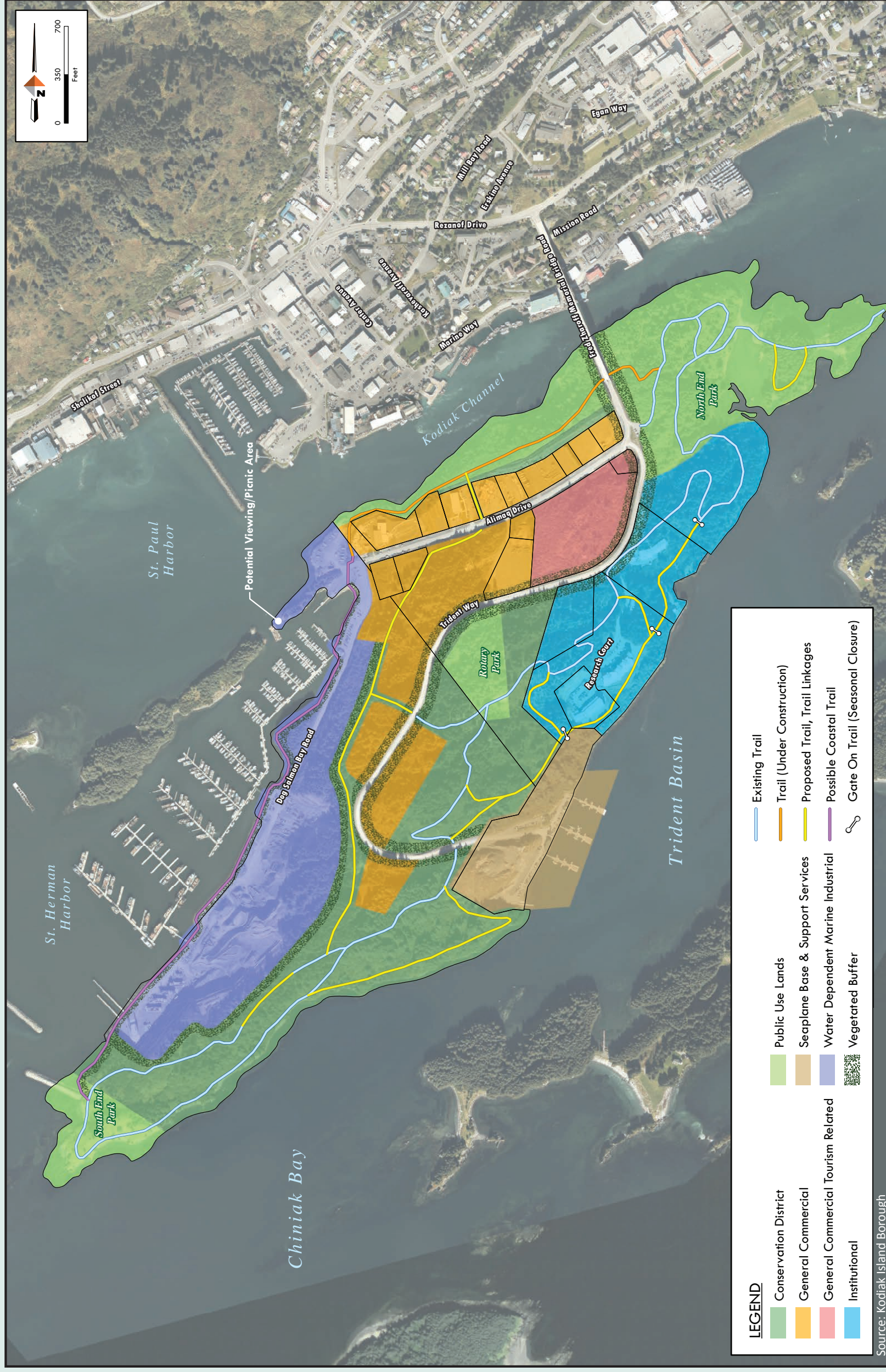


FIGURE 8: Concept A – Minimized Development

Concept B Moderate Development

This concept reflects public feedback to not expand the industrial area the original conditional use permit and recent amended boundary. The concept also considers concerns that there are limited industrial lands elsewhere. It was noted several times during public outreach that this may be the opportunity to secure additional industrial land needed to support the small boat harbor into the future but limits the area around the float plane basin to its current area of disturbance. This concept also looks at taking advantage of existing infrastructure by expanding general commercial southwest (towards Trident Basin) along Trident Way. This additional commercial land could provide tourism supported and/or enhanced business opportunities. This concept also extends the institutional land use designation to the east.



Source: Kodiak Island Borough

FIGURE 9: Concept B – Moderate Development

Concept C Maximum Development

This concept reflects public feedback to not expand the industrial area the original conditional use permit and recent amended boundary. The concept also reflects concerns heard that there are limited industrial lands elsewhere and that this may be the opportunity to secure additional water dependent marine and related industrial lands needed to support the small boat harbor into the future as well as providing tourism-related opportunities. This concept extends the industrial area supporting the harbor to the north and east (which would require approval of a conditional use permit), and adds additional general commercial along Trident Way, as well as provides general commercial (tourism related) adjacent to the float plane base and the institutional lands which could be developed to support either use. This concept also extends the institutional lands to the east.

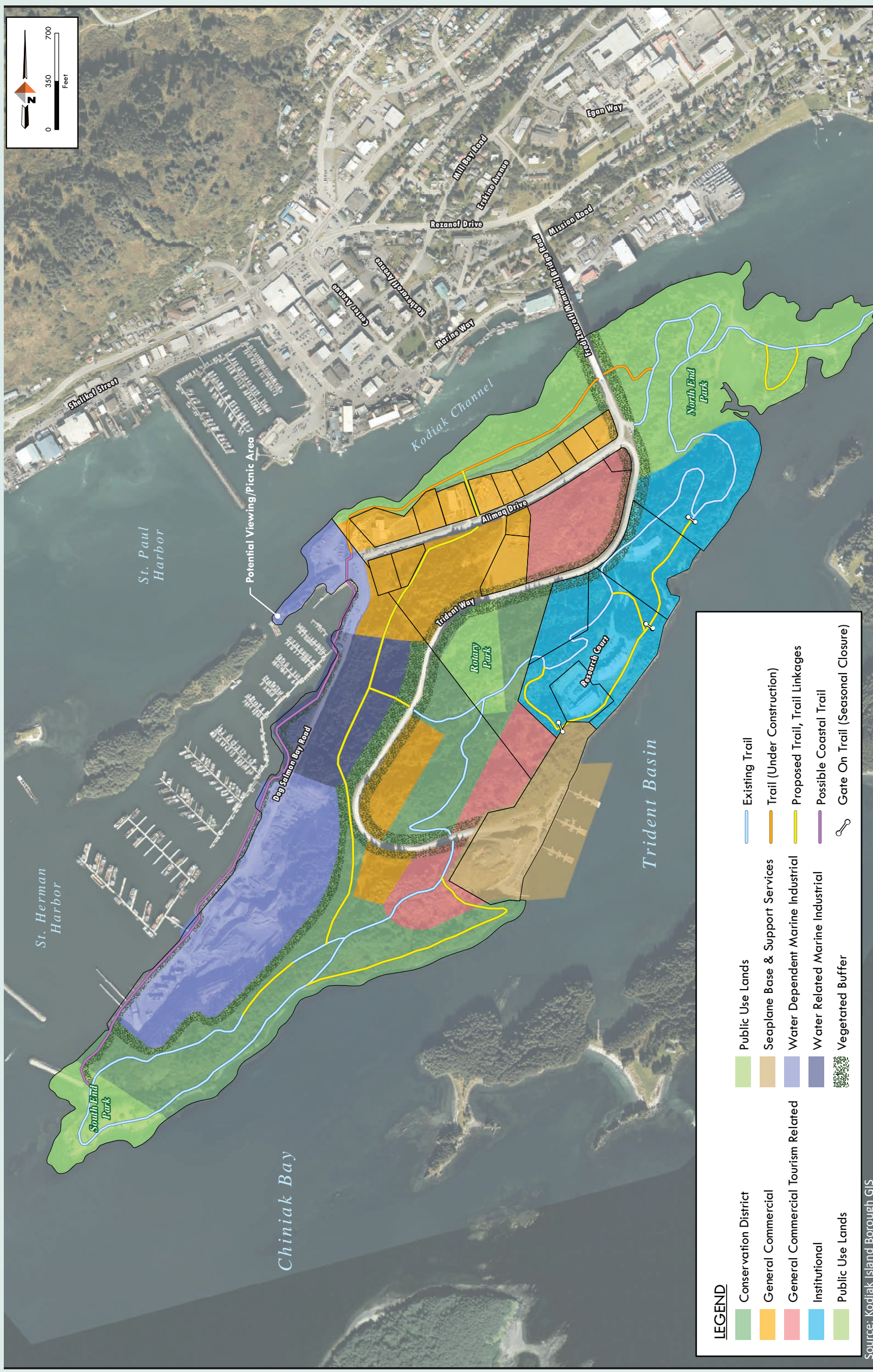


FIGURE 10: Concept C – Maximum Development

During the second public meeting attendees were given the opportunity to comment on each of the concepts. The following figures show consolidated comments on each concept (Figures 11, 12 & 13).

Public Comments - Minimum Development

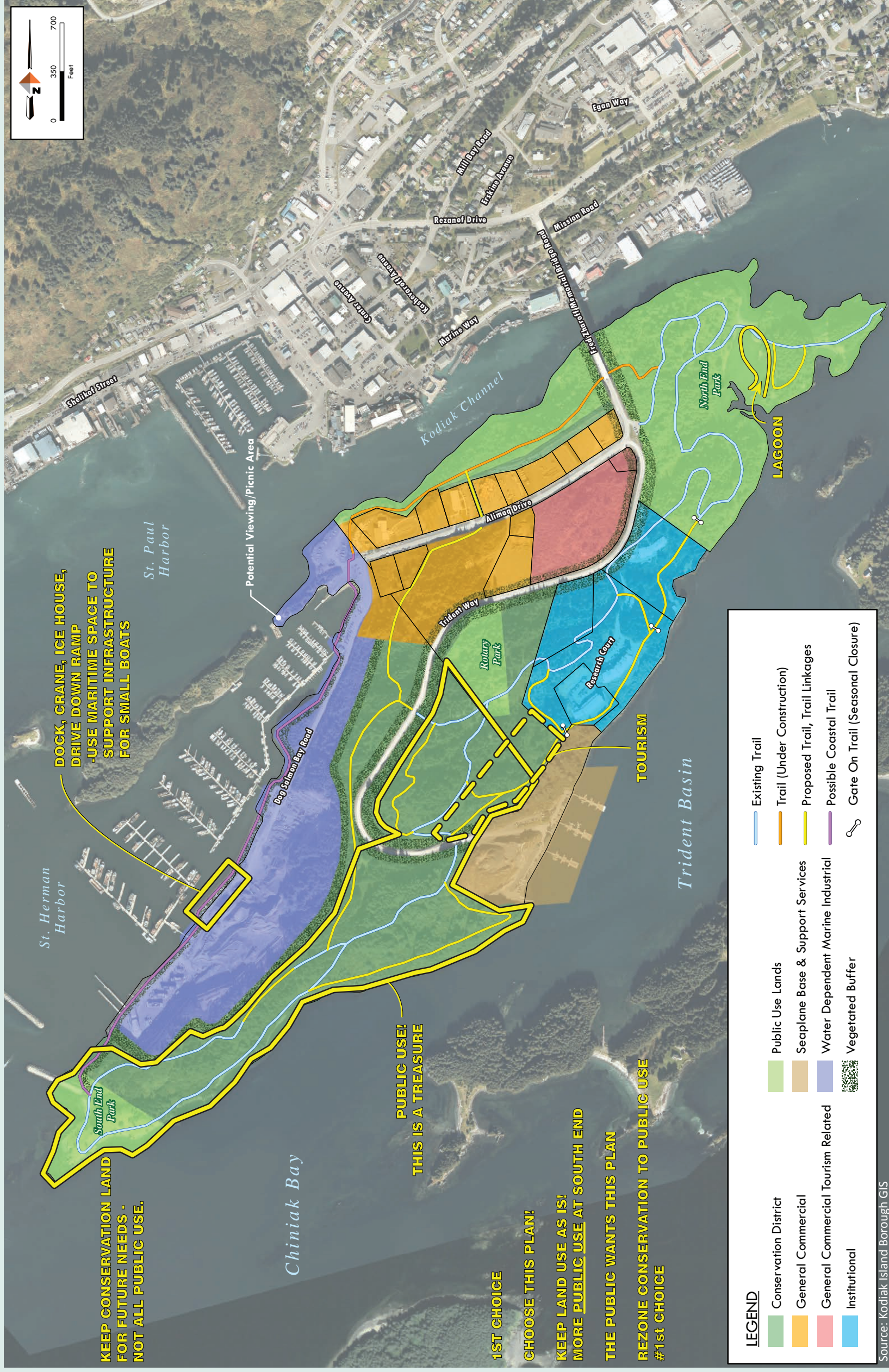
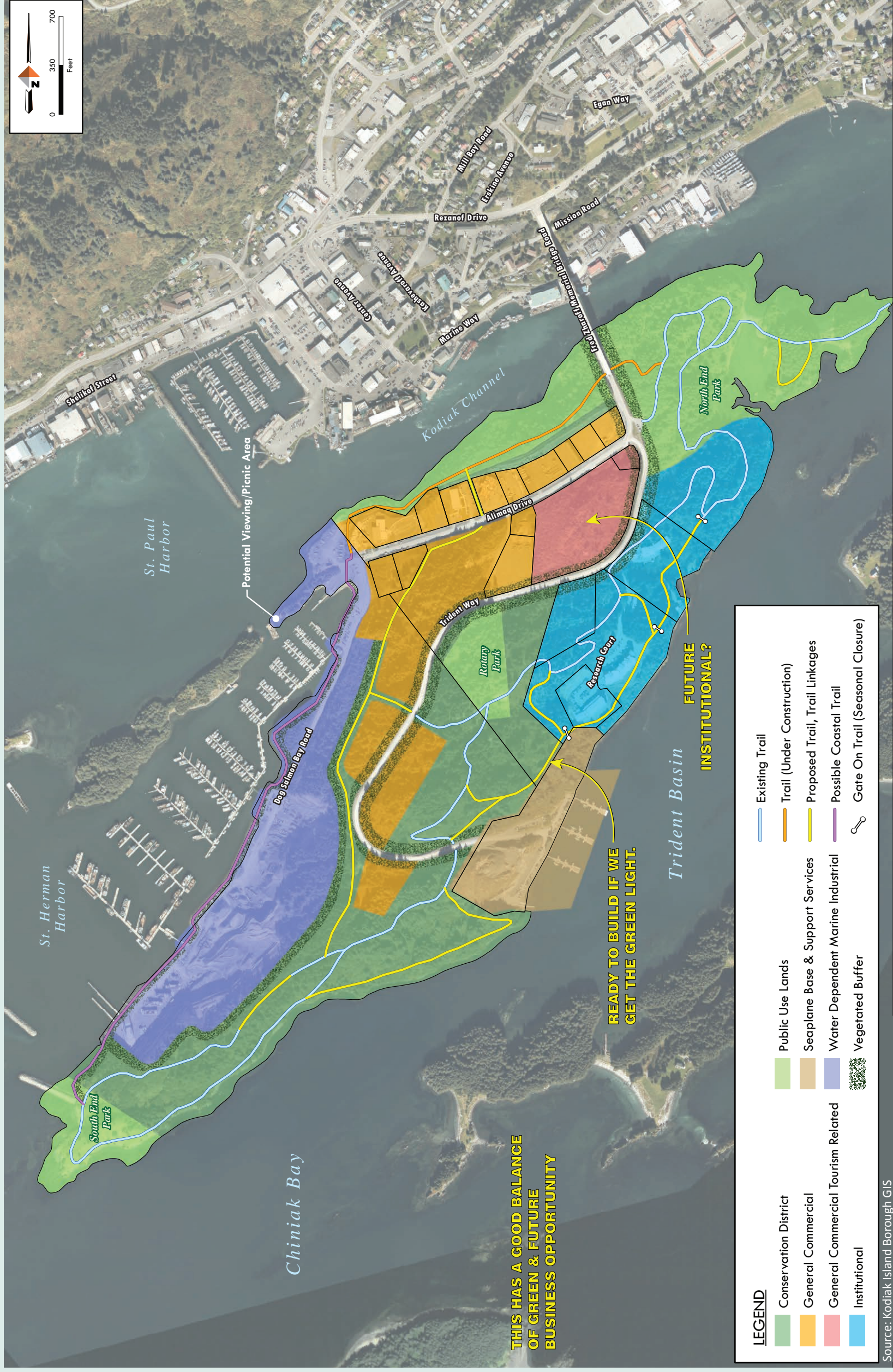


Figure 11: Concept A - Public Comments

Public Comments - Moderate Development



Source: Kodiak Island Borough GIS

Figure 12: Concept B - Public Comments

Public Comments - Maximum Development

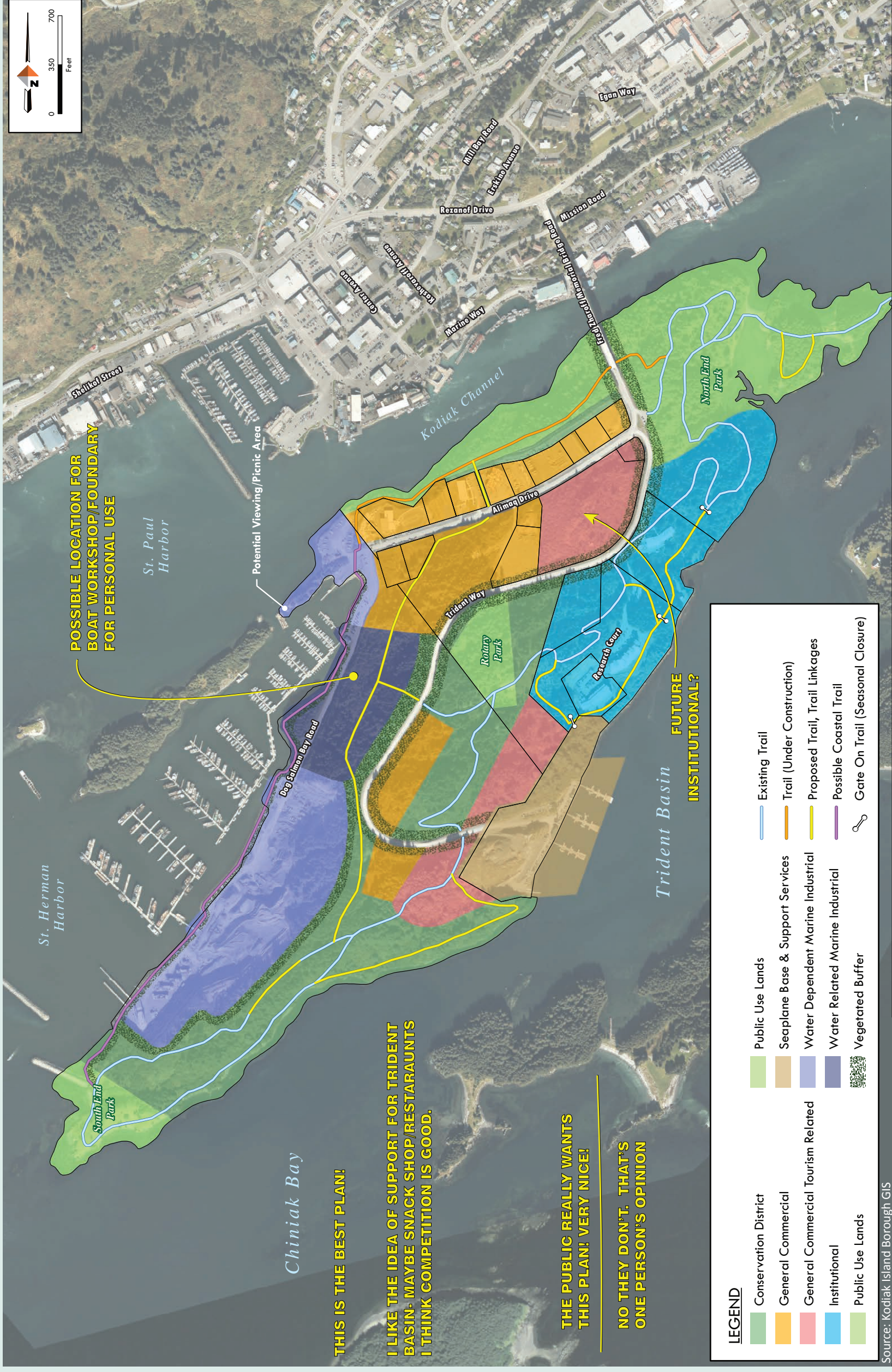


Figure 13: Concept C – Public Comments

Recommendations

A proposed Draft Land Use Plan Map (Figure 13) and Proposed Zoning Map (Figure 14) have been developed based off of public comment and our understanding of the City's goal to have balanced growth that provides economic opportunities.

Proposed Land Use Plan Map: BALANCED GROWTH

The proposed land use plan map (Figure 13) reflects a balanced growth approach to developing Near Island. Specific items of emphasis include:

- Takes advantage of existing infrastructure by focusing expansion of industrial and commercial development adjacent to existing utilities and roadways.
- Extends the industrial area supporting the harbor to the east, to the end of Alimaq Drive.
- Conservation land adjacent to South End Park is recommended to be converted to public use lands for open space/recreational resources. This area should remain undeveloped as it provides both recreational opportunities and important vegetation providing weather protection of the small boat harbor.
- Provides for completion of the looped trail system around the island.
- Allows for tourism related commercial opportunities near Trident Basin Seaplane Base.
- Allows for the institutional land use designation to be expanded to the northeast as necessary, contingent upon completion of a study justifying the need. This study is intended to demonstrate a need (i.e. house new program, deficient, outdated facilities, etc.), identify potential funding source(s) for construction and maintenance of the facility and, if applicable, for operating the new program).
- Allows for the commercial land use designation to be expanded to the southwest of Trident Basin Seaplane Base as necessary, based upon completion of a study justifying the need. This study is intended to include a market analysis demonstrating demand for commercial use and provide a business plan that demonstrates a feasible project and expected tax revenue generation).

Landscaping Requirements

A concern raised throughout the public outreach process was retaining the natural and recreational feel of Near Island as development occurs. In response to this, landscaping should be included as part of the design of all future development projects.

Visual Enhancement Landscaping

Visual enhancement landscaping should be required along Alimaq Drive. Visual enhancement landscaping is intended to integrate new or renovated development into the surrounding environment and should be required along property perimeters that abut Alimaq Drive. A visual enhancement landscaping bed requirement of a minimum average of 8 feet should be required, with no more than one-half the property line length having a planting bed width less than 8 feet. The minimum bed width at any given point should be no less than 5 feet and the maximum width should be no greater than 12 feet. Landscaping should consist of 1 tree and 6 shrubs per 20 lineal feet of the property line. All areas within the planting bed should be covered with living ground cover, turf, or mulch. Native plant species should be selected and all plant materials should be chosen for suitable hardiness and length of season for the specific area to be planted. Landscaping should be organized to the best advantage of property development.

Trident Way

In this example, a 100-foot buffer should be required on the left side of the road due to the fact that only alders are within the first 50-foot. The coniferous trees on the right of the image would suggest a 50-foot buffer dimension due to their size and proximity.



Image 13: Trident Way



Image 14: Valley or Swale Topography

Valley or Swale Topography

This is an example of a swale/valley condition. In this instance, a wider, deeper buffer should be required than in the example above where terrain of the development parcel is more or less at the same elevation as the pedestrian facility or road.

Marina Parking Lot

In this example, where there is a steep slope, a 100-foot buffer on the uphill side of the marina parking lot should be provided. A deeper buffer would include the coniferous trees that are at the top of the slope rather than leaving only the alders the bottom.



Image 15: Marina Parking Lot

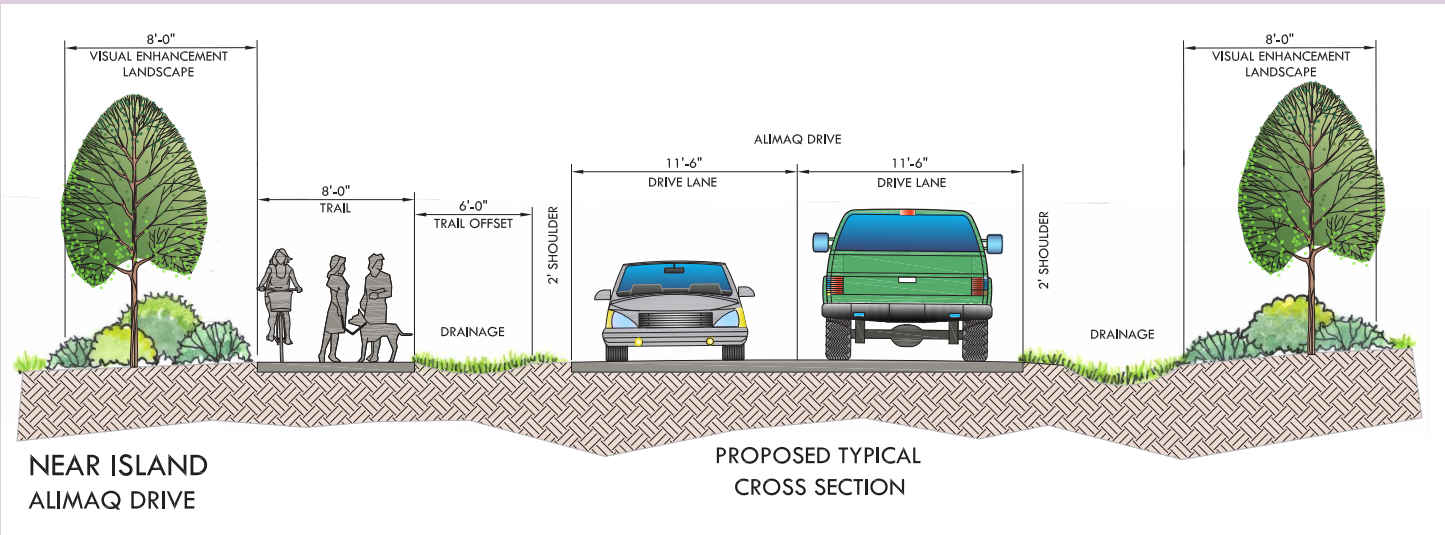


Image 15: Alimaq Drive Cross-Section

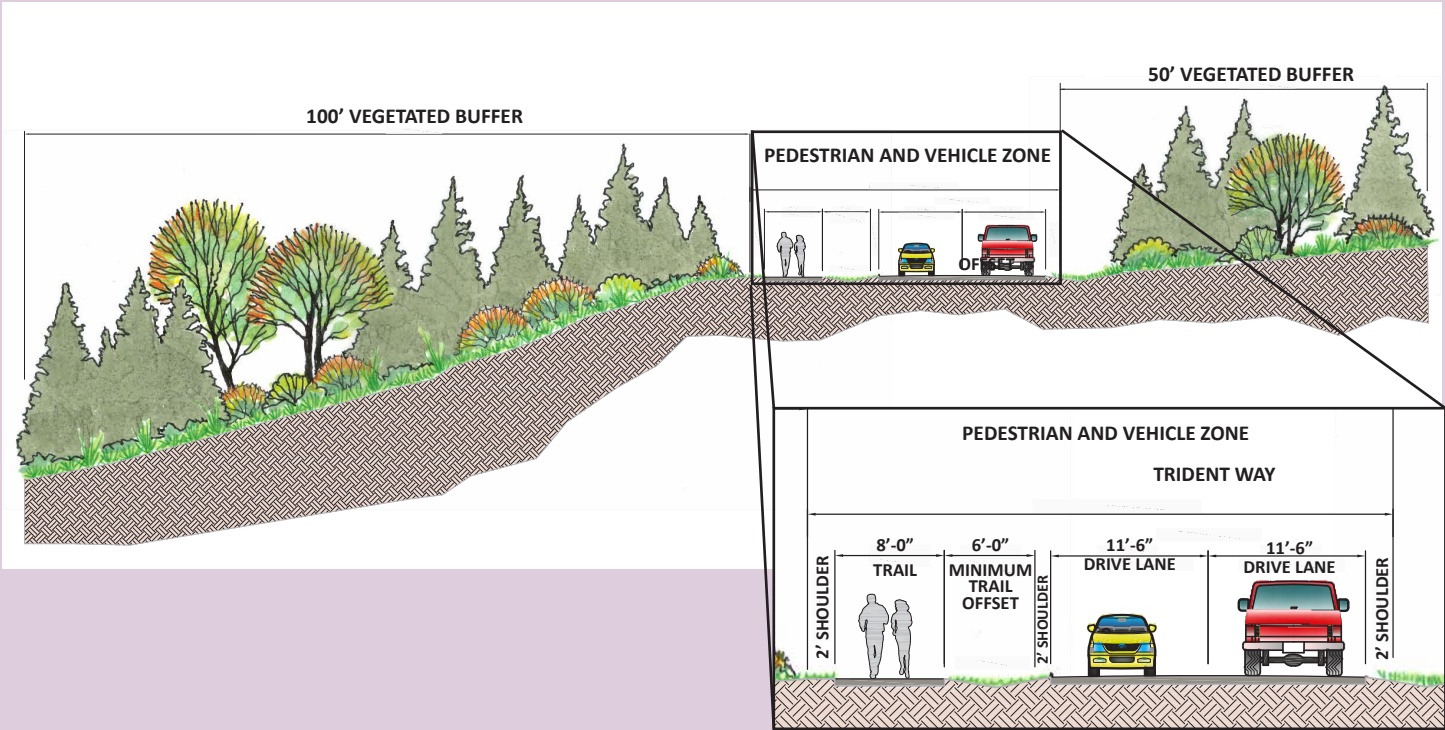
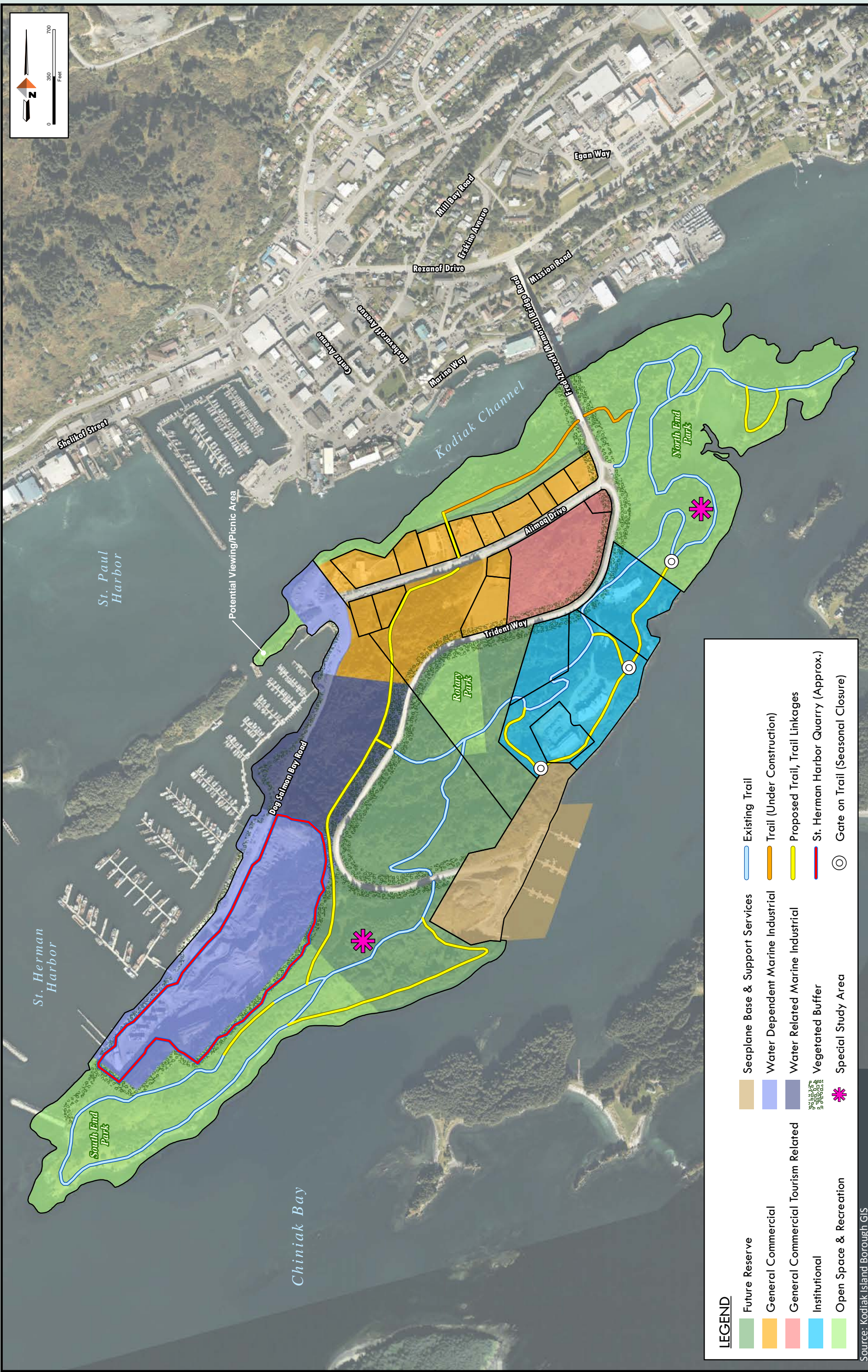


Image 16: Trident Way Cross-Section



LEGEND

 Future Reserve	 Seaplane Base & Support Services	 Existing Trail
 General Commercial	 Water Dependent Marine Industrial	 Trail (Under Construction)
 General Commercial Tourism Related	 Water Related Marine Industrial	 Proposed Trail, Trail Linkages
 Institutional	 Vegetated Buffer	 St. Herman Harbor Quarry (Approx.)
 Open Space & Recreation	 Special Study Area	 Gate on Trail (Seasonal Closure)

Source: Kodiak Island Borough GIS

FIGURE 14: Proposed Land Use Map

Buffer Landscaping

Vegetated buffer landscaping should be required along St. Herman's Harbor Quarry and Trident Way as development of adjacent parcels occurs. The intent of the buffer landscaping is to preserve existing mature and healthy coniferous trees in a manner that protects the natural character of the existing/proposed trail system and proposed pedestrian facilities along the roadways. The existing character is a mature coniferous rainforest that provides a softening of existing and proposed industrial developments. Given the variability of existing vegetation and topography it is not conducive to a fixed buffer width. However, a variable buffer with a 50-foot minimum and maximum of 100 feet, dependent on topography, existing vegetation, proximity to pedestrian facilities (including trails), and intensity of land use. When existing vegetation does not meet the intent of the buffer landscaping, it shall be augmented with additional coniferous tree plantings to achieve the minimum 50- to 100-foot vegetated buffer. The following page demonstrates various situations and how buffer landscaping should be applied.

Land Use Districts

The following land use designations and their intent are taken from the 1987 Near island Development Plan.

Future Reserve

This designation is intended to identify future reserve areas for development or preservation as the need arises. At present, no development other than the trail around the island would be allowed. Decisions on the appropriate use of reserve areas will be made in the future.

General Commercial

Areas designated for commercial development are intended to allow a broad range of retail and commercial activities. These activities could be oriented to the needs of the fishing fleet and the visitor industry. Specifically excluded from the commercial designations are all industrial land uses and residential development. Commercial and industrial activities carry the definitions of the existing KIB Zoning Code. Commercial areas should be designed to accommodate adequate off-street parking, limit the visibility of structures from Kodiak through height restriction, and provide sidewalks for pedestrians.

General Commercial Tourism Related

Areas designated for general commercial – tourism related development are intended to allow a broad range of retail and lodging oriented to the needs of the visitor industry. Specifically excluded from the commercial designations are all industrial land uses and residential development. Commercial and lodging activities carry the definitions of the existing KIB Zoning Code.

Institutional

This designation is intended to support the Fishery Industrial Technology Center by related development. This may include, but is not limited to, a museum, a convention center, mutli-family residential, student-related activity buildings, and a possible area for commercial development.

Greenbelt Areas

Greenbelt designations are areas where no structural development is permitted and natural vegetation and landforms are left undisturbed. These are essentially natural areas with human activities limited to passive recreation, picnics, and the like. Possible exceptions to leaving greenbelt areas undisturbed would be the trail system around Near Island.

Open Space and Recreational

This designation is intended to be limited to park areas, greenbelts, and minor structural developments. Development would be limited to picnic facilities, restrooms, and recreational facilities such as a basketball hoop, volleyball net, horseshoes, etc.

Seaplane Base & Support Services

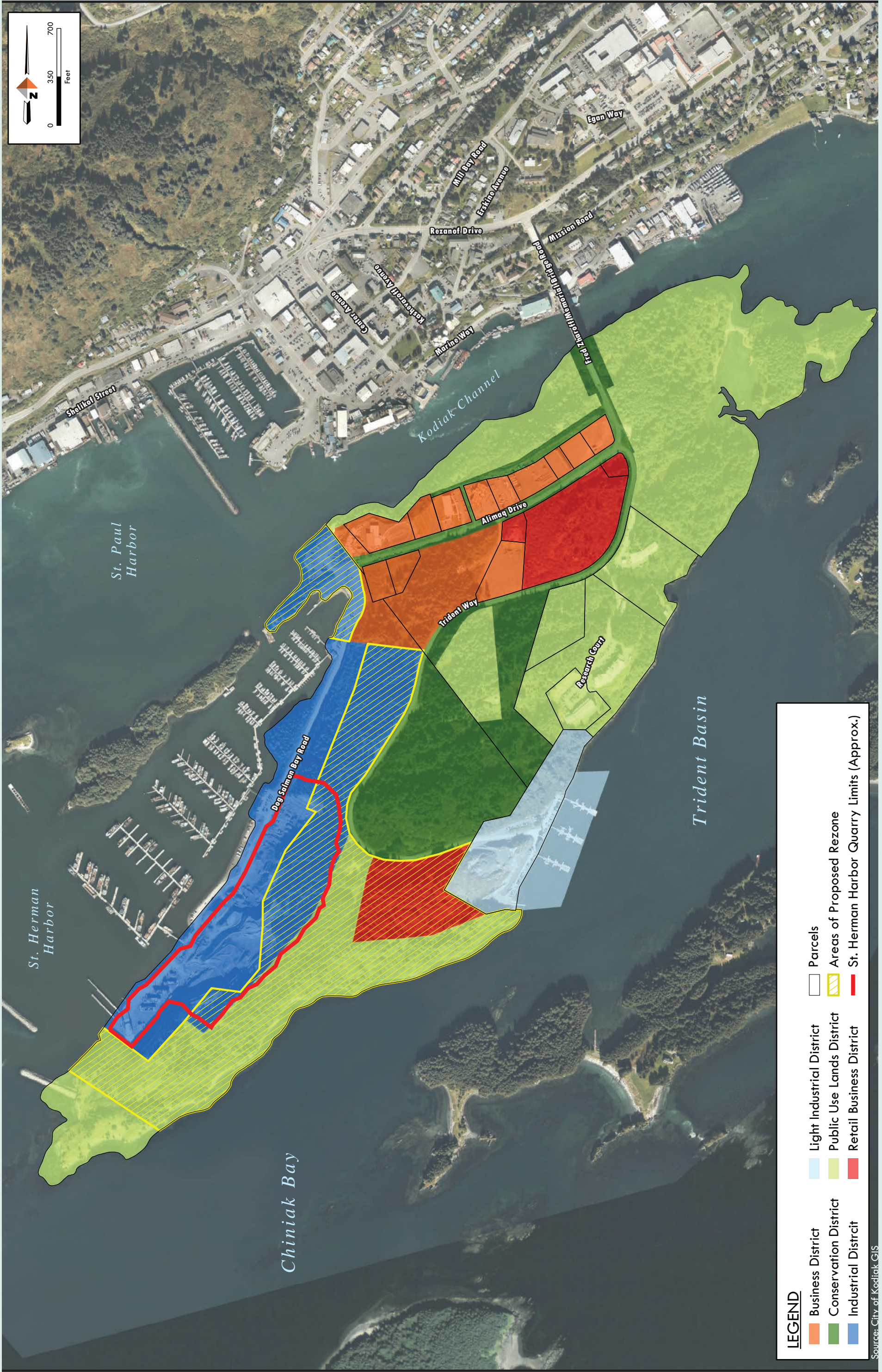
Areas identified as possible float plane facilities would include docking and tie-down areas, a shore-based haul out area for maintenance, and parking areas as identified in the Airport Layout Plan that was developed for Trident Basin as part of the Airport Master Plan.

Water Dependent Marine Industrial

The intent of this designation would be for the development of water dependent marine industrial land use. Development in this area should give priority to those types of businesses and services that are most affected by or dependent on their proximity to the water and harbor.

Water Related Marine Industrial

The intent of this designation would be for the development of water related marine industrial land use. This area could accommodate a variety of commercial marine related uses such as hardware and tackle, electronic shops, fishing gear supply outlets (both commercial and sport), net hanging and repair facilities, etc. Businesses such as welding and engine repair and sales should be considered. Restaurants, grocery and supply stores, and other public sales and services could help to maximize visitor attraction to the waterfront, while providing a convenience area for the users of the harbor.



Source: City of Kodiak GIS

FIGURE 15: Proposed Zoning Map

Implementation Plan

Implementation is an essential component of the planning process and is necessary for achieving the desired outcomes of this Near Island Development Plan. This plan includes goals in the form of proposed studies, policies, and projects. Some of these might be achievable in the near-term while others may require more time and/or funding to complete. As such, recommendations have been broken out into timeframes consisting of near-, mid-, and long-term.

The near-term timeframe is within the next 0 to 5 years and includes those projects that the City should consider focusing on first, as these goals emerged from the public participation process as most important to residents. They also tend to be low-cost and easily achievable.

The mid-term timeframe is within the next 5 to 10 years. These goals are important to the City and to residents and should be addressed as time, money and other resources allow.

The long-term timeframe is 10 years or more. These are goals that require more funding and time to complete. However, opportunities for funding or other factors such as political motivation may make long-term goals more feasible or desirable in the near- or mid-term. If such an opportunity arises, the City should not hesitate to shift the goal time frame.

Table 1: Implementation Plan

#	Goal	Priority-Level	Project Leader	Next Steps
1	Adopt the Near Island Development Plan. Update as part of the Kodiak Island Borough Comprehensive Plan.	Short-term	City Manager	<ul style="list-style-type: none"> City Council approves 2017 Near Island Development Plan. Coordinate with the KIB Planning Department.
2	Formalize relationship with Island Trails Network (ITN) through a Memorandum of Agreement (MOA) which would allow for streamlined execution of trail construction as grant funding becomes available. The MOA should also provide guidance for roles and responsibilities of each organization.	Short-term	Parks & Recreation/ ITN	<ul style="list-style-type: none"> Parks & Recreation investigate legal issues and considerations of entering into an MOA with a non-City entity. Determine best framework for agreement.
3	Adopt standards for road improvements that consider drainage and trails along roadways.	Short-term	Public Works	<ul style="list-style-type: none"> Develop concept road design standards for City Council and public review (concepts provided in this plan). Incorporate public comments into proposed design standards. City Council approves and adopts design standards and incorporates into City Code, Title 12 Streets and Sidewalks.
4	Pursue revenue stream that would support trail maintenance on Near Island.	Short-term	Parks & Recreation / Island Trails Network	<ul style="list-style-type: none"> Investigate possible revenue making opportunities. These might include a public-private partnership, user fees, implementing a special tax, creation of an assessment district, or other alternatives.
5	Enhance entrance onto Near Island.	Short- to Mid-term	Parks & Recreation / City Engineer	<ul style="list-style-type: none"> Develop landscape design plan for entrance onto Near Island. Incorporate project (materials and labor) into the City capital improvement plan (CIP). Hire a landscaping company to install improvements.
6	Evaluate if highest return of investment is through retaining land ownership and providing long-term leases for development, or selling property and taxing.	Mid-term	City Manager	<ul style="list-style-type: none"> Incorporate project into the City CIP. Hire an economist to complete study that includes a land disposal plan.
7	Provide (1) light duty crane for small boats at the harbor.	Mid-Term	Ports & Harbors	<ul style="list-style-type: none"> Incorporate project into the City CIP.

#	Goal	Priority-Level	Project Leader	Next Steps
8	Analyze lighting levels at the transition from the Near Island Bridge onto Near Island to determine if adequate levels exist.	Mid-term	Public Works / City Engineer	<ul style="list-style-type: none"> • Incorporate project into the City CIP. • Hire an electrical engineer to complete an analysis which should include recommendations for improvements as necessary. • Depending on where deficiencies are found in relation to the ROW line, coordination with DOT&PF may be required to establish responsibility for providing improvements.
9	Replat island so that property lines follow zoning designations, and establish City of Kodiak right-of-way along road corridors.	Mid-term	City Engineer	<ul style="list-style-type: none"> • Incorporate project into the City CIP. • Contract out a surveyor to complete boundary survey and platting process.
10	Rezone lands to reflect the Land Use Plan Map, as necessary.	Mid-term	City Manager	<ul style="list-style-type: none"> • After replat of Near Island is complete coordinate with the KIB on an area-wide zoning amendment that reflects the 2017 Land Use Plan Map.
11	Complete study, as previously discussed, demonstrating the need for additional Institutional Land prior to development.	Long-Term	City Manager	<ul style="list-style-type: none"> • Incorporate project into the City CIP. • If study determines there is a need for additional Institutional Land, an amendment to the 2017 Land Use Plan Map and Zoning Map should be approved by the City Council and the KIB.
12	Complete a storm drain master plan for Near Island.	Long-Term	Public Works / City Engineer	<ul style="list-style-type: none"> • Incorporate project into the City CIP. • Hire an engineering consultant to complete plan which should include an implementation plan.
13	Develop a managed parking and/or dry storage plan for the land at the bottom of Alimaq Drive. This could include the relocation of storage to provide parking closer to the harbor.	Long-term	Public Works / City Engineer	<ul style="list-style-type: none"> • Incorporate project into the City CIP. • Hire a land use or transportation planner to develop plan which should include an implementation plan.

#	Goal	Priority-Level	Project Leader	Next Steps
14	After quarrying activities have been completed, a needs analysis or similar study demonstrating the need for a waterfront trail should be completed.	Long-Term	Ports & Harbors	<ul style="list-style-type: none"> Following completion of quarrying near St. Herman Harbor, incorporate project into the City CIP.
15	Provide an additional (1 to 2) light duty cranes for small boats at the harbor.	Long-Term	Ports & Harbors	<ul style="list-style-type: none"> Incorporate project into the City CIP.

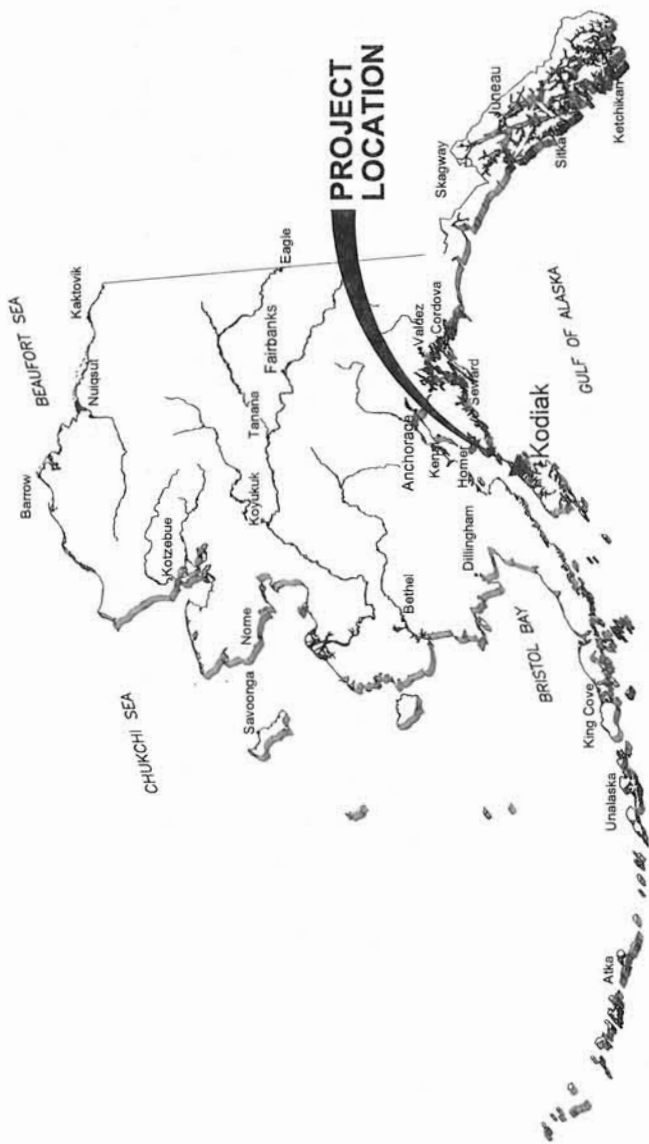


Appendix A

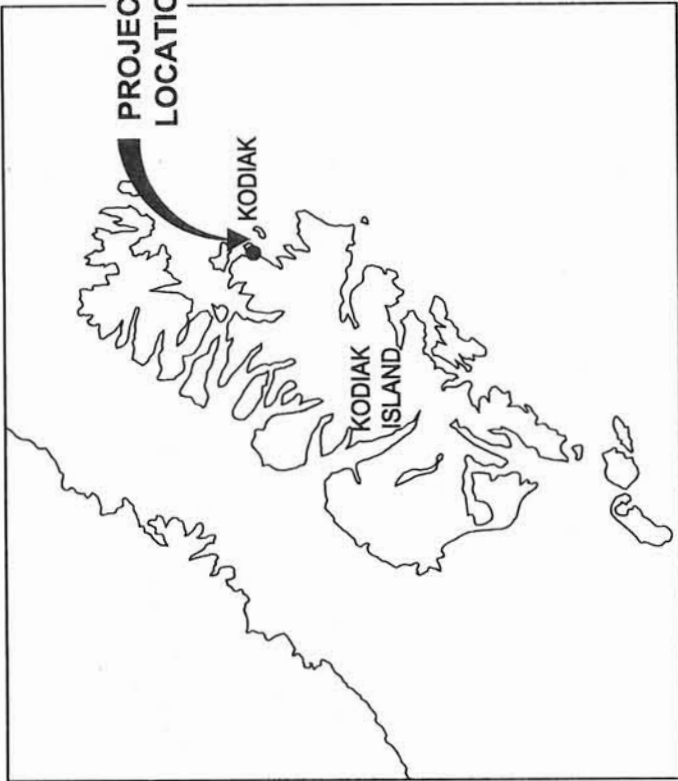
Updated Conditional Use Permit

ST. HERMAN HARBOR QUARRY EXPANSION

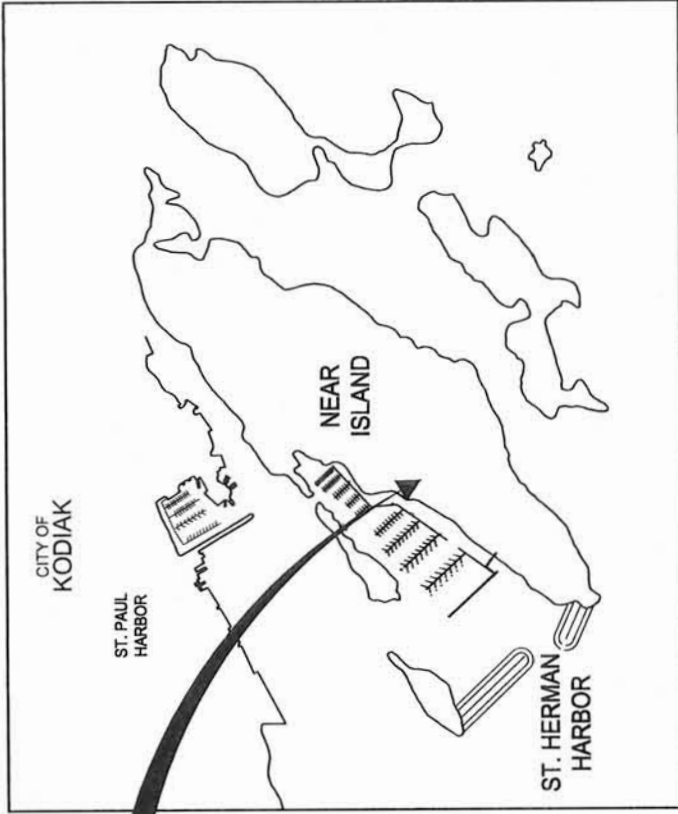
KODIAK, ALASKA FEBRUARY 2010



STATE OF ALASKA



KODIAK ISLAND



ST. HERMAN HARBOR VICINITY

SHEET INDEX

TITLE SHEET & INDEX	1
SUMMARY & PROJECT CONTROL	2
SECTIONS AND DETAILS	3
QUARRY EXPANSION LAYOUT (1 OF 2)	4
QUARRY EXPANSION LAYOUT (2 OF 2)	5
GRADING PLAN (1 OF 2)	6
GRADING PLAN (2 OF 2)	7

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REV	DATE	DESCRIPTION

DATE: _____

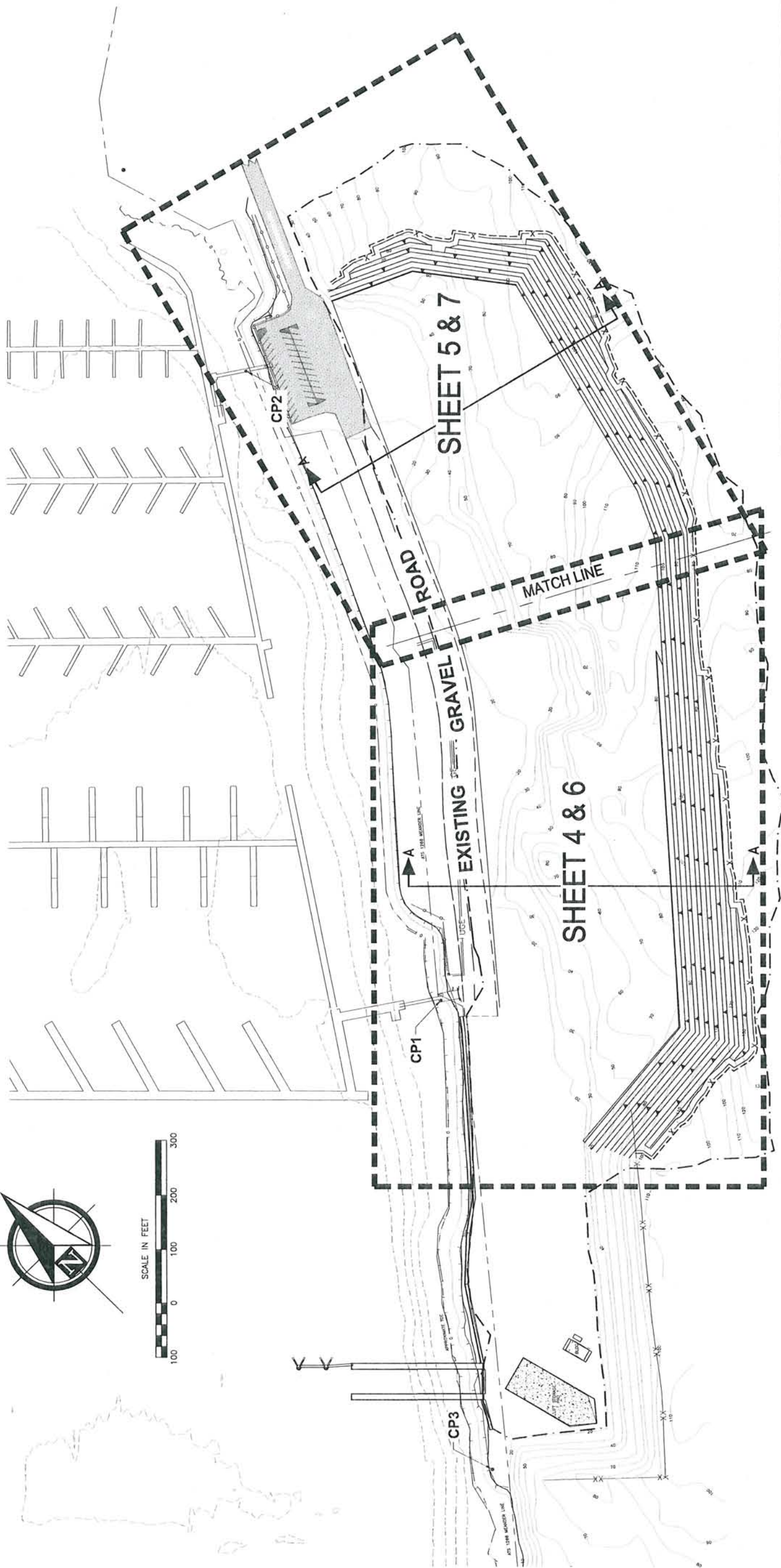
1506 West 36th Avenue
Anchorage, Alaska 99503
Phone: 907.561.1011
Fax: 907.563.4220
www.pndengineers.com



**KODIAK ST HERMAN HARBOR
QUARRY EXPANSION**

TITLE SHEET AND INDEX

DESIGNED BY:	ZC	DATE:	2/09/10	SHEET NO.	1	OF	7
CHECKED BY:	KB	PROJECT NO.:	091114				



PROJECT CONTROL			
POINT	NORTHING	EASTING	ELEVATION
CP1	1382897.332	1950302.766	16.83
CP2	1383963.989	1950873.474	23.96
CP3	1382222.667	1949758.384	16.08

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REV	DATE	DESCRIPTION

- NOTES:**
- CONTOURS DEVELOPED FROM SURVEY PERFORMED APRIL 11-20, 2006 AND NOVEMBER 3-6, 2009 BY PND ENGINEERS, INC.
 - VERTICAL DATUM IS MEAN LOWER LOW WATER (MLLW = 0.00')
 - THE ELEVATION FOR THE C.O.E. CONTROL MONUMENT "SYLVA" IS 21.62' MLLW (SEE NOTE 1). FOR LOCATION AND DESCRIPTION REFER TO THE CORPS OF ENGINEERS JUNE 2002 CONDITION SURVEY OF THE ST. HERMAN'S HARBOR. A TIE WAS MADE TO SEVERAL BENCH MARKS WITHIN THE AREA INCLUDING "HARBOR MASTER" LOCATED AT THE BASE OF THE FLAG POLE NEAR THE HARBOR MASTER BUILDING. THE ELEVATION FOR "HARBOR MASTER" BASED ON THIS DATA IS 20.18'
 - BATHYMETRY SHOWN ON THIS DRAWING WAS TAKEN FROM THE C.O.E. JUNE 2002 CONDITION SURVEY. NO ATTEMPT WAS MADE BY PND SURVEYORS TO VERIFY THE C.O.E. DATA. EXPANSION OF THE UPLANDS AFTER THE 2002 CONDITION SURVEY REQUIRED MODIFYING THE BATHYMETRY IN ORDER TO BEST FIT THE EXISTING CONDITIONS.



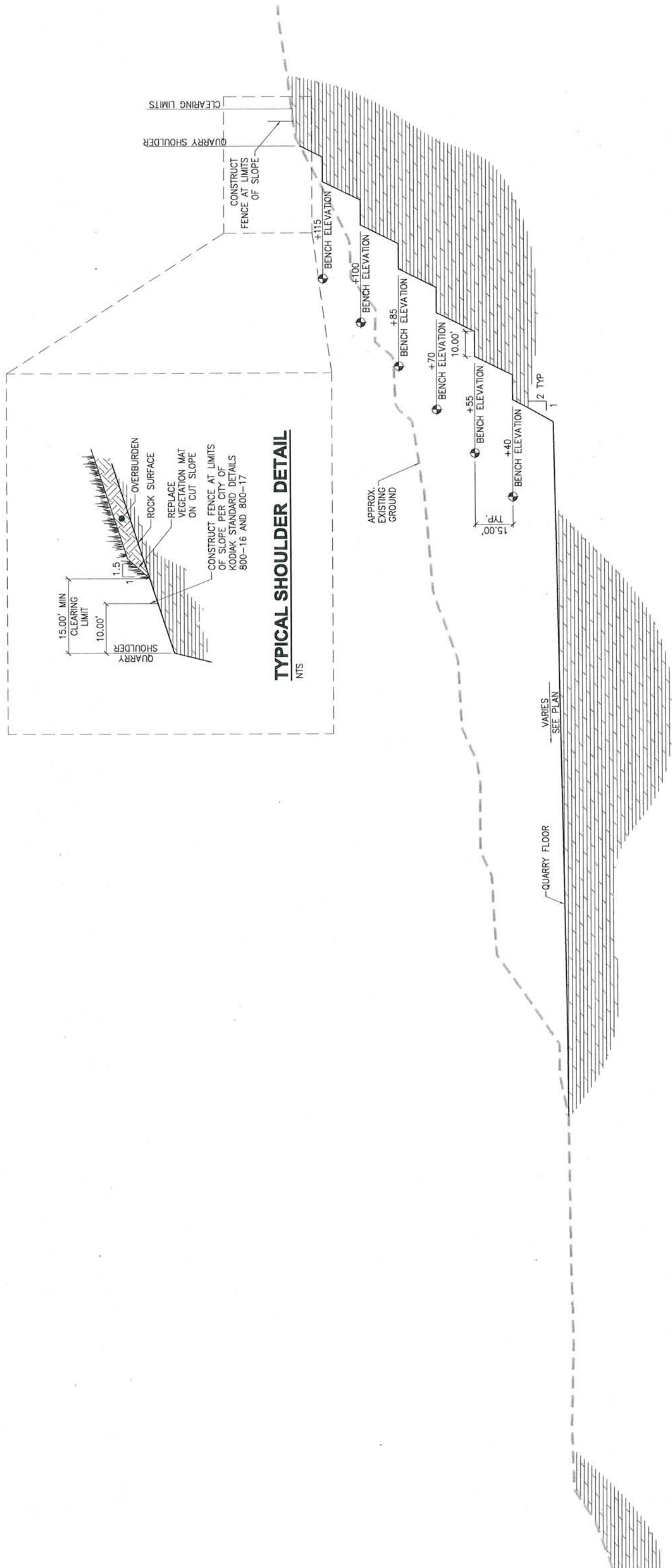
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Anchorage, Alaska 99503
Phone: 907.561.1011
Fax: 907.563.4221
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**KODIAK ST HERMAN HARBOR
QUARRY EXPANSION**

**SUMMARY AND
PROJECT CONTROL**

DESIGNED BY:	ZC	DATE:	2/09/10	SHEET NO.:	2	OF	7
CHECKED BY:	KB	PROJECT NO.:	091114				



QUARRY SECTION A-A
NTS

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REV	DATE	DESCRIPTION



DATE: 2/9/10

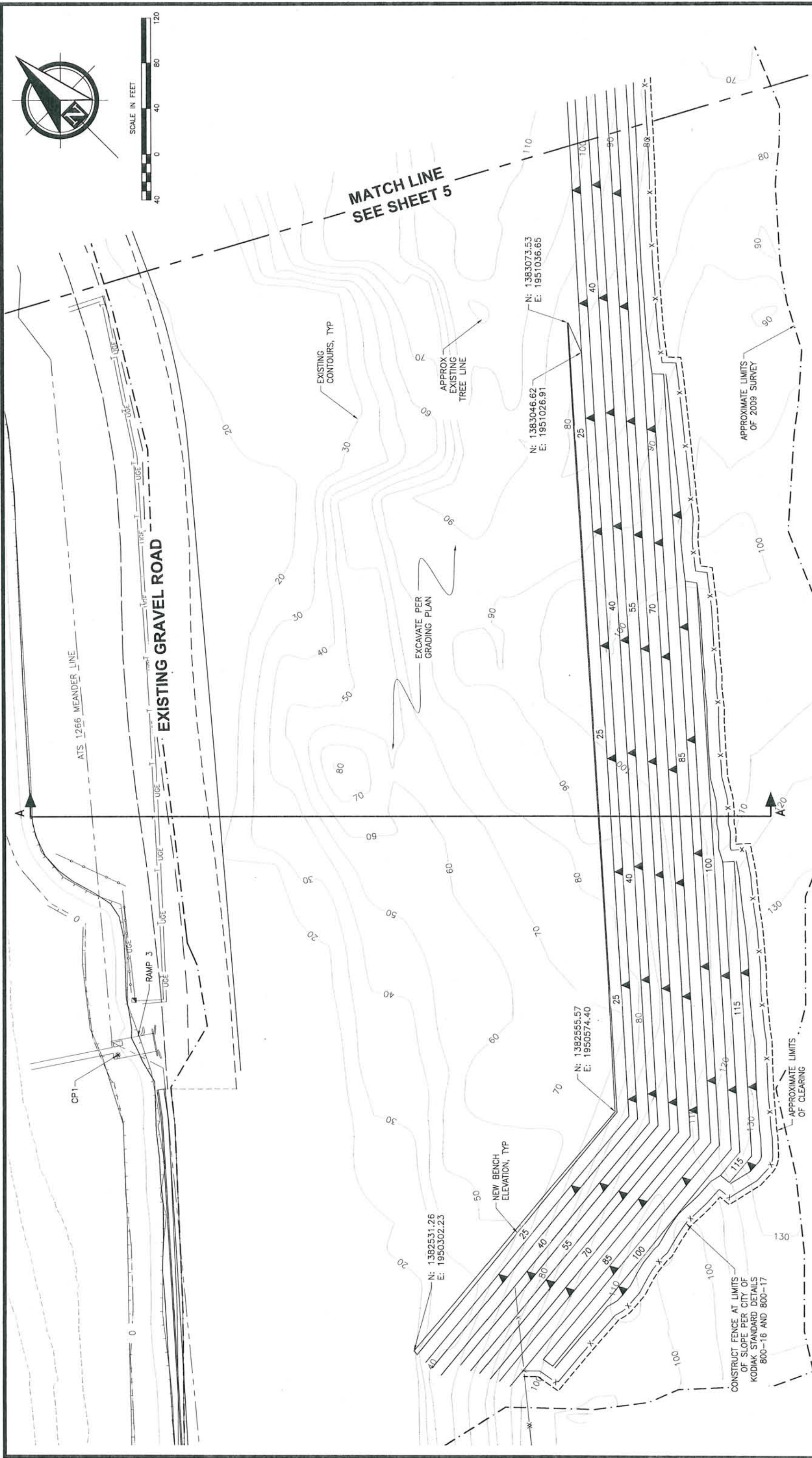
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**KODIAK ST HERMAN HARBOR
QUARRY EXPANSION**

SECTIONS AND DETAILS

DESIGNED BY: ZC	DATE: 2/09/10	SHEET NO: 3	OF 7
CHECKED BY: KB	PROJECT NO: 091114		



MATCH LINE
SEE SHEET 5



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PND ENGINEERS, INC.

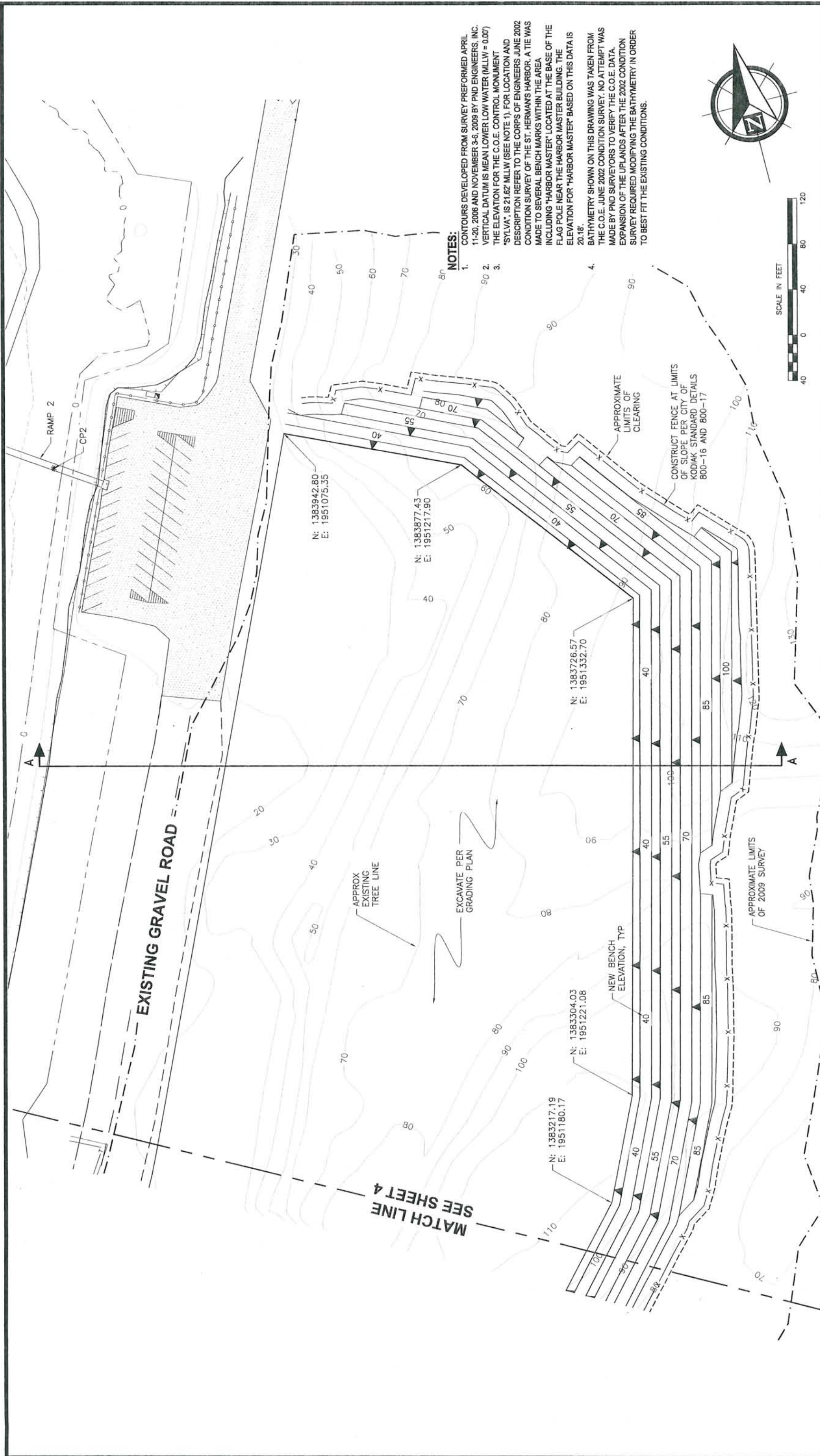
KODIAK ST HERMAN HARBOR QUARRY EXPANSION

QUARRY PLAN AND LAYOUT

PROJECT: _____
FILE: _____

DESIGNED BY: ZC DATE: 2/09/10
CHECKED BY: KB PROJECT NO: 091114

SHEET NO. **4** OF **7**



NOTES:

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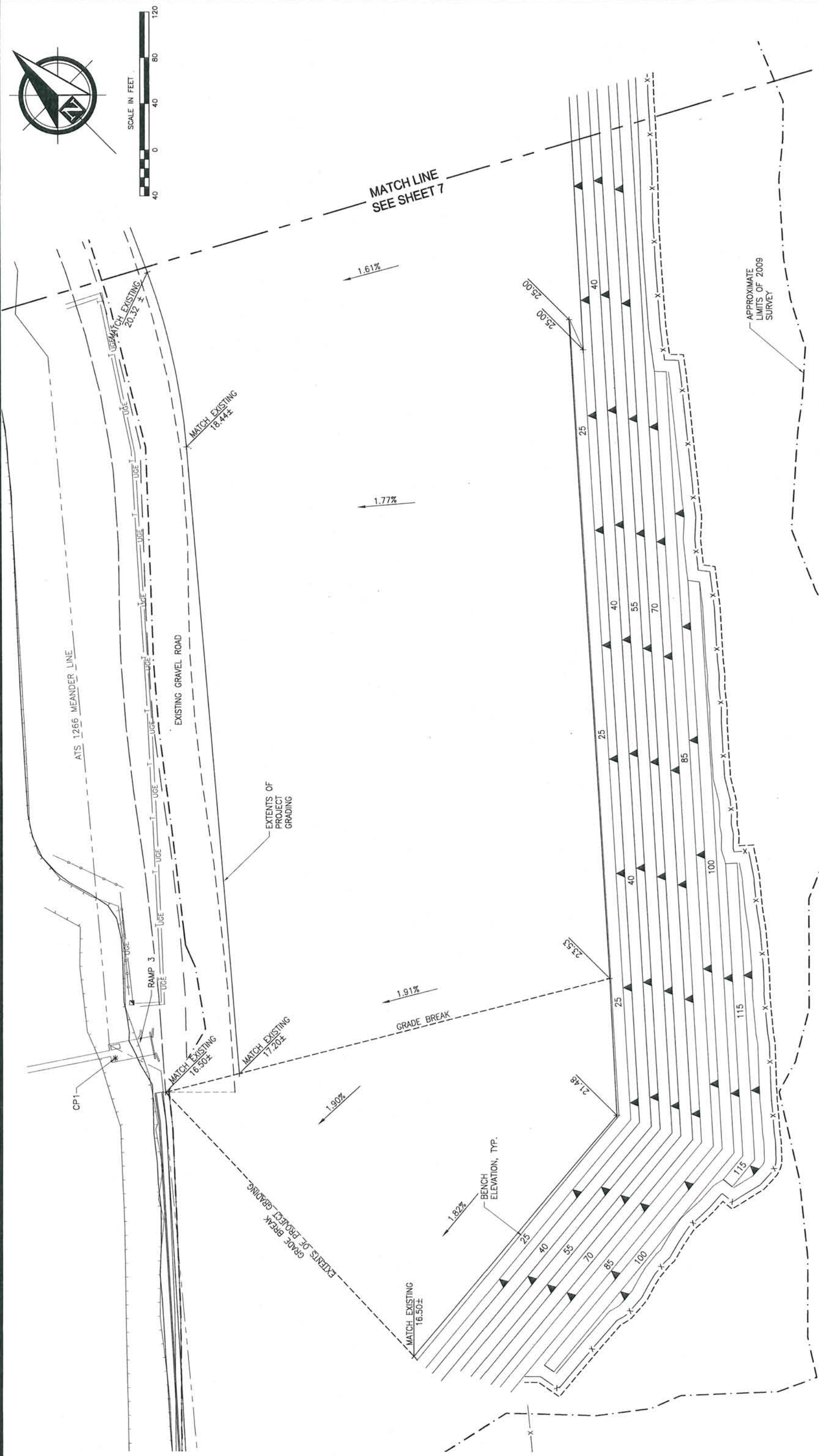
PND ENGINEERS, INC.
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**KODIAK ST HERMAN HARBOR
 QUARRY EXPANSION
 LAYOUT**

DESIGNED BY:	ZC	DATE:	2/09/10
CHECKED BY:	KB	PROJECT NO.:	091114
SHEET NO.			5
OF			7

REV	DATE	DESCRIPTION



**KODIAK ST HERMAN HARBOR
QUARRY EXPANSION**

FINISH GRADING PLAN

DESIGNED BY: ZC DATE: 2/09/10
 CHECKED BY: KB PROJECT NO: 091114

SHEET NO: **6** OF **7**

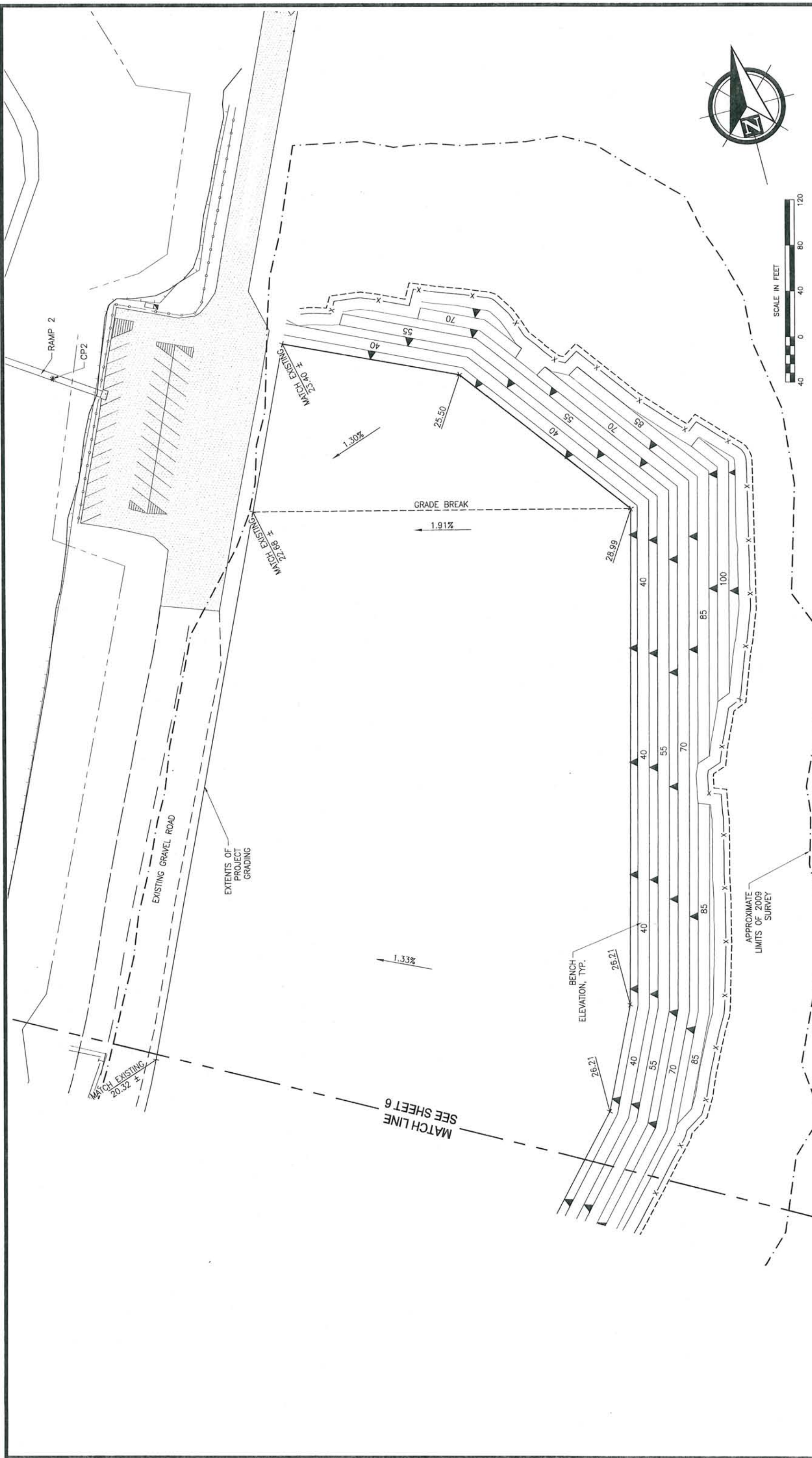
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REV	DATE	DESCRIPTION



**KODIAK ST HERMAN HARBOR
QUARRY EXPANSION**

FINISH GRADING PLAN

DESIGNED BY: ZC DATE: 2/09/10
 CHECKED BY: KB PROJECT NO: 091114

SHEET NO: **7** OF **7**

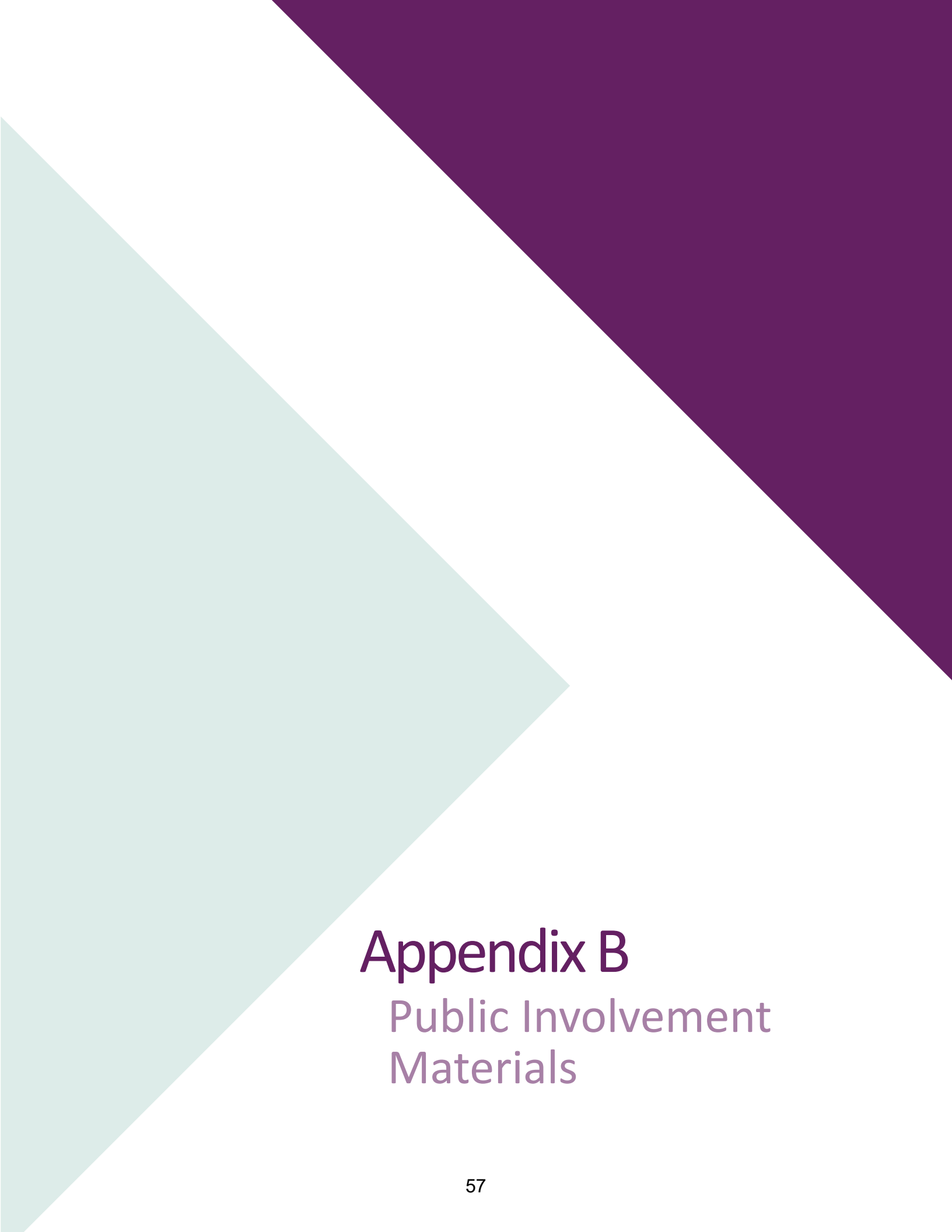
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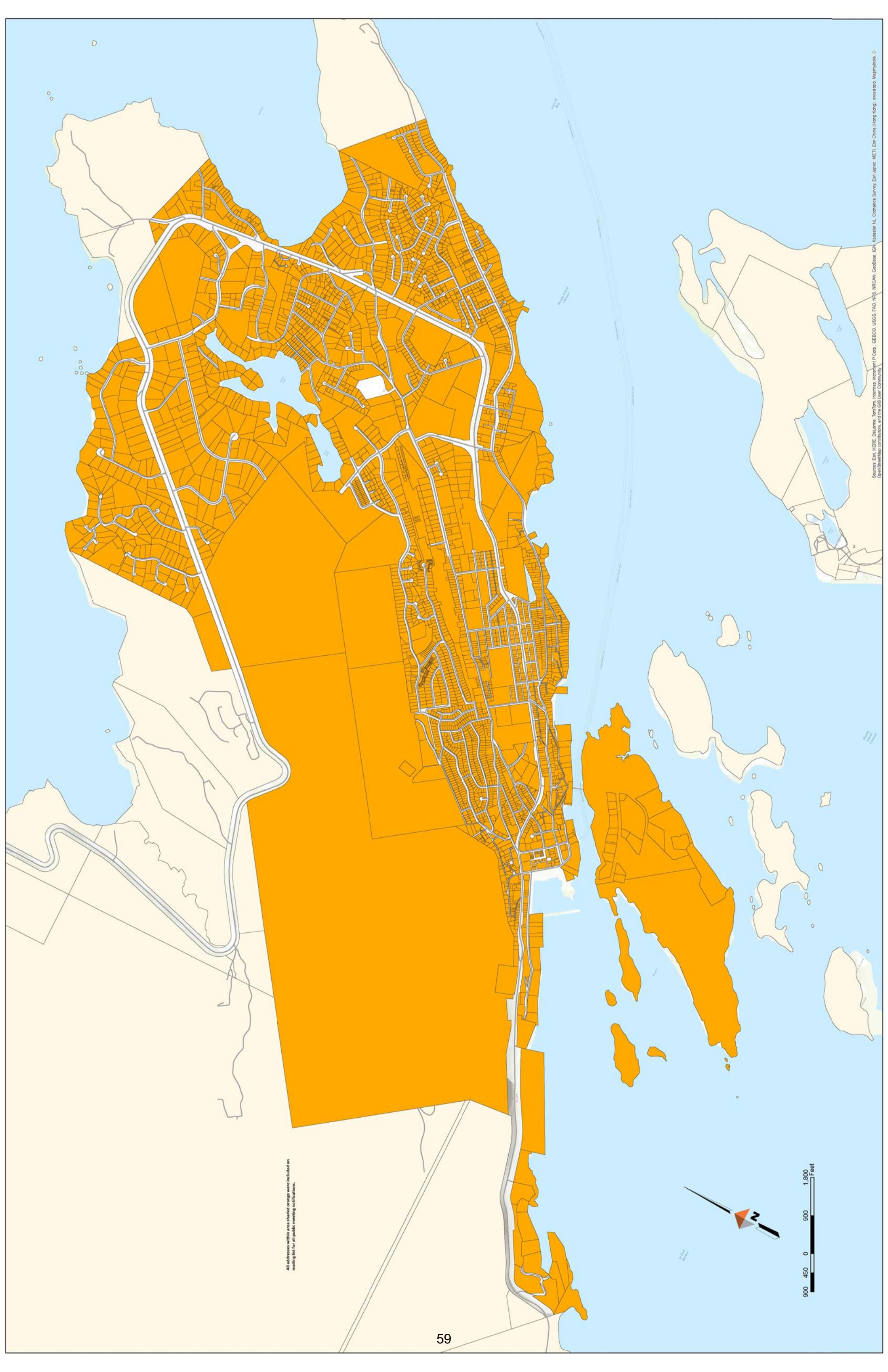
REV	DATE	DESCRIPTION



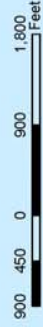
Appendix B

Public Involvement Materials

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All addresses within area shaded orange were included on mailing list for all public meeting notifications.





Public Meeting #1

Kodiak Harbor Convention Center

211 Rezanof Drive - Katurwik Room
Thursday, February 4, 2016
7:00 to 9:00 p.m.

7:00 – 7:30	Open House
7:30 – 8:00	Presentation
8:00 – 9:00	Open House

DOWL with the City of Kodiak is hosting a public meeting to kick off the planning efforts for the Near Island Development Plan. The objective of this plan is to allow the City of Kodiak to anticipate and plan for the future development of Near Island that encourages revenue generation while balancing development and land conservation. After the presentation we will return to an Open House format to get one-on-one feedback and answer questions.



We welcome your feedback!

There will be an opportunity to provide your comments and ask questions at the meeting.

You can also email comments /questions anytime by contacting

Michelle Ritter, AICP, Senior Planner, DOWL
nearislanddevplan@dowl.com

4041 B Street
Anchorage, AK 99503
(907) 562-2000



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nearislanddevplan.com

4041 B Street
Anchorage, AK 99503
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Near Island
Development Plan

Michelle Ritter, AICP

DOWL
4041 B Street
Anchorage, AK 99503

Near Island
Development Plan

Michelle Ritter, AICP

DOWL
4041 B Street
Anchorage, AK 99503



Public Meeting #1 - February 4, 2016 Frequently Asked Questions



Q: *What is the objective of the Near Island Development Plan?*

A: To provide the City of Kodiak with a plan that encourages revenue generation while balancing development and land conservation. The plan will allow the City of Kodiak to anticipate and plan for the future development of Near Island. Specifically, the plan will identify which uses are desired for Near Island and where development should occur.

Q: *What is the objective of the Public Outreach process?*

A: To gather firsthand knowledge of opportunities, challenges, and needs on Near Island; to develop a vision of what Near Island user groups want to see for future growth; and to receive review and feedback from the public and agencies on whether proposed ideas are desirable and achievable.

Q: *What is the project schedule?*

A:

Collect initial feedback	February through Mid-April 2016
Draft Development Plan for TAC Review	Mid-April 2016
Second Technical Advisory Committee (TAC) Meeting and Public Meeting	Late-April 2016
Collect feedback on Draft Development Plan	Late-April through Mid-May 2016
Present to City Council	May 12, 2016
Incorporate final feedback	Mid- through late-May 2016
Final Development Plan	July 2016

Q: *How can I submit comments or get more project information?*

A: There will be an opportunity to provide your comments at any of the public meetings. Information will be made available on the City's website after each meeting. You can also email comments /questions anytime by contacting:

Michelle Ritter, AICP
 Email: nearislanddevplan@dowl.com
 DOWL ■ 4041 B Street ■ Anchorage, Alaska 99503 ■ Phone: 907-562-2000





Please Sign In



PRINT NAME	ORGANIZATION	TELEPHONE	E-MAIL
Tim Potter	DOWL	907-562-2000	tpotter@dowl.com
Aaron Christie	DOWL	"	achristie@dowl.com
Deb Houlden - Ergall	Citizen - ITN Member	907-487-2372	
Shelley Paulsen	Citizen	486-4750	
Oliver Holm	PHAB - boat owner - KRAB	486-6957	chicken@gci.net
Alan Schmitt	P&Z CITY REP	486-5314	SCHMITT@GCI.NET
JACK MAKER	FIB CND	486-9362	JMAKER@KODIAK.AK.US
Mark Kozak	City of Kodiak	486-8060	
RICHARD SALTSTAD	CITIZEN	227 446 6548	
GLENN MELVIN	COK	486-9065	
RaeJean Blusken	citizen	486-4680	
Michaela Kozak	DOWL	907-562-2000	mkozak@dowl.com
AIMEE KNIAZLOWSKI	CITY	539-7600	
NICKOLE RITLER	DOWL	507-2000	WRITLER@dowl.com
Mike Sirofchuk	CITIZEN	486-6498	V34@gci.net
Rolan Ruoss	Sea Hawk Air	486-8282	info@seahawkair.com
Stosh Anderson		654-3679	stosh.a@bobcat.com
Charlie & Rosemarie Davidson		486-3896	crat@ptiasaska.net



Please Sign In



PRINT NAME	ORGANIZATION	TELEPHONE	E-MAIL
JACK MANN	CONCERNED CITIZEN	(907) 486-5302	JACK_MANN3@YAHOO.COM
Bob Bowhay	Citizen	907 486 4594	
Darius Lipszalski	citizen, port user	907 654 7731	jigluur@gmail.com
PETER THOMPSON		539-5591	PETER@CC1.NET
Howard Valley		907 942-5656	hvalley@gmail.com
Jill Withenbender	Citizen	907 942 5296	jillwitht@gmail.com
Corae Chernoff	citizen		
Paul Yatsik	Captain	512-6221	
BOB PEDERSEN	KIB	486-9360	
NIKI SZABO		486-3853	
Kyle Crow	KIB	738-9283	Kylecrow@yahoo.com
Eric Linscheid	- citizen	539-6829	eric



AGENDA

Technical Advisory Meeting #1
February 4, 2016
Noon to 2PM

1. Introductions
2. Project Overview and Background
3. Plan Objective
 - a. Provide the City of Kodiak a plan that encourages revenue generation while balancing development and land conservation
 - b. Develop a plan with goals, policies, and recommendations that can be implemented.
 - c. Identify required steps to implement recommended goals and policies
 - d. Identify responsible parties for implementation
 - e. Identify potential funding sources and any intergovernmental coordination required for successful implementation
4. Objective of Public Outreach
 - a. Gather firsthand knowledge of opportunities, challenges, and needs on Near Island
 - b. Gain understanding of what Near Island user groups want to see for future
 - c. Receive feedback and review by technical experts/landowners on whether proposed ideas are achievable.
5. Issues, Opportunities, Considerations from around table
6. Schedule
 - a. Draft Development Plan for TAC Review April 18, 2016
 - b. Second TAC Meeting and Public Meeting April 27, 2016
 - c. Collect feedback from TAC #2 April 27 – May 12, 2016
 - d. Present to City Council May 12, 2016
 - e. Incorporate final feedback May 13-May 27, 2016
 - f. Final Development Plan July 7, 2016



TAC MEETING #1 MEETING NOTES



Date: February 4, 2016, Noon to 2PM

Location: Kodiak Public Library, Multi-Purpose Room

Attendees: Bob Pederson, Kodiak Island Borough Representative
Jack Maker, Kodiak Island Borough Representative
Andy Schroeder, Island Trails Network Representative
Oliver Holm, Ports & Harbor Advisory Board Representative
Natasha Hayden, Parks & Recreation Representative
Philip Tscherich, Alaska Fish & Game
Aimée Kniaziowski, City Manager
Mark Kozak, Public Works Representative
Glenn Melvin, City Engineer
Michaela Kozak, DOWL
Aaron Christie, DOWL
Tim Potter, DOWL
Michelle Ritter, DOWL

Project Background:

- Aimée provided background on need for updated plan
 - Previous City Council has made decision to dispose of land
 - City donated lands for research campus and sold lands to private entities
 - Started to see conflicts and determined should hold-off on disposal of additional lands
 - Last large piece of City-owned land, need to make sure they get development plan right before moving forward with land disposal / land use decisions

General Comments:


- In future presentation materials consider adding the following:
 - View shed analysis of Near Island from downtown Kodiak
 - Existing/Outdated Development Plan and the 2 items remaining
 - Define "conservation" in terms of zoning

- Pig Island (Uski Island) is heavily treed which provides protection to St. Herman's Harbor.
 - Trees should be protected from clear cutting

Issues, Opportunities, Considerations from around table:

- Preserve Light Industrial zoned area bordering the Harbor for water "dependent" and "related" businesses and tenants
 - Industrial land is hard/impossible to create
- Consider "hierarchy" zoning adjacent to port facility
 - Water Dependent – land uses that can only be conducted in, on, over, or adjacent to water (i.e. docks, piers, boat repair, short term parking for boaters, etc.)
 - Water related - land uses that are not required to be directly adjacent to water but that require close-proximity and direct access to water (i.e. dry storage, marine repairs, etc.)
 - Water enhanced –land uses that might be enhanced by proximity to the water but for which access is not essential (i.e. restaurants, hotels, etc.)
- Harbor facility tailored to larger vessels
 - City-owned lift more effective for boats that are about 58-foot long and larger
 - Capacity of harbor important because of limited window of opportunity to complete repairs because of timing of fishing fleets
- Create Parking
 - Current harbor parking is limited/full in summer
 - Trident Basin Float Plane parking is limited in summer and overflowing during hunting season (Oct-Nov)
- Ensure any new retail/commercial does not conflict with existing downtown retail
 - Counterproductive to downtown revitalization plan
- Development Plan should consider both near and distant future of Kodiak (20, 30, 50 year out)
- Preserve South End Park and restore social trail that was lost due to expansion of the quarry
- Minimize and or mitigate tree loss due to wind and erosion

- Achieve balance between property development and trails
 - Trail group would feel “better” if a trail around the island was memorialized and a permanent easement created even though there would be an overall loss in number of social trails
- Establish Trident Basin Road right-of-way as well as along the harbor
- Need to have public process for project wrapped up by third week in May or will lose a lot of the community as they start to prepare for start of fishing season (first week of June)

General Theme	
Summary Comment	
Actual Comment	




Comment Summary	Response to Comment
LIMITED AVAILABLE LANDS	
Near Island has limited land left to develop and/or protect so we need to get this plan right.	
What is left on Near Island is near and dear to citizens now and in the future.	
Does the City have land elsewhere that less desirable uses, like residential, could go on? The city only has so much land.	The City of Kodiak owns about 12 acres of residentially zoned land on Kodiak.
We write to encourage you to take steps to protect the remaining undeveloped areas on Near Island. We have been disappointed to see the encroachment that has occurred in the haul out area across from the harbor, as well as the area adjacent to the float plane facility. Near Island is the only large wilderness area remaining within the City of Kodiak, an area that is used extensively by Kodiak citizens as an easily and quickly accessible place for hiking and other activities. It would be a tragedy to see additional sections of it used for industrial purposes such as gravel extraction.	This has been considered in the draft conceptual land use plans.
Near Island has been rather haphazardly developed since the bridge went in and I am glad to see that the City is making an effort to develop a plan for future development. The gravel pit has become an expanding eyesore that got out of control without adequate permitting.	Comment noted.
The City should retain ownership of lands on Near Island and lease land for commercial and industrial uses.	
It is in city's best interest to keep and lease all industrial and commercial lands. Do not sell land.	Will be considered as a recommendation in plan.
Limited available ground on waterfront. Hold onto commercial lands, don't sell them - lease instead.	Will be considered as a recommendation in plan.
The City of Kodiak should not sell any more land outright on Near Island. All remaining commercial and light industrial land should be leased only.	Will be considered as a recommendation in plan.
Any land that the city has should be leased instead of sold.	Will be considered as a recommendation in plan.
I don't think the City of Kodiak should sell any more land on Near Island. What remains as commercial and light industrial should be leased.	Will be considered as a recommendation in plan.
ECONOMIC DEVELOPMENT	
There is value in setting aside natural areas for residents and visitors.	
There is a real value, both economic and aesthetic, in a community setting aside natural areas for their citizens enjoyment and use. We encourage you to take this opportunity to do so while you still can.	Each draft conceptual land use plan includes maintaining large areas of open space.

Public Meeting #1 Stakeholder Comments




General Theme	<input type="checkbox"/>
Summary Comment	<input type="checkbox"/>
Actual Comment	<input type="checkbox"/>

While development and services are foundation to a strong community, so are recreational opportunities and parks. Near Island, in particular, offers amazing hiking, picnicking, and subsistence activities right in town! Being able to hike from Northend Park, to Rotary Park, and then to the south end of the island with the extraordinary wildflower meadow is awesome. I also gather spruce tips and salmonberries on Near Island. It is great to have a place to enjoy nature and hike right in town with no bears!	Each draft conceptual land use plan includes maintaining large areas of open space.
The trident float plane facility is important asset for Near Island.	
Good thing to have float plane facility.	Comment noted.
Float plane base has economic value for the city.	Comment noted.
There are only 3 airstrips on Kodiak.	Comment noted.
Near Island provides only float plane access that is accessible by road (ice-free road access), surface water (ice-free year round), and is sheltered.	Comment noted.
Development on Near Island should generate revenues for the City.	
How much money currently generated from uses?	<i>Aimee confirmed property tax is 2 mils.</i>
How much property tax for Near Island?	<i>Less than \$1 million annually.</i>
Development should not be a bunch of monuments (large buildings). Boat lift, etc. is an encroachment on private industry. Cost to tax payers not considered.	Comment noted.
Large part of fishing fleet at St. Herman Harbor, fishing tax (raw fish tax), and Borough landing tax.	Comment noted.
PARKS, TRAILS, and OPEN SPACE	
Land zoned Conservation Area should be rezoned to Natural Use.	
Rezoning dark green color on zoning map to preservation open space; keep green space for enjoyment of all.	The plan does propose for more lands to be rezoned to public use lands for the use of trails and recreation.
Would like to see the entire island under a conservation easement, a little piece of bear-free heaven. Near Island is the only bear-free zone for people to recreate.	The island provides important and necessary commercial and marine dependent industrial lands. T
The expanded gravel operations have already severely degraded these areas, and the trails and wildlife habitat in the area. I request that the remaining land that is zoned "Conservation" be rezoned to "Natural Use" and that the South End be officially designated as an official park.	Each draft conceptual land use plan includes maintaining large areas of open space.
Specifically, we ask that you rezone land that is currently zoned "Conservation" to "Natural Use". Doing so would ensure that the remaining undeveloped areas would be preserved as they are, protecting the natural environment and trails as well as fishing and wildlife habitat.	Each draft conceptual land use plan includes maintaining large areas of open space.


Public Meeting #1 Stakeholder Comments

General Theme	
Summary Comment	
Actual Comment	




I would like to see the north and south ends zoned from "Conservation" to "Natural Use". I know there are people who don't like to see land tied up for natural use. They prefer to leave it open for development or resource mining as in the current gravel pit. However, I am involved in the tourism industry and see a value in keeping the Near Island lands undeveloped and more protected than they are now. Many tourists visit Near Island and use those trails. I have had B&B clients and cruise ship passengers use those trails and comment on their beauty and accessibility.	Currently, North and South End Parks are zoned Public Lands.
I ask that the remnant, unencumbered area within the southern end of Near Island, and that area between the North End and South End be rezoned to "Natural Use". My request is motivated by the need to protect and keep these areas as undisturbed as possible. The above request includes the need to terminate the existing potential for use of Near Island lands for the mining of materials such as gravel with the zoning designation of "Conservation".	Each draft conceptual land use plan includes maintaining large areas of open space.
All land zoned "Conservation" should be rezoned to "Natural Use". The only development on the lands currently zoned "Conservation" and "Natural Use" should be foot trails or parks.	Will be considered as a recommendation in plan.
The majority of the "Conservation" use land in the middle of the island should be converted to "Natural Use" land.	Will be considered as a recommendation in plan.
Retain natural area identified as green on the zoning map under a conservation easement (strengthens tourism).	Will be considered as a recommendation in plan.
Gravel pit conflict, remaining "Conservation" zoned lands should be rezoned to "Natural Use". Excavation has negative impact on harbor windbreak.	Will be considered as a recommendation in plan.
All the land presently zoned "Conservation" should be rezoned to "Natural Use" and the only development on the land zoned "Conservation" and "Natural Use" should be hiking trails or parks.	Will be considered as a recommendation in plan.
The area known as South End should be designated as official park.	
We ask that you designate the area known as "South End" an official park.	Will be considered as a recommendation in plan.
Would like to see South End Park dedicated as official park land.	Will be considered as a recommendation in plan.
The expanded gravel operations have already severely degraded these areas, and the trails and wildlife habitat in the area. I request that the remaining land that is zoned "Conservation" be rezoned to "Natural Use" and that the South End be officially designated as an official park.	Will be considered as a recommendation in plan.
Preserve greenbelt connecting South End to North End.	
I feel it is important that the remaining areas of south end area and those connecting north to south are preserved in perpetuity.	Will be considered as a recommendation in plan.
Trail system should be completed and should be protected.	
The pristine Near Island trails are within walking distance of town and are used by elders like myself and hikers of all ages. Friends and visiting guests always use these trails for a hike and enjoy the pristine	Will be considered as a recommendation in plan.

General Theme	
Summary Comment	
Actual Comment	

beauty of views, flowers, and wildlife.	
Trails shown as "proposed" should be constructed, including a reroute of the trail that used to go through where the gravel pit now exists.	Construction dependent on funding. A reroute has been proposed in the draft conceptual land use plans.
Further develop/improve the foot trails on the island.	Will be considered as a recommendation in plan.
Limit to pedestrian trail access only	
Recreational trails must be a priority, as they allow people that live in town or visitors staying in town, access to lovely hiking and views without having to drive miles to state parks or other trails. Proposed trails should be constructed.	Will be considered as a recommendation in plan.
There should be balanced growth on Near Island.	
Please keep a balance between industrial use and access to hiking trails and natural beauty.	Noted.
ZONING and LAND USE	
Existing gravel extraction boundary should be limited to what is approved and not expanded.	
The gravel pit should not be allowed to extend beyond the boundaries that are currently approved.	Expansion of the quarry is recommended, if needed, to provide additional water-dependent- or related- industrial lands. This would be subject to approval of a conditional use permit.
I believe enough gravel excavation has already occurred on Near Island and it should not be allowed to extend any farther. It has already encroached upon the trails, obliterated one, and greatly impacted the scenic beauty of the island. Enough is enough.	Expansion of the quarry is recommended, if needed, to provide additional water-dependent- or related- industrial lands. This would be subject to approval of a conditional use permit.
We write to encourage you to take steps to protect the remaining undeveloped areas on Near Island. We have been disappointed to see the encroachment that has occurred in the haul out area across from the harbor, as well as the area adjacent to the float plane facility. Near Island is the only large wilderness area remaining within the City of Kodiak, an area that is used extensively by Kodiak citizens as an easily and quickly accessible place for hiking and other activities. It would be a tragedy to see additional sections of it used for industrial purposes such as gravel extraction.	A large portion of the undeveloped lands behind the quarry and South End Park are recommended to be designated as Public Use Lands.
Near Island has been rather haphazardly developed since the bridge went in and I am glad to see that the City is making an effort to develop a plan for future development. The gravel pit has become an expanding eyesore that got out of control without adequate permitting.	Expansion of the quarry is recommended, if needed, to provide additional water-dependent- or related- industrial lands. This would be subject to




General Theme	
Summary Comment	
Actual Comment	

	approval of a conditional use permit.
The expanded gravel operations have already severely degraded these areas, and the trails and wildlife habitat in the area. I request that the remaining land that is zoned "Conservation" be rezoned to "Natural Use" and that the South End be officially designated as an official park.	Expansion of the quarry is recommended, if needed, to provide additional water-dependent- or related- industrial lands. This would be subject to approval of a conditional use permit. However, a large portion of the undeveloped lands behind the quarry and South End Park are recommended to be designated as Public Use Lands.
I ask that the remnant, unencumbered area within the southern end of Near Island, and that area between the North End and South End be rezoned to "Natural Use". My request is motivated by the need to protect and keep these areas as undisturbed as possible. The above request includes the need to terminate the existing potential for use of Near Island lands for the mining of materials such as gravel with the zoning designation of "Conservation".	A large portion of the undeveloped lands behind the quarry and South End Park are recommended to be designated as Public Use Lands.
The expanded gravel operations have already severely degraded these areas, and the trails and wildlife habitat in the area. I request that the remaining land that is zoned "Conservation" be rezoned to "Natural Use" and that the South End be officially designated as an official park.	Expansion of the quarry is recommended, if needed, to provide additional water-dependent- or related- industrial lands. This would be subject to approval of a conditional use permit. However, a large portion of the undeveloped lands behind the quarry and South End Park are recommended to be designated as Public Use Lands.
Trident Basin area should retain light industrial zoning designation, but the area should not be expanded.	
The area of Trident Basin zoned "light industrial" should retain that zoning. The current area should not be expanded.	Noted. Any future rezone is subject to a study justifying the request.
Trident Basin should retain zoning of "light industrial" and should only be expanded with a thorough environmental review.	Noted. Any future rezone is subject to a study justifying the request.
Land zoned commercial should be limited to existing area and no more.	
The land that is currently zoned "commercial" should stay "commercial". No more land should be zoned "commercial" beyond what is already designated.	Noted. Any future rezone is subject to a study justifying the request.

General Theme	
Summary Comment	
Actual Comment	

Land that is currently zoned "commercial" should stay "commercial" and no additional land should be zoned "commercial" beyond what already is.	
Consider the potential for creating conflicting uses prior to new residential development.	
No residential living units on the island.	Noted. No additional residential is proposed.
I do not support subdividing and the selling of individual lots of any Near Island land for housing. Private housing would not be appropriate there.	Noted. No additional residential is proposed.
There is a residential subdivision plat that exists. Float plane operations make a lot of noise, trees help buffer noise. Adjacent businesses and residential development may be in conflict with float plane base. Reduce possibilities for conflict of uses.	Noted. No additional residential is proposed.
HARBOR NEEDS	
Industrial lands to support the harbor area needed.	
Allow some fishing related/fishing support businesses to lease the land where the quarry is, once operations stop there.	Noted.
Agreement had been made by Kodiak Fisheries Work Group long-term plan was to reserve lands for infrastructure in industrial zone.	Noted and reflected in the plan.
Keep flexibility to accommodate expansion, as it may be needed and desired in the future.	Noted and reflected in the plan.
Specifically, we ask that you rezone land that is currently zoned "Conservation" to "Natural Use". Doing so would ensure that the remaining undeveloped areas would be preserved as they are, protecting the natural environment and trails as well as fishing	The plan recommends rezoning a large portion of the "Conservation" District to "Public Use Lands" District. Some land is being held as "Conservation" District to ensure there are adequate lands to support the needs of Kodiak.
Utility Systems need to be sized appropriately.	Noted and reflected in the plan.
Facilities to support small boat owners is needed.	
Island needs a co-op processing facility. Small boat owners have to travel to Oscar's dock - ice house. There is need for a personal crane (electric) - use for gill nets, etc.	Noted and reflected in the plan.
Icehouse much needed.	Noted and reflected in the plan.
Not all boats have access to RSW system.	Noted.
Downtown Waterfront Plan (1987) demonstrates uses that are needed.	Noted.
I support development of the area near the boat lift for commercial and subsistence fishermen. A small crane, buildings for boat maintenance and repair, and cold storage are all appropriate for this area.	Noted and reflected in the plan.
Need to support small fisherman needs (laundromat, shower, cold storage, etc.).	Noted and reflected in the plan.
Could develop a kayak put-in area.	Noted and reflected in the plan.

Public Meeting #1 Stakeholder Comments

General Theme	
Summary Comment	
Actual Comment	

I am not opposed to development of Near Island and support more infrastructure for small boat users such as a small crane, a maintenance building, cold storage, and ice facility.	Noted and reflected in the plan.
Lack of infrastructure to support port, rural designated community, and no crane for industrial use.	Noted.
Smaller boat and subsistence users should be considered.	Noted and reflected in the plan.
GENERAL COMMENTS	
Ethnic/low-income residents not represented on TAC or at meeting. This is a user group who uses the area.	
Sold Development of Near Island to get bridge.	
Supports institutional corridor.	
Has there been any consideration to how the homeless camps can be incorporated into the plan.	



Open House #2

Kodiak Harbor Convention Center

211 Rezanof Drive - Pavilion Room

Tuesday, May 17, 2016

6:00 to 9:00 p.m.

6:00 – 6:30	Open House
6:30 – 7:00	Presentation
7:00 – 9:00	Open House

The City of Kodiak with DOWL is hosting the second open house to provide an update on the planning efforts for the Near Island Development Plan. The objective of this plan is to allow the City of Kodiak to anticipate and plan for the future development of Near Island that encourages revenue generation while balancing development and land conservation. After the presentation we will return to an Open House format to get one-on-one feedback and answer questions.



We welcome your feedback!

There will be an opportunity to provide your comments and ask questions at the meeting.

You can also email comments /questions anytime by contacting:

Michelle Ritter, AICP, Senior Planner, DOWL
nearislanddevplan@dowl.com

4041 B Street
Anchorage, AK 99503
(907) 562-2000



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Near Island
Development Plan

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Bend
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WASHINGTON

Redmond
Seattle

WYOMING

Gillette
Lander
Laramie
Sheridan

MEETING MINUTES

Date:	5/17/2016	Time: 12 – 2 pm	
Meeting called by:	Michelle Ritter	Attendees:	
Project:	Near Island Development lan	See below	
Project Number:	1132.61974.01		
Subject:	TAC #2		

Attendees:

Mark Kozak, City of Kodiak Public Works Director
 Glenn Melvin, City of Kodiak Engineer
 Bob Pederson, Kodiak Island Borough
 Jack Maker, Kodiak Island Borough
 Andy Schroeder, Island Trails
 Natasha Hayden, City of Kodiak Parks and Recreation
 Michelle Ritter, DOWL
 Tim Potter, DOWL
 Aaron Christie, DOWL
 Michaella Kozak, DOWL

Meeting Notes:

- Michelle ran through the first few general slides of the powerpoint presentation providing project background and objectives.
- Bob Pederson mentioned that for this development plan to have any “teeth” it will need to be adopted into the Borough Comp Plan
 - Michelle mentioned that it is likely that the plan will recommend the City’s first step be getting the plan adopted by the Borough
- Group discussed that Public Meeting #2 will not be the community’s last opportunity to comment on the plan.
 - The community will have an opportunity to comment during the City Council meeting and adoption process as well as during the Borough process
- Glenn mentioned that the City is obligated to reestablish the trail lost during quarrying operations

- Glenn requested Andy's (Kodiak Island Trails) and Natasha's (Park & Rec) assistance in identifying potential location
- Mark clarified that Brechan and Dehart are only obligated to reconnect the existing trail and make it passable not construct final location with natural "feel"
- Natasha emphasized that Parks & Rec would like a loop established considering the trail system is about traversing the island not reaching a particular destination
- Concepts A, B and C Overview
 - Tim and Michelle mentioned a possibility of placing fill in location of existing gravel ramp to construct additional parking
 - It was suggested that the long term trailer parking be used for overflow parking
 - Mark mentioned that it is easier to park a truck and trailer along the road vs. parking in the trailer storage area because it is so constrained/confined
 - It was suggested that during the establishment of ROW along Trident Basin Way the city retains enough ROW width to include and maintain a vegetated buffer zone
 - It was pointed out that the coastal trail conflicts with the existing boat launch
 - Its recommended that the community is reminded that the trails on Near Island are "fluid" and not set in stone
 - Michelle recommended that the plan include language that requires certain trail connections be maintained as development occurs
 - It was mentioned that water dependent, related and enhanced land use designations are pretty refined for Kodiak
 - It was recommended that a Parks Plan be developed for the entire City including the parks on Near Island
 - It was recommended South End, North End and Rotary Parks be dedicated/designated possibly by ordinance
 - City should consider employing expert to evaluate and maximize use of commercial properties
 - It was stated that land should only be leased, no land disposal



MEMORANDUM

TO: The City of Kodiak City Council

FROM: Michelle J. Ritter, AICP, Senior Planner 

DATE: September 20, 2016

SUBJECT: Near Island Development Plan Update Summary

DOWL presented an update on the Near Island Development Plan to the Kodiak City Council on August 9, 2016. The purpose of the presentation was to provide a briefing on project progress, answer City Council questions, and determine next steps. The briefing reviewed work completed to date, summarized public outreach efforts, and provided recommendations to the City Council for moving forward with the Plan.

The City Council requested additional information in order to provide better guidance. Below is the requested additional information.

Additional Materials Provided

In addition to this memo and the Community Council Summary prepared for the August 9, 2016 work session, attached are 11X17 versions of the following figures:

- Conceptual Land Use Plan A
- Conceptual Land Use Plan B
- Conceptual Land Use Plan C
- 1974 Land Use Map
- 1987 Land Use Map
- KIB Proposed Future Land Use Map
- Proposed Land Use Plan
- Existing Zoning Map
- Proposed Zoning Map

NOTE: Additional materials not included in appendix due to being located within this Development Plan.

Land Use Versus Zoning Designations

There was some conversation regarding zoning designations versus land use designations. To clarify, zoning designations dictate the variety of allowable uses on a property and are regulated by the Kodiak Island Borough (KIB). Land use designations indicate the desired type of use the community would like to see at a specific location. Approval and adoption of the Near Island Development Plan Update will not rezone property, but will provide guidance for where and what types of development occur. If the desired uses are not in line with the underlying zoning designation then an adopted land use map may be used to support a zoning map amendment request, which would need to be recommended for approval by the City Council and approved by the KIB Planning and Zoning Commission.

Intent of Land Use Designations

Please note, the following land use designations and their intent are taken from the 1987 Near island Development Plan.

Future Reserve

This designation is intended to identify future reserve areas for development or preservation as the need arises. At present, no development other than the trail around the island would be allowed. Decisions on the appropriate use of reserve areas will be made in the future through completing special studies and/or market analysis to determine the highest and best use of the parcel.

General Commercial

Areas designated for commercial development are intended to allow a broad range of retail and commercial activities. These activities could be oriented to the needs of the fishing fleet and the visitor industry. Specifically excluded from the commercial designations are all industrial land uses and residential development. Commercial and industrial activities carry the definitions of the existing KIB Zoning Code. Commercial areas should be designed to accommodate adequate off-street parking, provide alleys at rear property lines, limit the visibility of structures from downtown Kodiak through height restriction, and provide sidewalks for pedestrians.

General Commercial Tourism Related

Areas designated for general commercial – tourism related development are intended to allow a broad range of retail and lodging oriented to the needs of the visitor industry. Specifically excluded from the commercial designations are all industrial land uses and residential development. Commercial and lodging activities carry the definitions of the existing KIB Zoning Code.

Institutional

This designation is intended to support the Fishery Industrial Technology Center by providing additional lands for related development. This may include, but is not limited to, a museum, a convention center, multi-family residential, student-related activity buildings, and a possible area for commercial development.

Open Space and Recreational

This designation is intended to be limited to park areas, greenbelts, and minor structural developments. Development would be limited to picnic facilities, restrooms, and recreational facilities such as a basketball hoop, volleyball net, horseshoes, etc.

Seaplane Base & Support Services

Areas identified as possible float plane facilities would include docking and tie-down areas, a shore-based haul out area for maintenance, and parking areas.

Water Dependent Marine Industrial

The intent of this designation would be for the development of water dependent marine industrial land use. Development in this area should give priority to those types of businesses and services that are most affected by or dependent on their proximity to the water and harbor.

Water Related Marine Industrial

The intent of this designation would be for the development of water related marine industrial land use. This area could accommodate a variety of commercial marine related uses such as hardware and tackle, electronic shops, fishing gear supply outlets (both commercial and sport), net hanging and repair facilities, etc. Businesses such as welding and engine repair and sales should be considered. Restaurants, grocery and supply stores, and other public sales and services could help to maximize visitor attraction to the waterfront, while providing a convenience area for the users of the harbor.



Near Island Development Plan Update

Revised City Council Summary
September 2016

Project Overview

The Near Island Development Plan Update is intended to provide the City of Kodiak a plan that encourages revenue generation while balancing development and land conservation. The plan will allow the City of Kodiak to anticipate and plan for the future development of Near Island. Specifically, which types of uses are desired and where development should occur. Overall the project's goal is to develop a plan with goals, policies, and recommendations that can be implemented, including:

- Identifying required steps to implement recommended goals and policies.
- Identifying responsible parties for implementation.
- Identifying potential funding sources and any intergovernmental coordination required for successful implementation



Figure 1 - Project Study Area

Initial Site Visit & Review of Previous Plans

Before the initial public meeting we walked Near Island in order to best understand the issues and opportunities of the area. We looked at terrain, topography, existing trails, existing development, views, and other opportunities. We also reviewed existing plans and zoning regulations and determined the locations of existing utilities. From this research we developed an existing zoning map, existing conditions

map, slope analysis map, and utilities map (figures 2, 3, 4, & 5). These became the materials presented at the first public Open House used to solicit public input.



Figure 2 – Existing Zoning Map

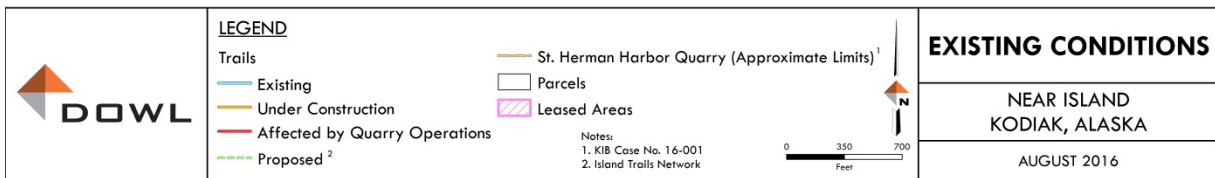


Figure 3 - Existing Conditions Map



Figure 4 – Slope Analysis Map



	LEGEND — Sewer — Water — Kodiak Electric Association (KEA) — Alaska Communication System (ACS) — GCI		 Parcels		UTILITY MAP
	NEAR ISLAND KODIAK, ALASKA				
	AUGUST 2016				

Figure 5 – Utility Map

Collecting Initial Feedback

Technical Advisory Committee Meeting #1

A Technical Advisory Committee (TAC) was established as part of this project and includes representatives from the: Kodiak Island Borough, Community Development Department , Alaska Fish & Game, City of Kodiak Public Works Department , City of Kodiak City Council, City of Kodiak Parks & Recreation, Island Trails Network, and the Ports & Harbor Advisory Board. The role of this Board is to provide technical feedback regarding existing conditions, the practicality of moving forward specific ideas, and to provide insight to any known conflicts and/or opportunities. The first TAC meeting was held on February 1, 2016. This meeting was the first opportunity to introduce the project to the TAC, review the work done-to-date, and to get feedback on the accuracy of the existing conditions as presented.

Comments from the TAC included suggestions for future presentation materials and addressed issues, opportunities and constraints.

Open House #1

The first public meeting was an Open House that took place on February 1, 2016. This meeting was the first opportunity to introduce the project, review the work done-to-date, and listen to the public's preferred areas for development and to hear what type of development is needed. Project representatives from DOWL worked with the 26 attendees to collect information on existing conditions, preferred areas for development and for conservation, and the types of desired development. The evening was divided into three segments:

- 6:00 – 6:30 People arrived and reviewed posters that covered previous projects, the current project and work done to date (summary of site inventory, site opportunities and constraints, and bulkhead parking design).

- 6:30 – 7:00 DOWL team gave a presentation that reviewed the project background, project schedule, and what information we were looking for from the public.

- 7:00 – 9:00 For the remainder of the evening attendees worked one-on-one and in small groups with project representatives to discuss existing conditions and desired improvements. We collected feedback by forming several small groups around tables to get input on provided maps. Figures 6, 7 & 8 show the comments received. A detailed list of comments will be provided with the Draft Plan.

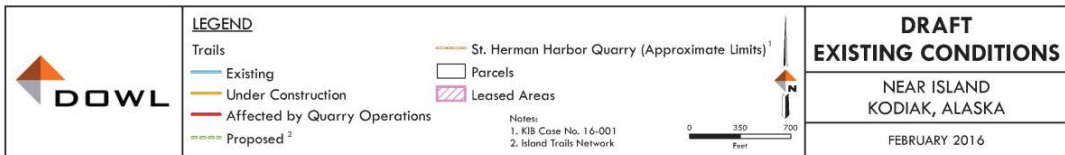


Figure 6 – Comments from Open House #1 – Part 1



	LEGEND Trails Existing Under Construction Affected by Quarry Operations Proposed ²		St. Herman Harbor Quarry (Approximate Limits) ¹ Parcels Leased Areas		DRAFT EXISTING CONDITIONS NEAR ISLAND KODIAK, ALASKA FEBRUARY 2016
	Notes: 1. KIB Case No. 16-001 2. Island Trails Network				

Figure 7 – Comments from Open House #1 – Part 2



	LEGEND Trails Existing Under Construction Affected by Quarry Operations Proposed ²		St. Herman Harbor Quarry (Approximate Limits) ¹ Parcels Leased Areas	Notes: 1. KIB Case No. 14-001 2. Island Trails Network	 	DRAFT EXISTING CONDITIONS NEAR ISLAND KODIAK, ALASKA FEBRUARY 2016

Figure 8 – Comments from Open House #1 – Part 3

Development of Draft Land Use Concepts

The results from feedback at the first TAC and Open House, online/e-mail comments, site investigations, and stakeholder discussions helped us develop three draft land use concepts to be presented at the TAC and Public Meeting #2. Figures 9, 10 & 11 represent each proposed Land Use Concept. A description for each concept is also provided.

Each concept depicted various levels of land use designation changes to encourage feedback from the public on what was most important to them. Each concept also provided circular trail connections around Near Island, and promoted providing a vegetated buffer between the roadways and development. A proposed coastal trail along the harbor is also included, which would allow for a vegetated buffer between the roadway and the water. Additionally, the retail business (red designation) has been modified to encourage tourism related business.

CONCEPT A: MINIMIZED DEVELOPMENT

This concept reflects public feedback that we heard about not expanding the industrial area by more than what has recently been approved under the conditional use permit. Specifically it limits both the industrial area supporting the harbor and the float plane basin to their current areas of disturbance. This concept does not add any new commercial or institutional land uses.



Figure 9 – Land Use Concept A (larger version appended)

CONCEPT B: MODERATE DEVELOPMENT

This concept reflects public feedback that we heard about not expanding the industrial area by more than what has recently been approved under the conditional use permit, but considers concerns heard that there are limited industrial lands elsewhere and that this may be the opportunity to secure additional industrial land needed to support to the small boat harbor into the future. This concept extends the industrial area supporting the harbor to the east, to the end of Almaq Drive, but limits the area around the float plane basin to its current area of disturbance. This concept also looks at taking advantage of existing infrastructure by expanding general commercial northwest (towards the harbor) along the existing road. This additional industrial and commercial land could provide marine supported and/or enhanced business opportunities. This concept also extends the institutional land use designation to the east.



Figure 10 – Land Use Concept B (larger version appended)

CONCEPT C: MAXIMUM DEVELOPMENT

This concept considers the public feedback that we heard about not expanding the industrial area by more than what has been approved by the recently approved conditional use permit, but reflects concerns heard that there are limited industrial lands elsewhere and that this may be the opportunity to secure additional industrial lands needed to support to the small boat harbor into the future. This

concept extends the industrial area supporting the harbor to the east, to the end of Almaq Drive, and adds additional general commercial along the existing roadway, as well as provides general commercial (tourism related) between the float plane base and the institutional lands which could be developed to support either use. This concept also extends the institutional lands to the east.



Figure 11 – Land Use Concept C (larger version appended)

TAC Meeting #2

The second TAC meeting was held on May 5th. The group discussed the three proposed Land Use Concepts and some feedback was provided. The majority of the conversation was in regards to recent trail disturbance and how the restoration would be completed and by whom.

Open House #2

A second Open House was held on May 5th. There were 33 attendees, most had been to the first Open House, but a few were joining us for the first time. Using the same meeting format as past meetings, this Open House included:

- An initial Open House
- A brief presentation going over work completed to date, a summary of the findings from first public meeting, and the draft improvement projects

- A final Open House format with individual and group discussions

During the Open House portion attendees were provided markers and asked to make comments on each of the concepts. Below are consolidated comments shown on each concept (Figures 12, 13 & 14).



Figure 12 –Proposed Land Use Concept A Comments – Open House #2



	LEGEND			CONCEPTUAL LAND USE PLAN CONCEPT B NEAR ISLAND KODIAK, ALASKA MAY 2016
	<ul style="list-style-type: none"> Conservation District General Commercial General Commercial Tourism Related Institutional 	<ul style="list-style-type: none"> Public Use Lands Seaplane Base & Support Services Water Dependent Marine Industrial Vegetated Buffer 	<ul style="list-style-type: none"> Existing Trail Trail (Under Construction) Proposed Trail, Trail Linkages Possible Coastal Trail Gate On Trail (Seasonal Closure) 	

Figure 13 – Proposed Land Use Concept B Comments – Open House #2



	LEGEND <ul style="list-style-type: none"> Conservation District General Commercial General Commercial Tourism Related Institutional Public Use Lands Public Use Lands Seaplane Base & Support Services Water Dependent Marine Industrial Marine Related Marine Industrial Vegetated Buffer Existing Trail Trail (Under Construction) Proposed Trail, Trail Linkages Possible Coastal Trail Gate On Trail (Seasonal Closure) 			CONCEPTUAL LAND USE PLAN CONCEPT C NEAR ISLAND KODIAK, ALASKA MAY 2016	
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Figure 14– Proposed Land Use Concept C Comments – Open House #2

Recommendations

A proposed Draft Land Use Plan Map and Proposed Zoning Map have been developed based off of public comment and our understanding of the City's goal to have balanced growth that provides economic opportunities (Figures 12 & 13).

Proposed Land Use Plan Map: BALANCED GROWTH

The proposed land use plan map (Figure 15) reflects a balanced growth approach to developing Near Island.

- It takes advantage of existing infrastructure by focusing expansion of industrial and commercial development to where existing utilities and roadway are located.
- Extends the industrial area supporting the harbor to the east, to the end of Almaq Drive.
- Conservation land adjacent to South End Park is recommended to be converted to public use lands for open space/recreational resources. This area should remain undeveloped as it provides important vegetation providing weather protection the small boat harbor.
- The map also reflects looping the trail system around the island as well as a potential coastal trail along the harbor.
- Allows for tourism related commercial opportunities near the float plane basin.
- The area reserved for institutional uses is expanded to the northeast as additional lands may be necessary for future opportunities.



Figure 15– Proposed Land Use Map (larger version attached)

Proposed Zoning Map

The zoning map should be updated to reflect the proposed land uses, to provide better direction on location and type of development and to protect open space areas. The proposed zoning map (Figure 16) reflects the recommended land use plan map.

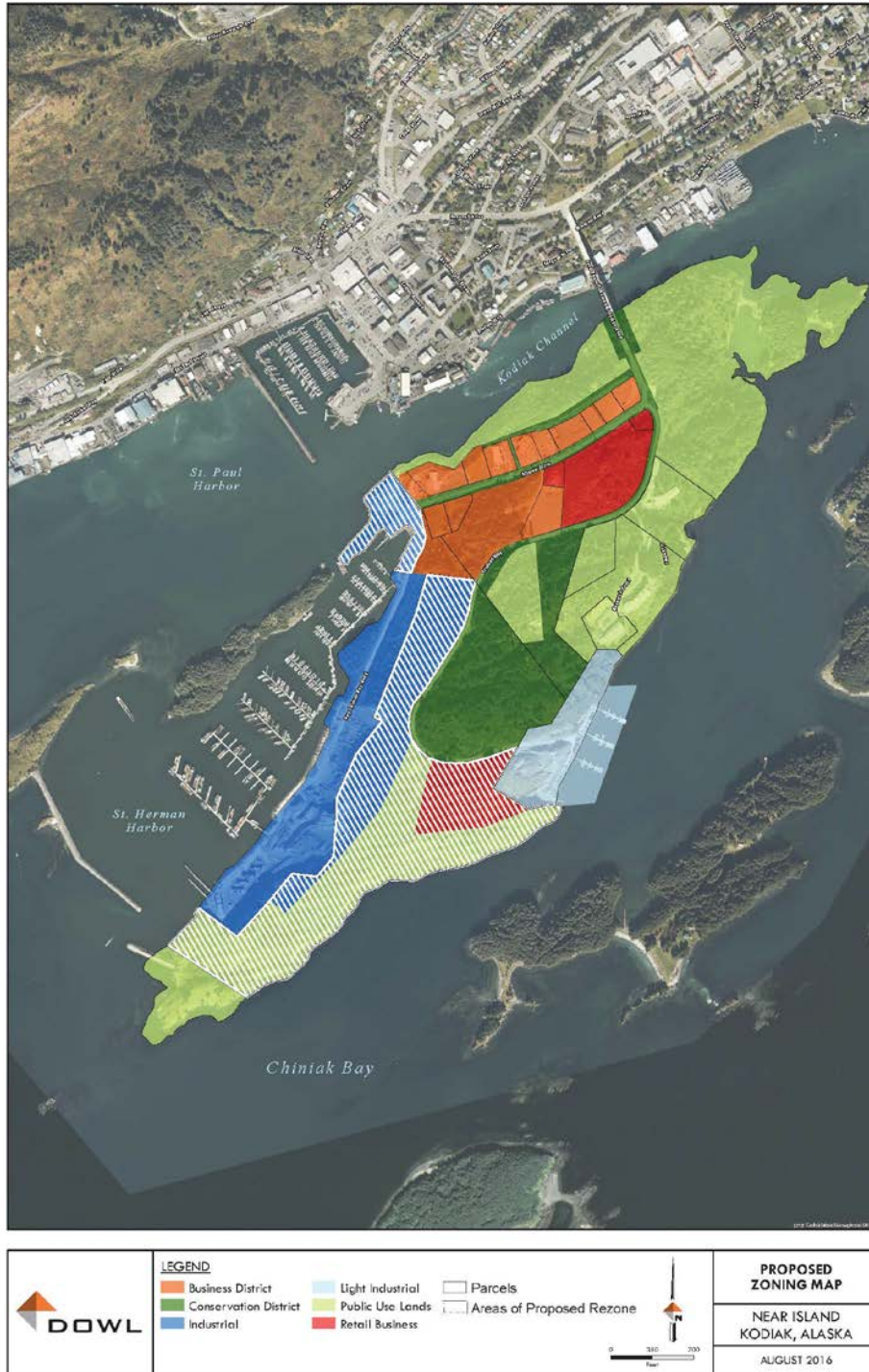


Figure 16– Proposed Land Use Map (larger version attached)

Proposed Action Items

In addition to updates to the before mentioned figures, following are a list of recommended action items that will be incorporated into the implementation plan section of the Near Island Development Plan.

- Adopt the Near Island Development Plan Update as part of the Kodiak Island Borough Comprehensive Plan.
- Replat island so that property lines follow zoning designations, and establish City of Kodiak right-of-way along road corridors.
- Rezone lands to reflect the Land Use Plan Map, as necessary.
- Enhance entrance onto Near Island.
- Evaluate if highest return of investment is through retaining land ownership and providing long-term leases for development, or selling property and taxing.
- Formalize relationship with Island Trails Network through a Memorandum of Agreement which would allow for streamlined execution of trail construction as grant funding becomes available. As well it could provide guidance for roles and responsibilities of each organization.
- Pursue revenue stream that would support trail maintenance on Near Island.
- Complete a storm drain master plan for Near Island.
- Adopt standards for road improvements that consider drainage and trails along roadways.
- Provide light duty cranes for small boats at the harbor.
- Analyze lighting levels at the transition from the Near Island Bridge onto Near Island to determine if adequate levels exist.
- Develop a managed parking and/or dry storage plan for the land at the bottom of Alimaq Drive. This could include the relocation of storage to provide parking closer to the harbor.

Next Steps

Since the second Open House we have been collecting and reviewing feedback on the draft pedestrian improvement projects. The next steps include:

1. Draft Near Island Development Plan Update (complete mid-December)
2. Update City Council & Post Draft Plan for Public Review (mid-January)
3. Incorporate Final Feedback (through February)
4. Final Near Island Development Plan (March)

Draft Table of Contents

Section I: Executive Summary

Report Overview

Section II: Background and Technical Information

Introduction/Goals and Objectives

Borough and City Planning Powers

Zoning and Land Use

Review of Existing Plans and Code

1974 Near Island Comprehensive Development Plan

1987 Near Island Development Plan

2002 Community Design Workshop

Kodiak Island Borough Comprehensive Plan

Section III: Existing Conditions

Zoning

Ownership and Leases

Topography

Utilities

Section IV: Project Process and Public Involvement

Stakeholder Groups

Project Website

Public Meetings

Section V: Conclusions and Recommendations

Description of Development Categories and Allowable Land Uses

Other Recommendations

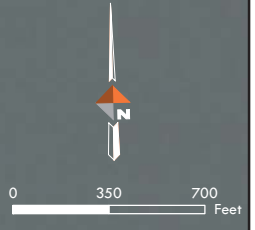
Section VI: Implementation Plan

Implementation

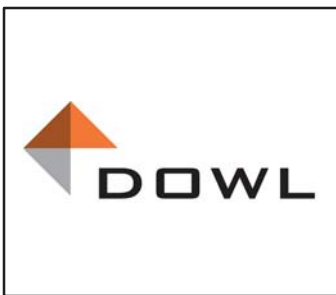
Potential Project Lead and/or Partners

Potential Funding

Next Steps



9918 District Island Group and Other

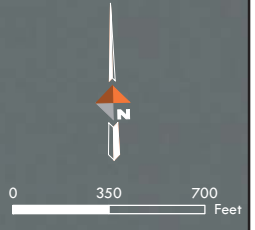


LEGEND		
Future Reserve	Open Space & Recreation	Existing Trail
General Commercial	Seaplane Base & Support Services	Trail (Under Construction)
General Commercial Tourism Related	Water Dependent Marine Industrial	Proposed Trail, Trail Linkages
Institutional	Vegetated Buffer	Possible Coastal Trail
		Gate On Trail (Seasonal Closure)

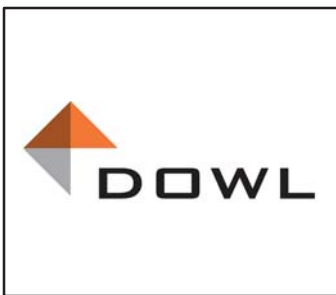
**CONCEPTUAL
LAND USE PLAN
CONCEPT A**

**NEAR ISLAND
KODIAK, ALASKA**

AUGUST 2016



9918 District Island Group and Other

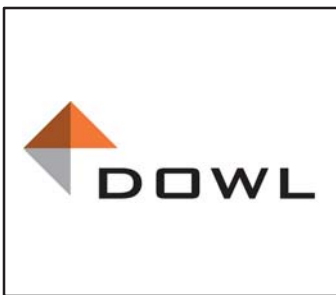


LEGEND					
	Future Reserve		Open Space & Recreation		Existing Trail
	General Commercial		Seaplane Base & Support Services		Trail (Under Construction)
	General Commercial Tourism Related		Water Dependent Marine Industrial		Proposed Trail, Trail Linkages
	Institutional		Vegetated Buffer		Possible Coastal Trail
					Gate On Trail (Seasonal Closure)

**CONCEPTUAL
LAND USE PLAN
CONCEPT B**

**NEAR ISLAND
KODIAK, ALASKA**

AUGUST 2016



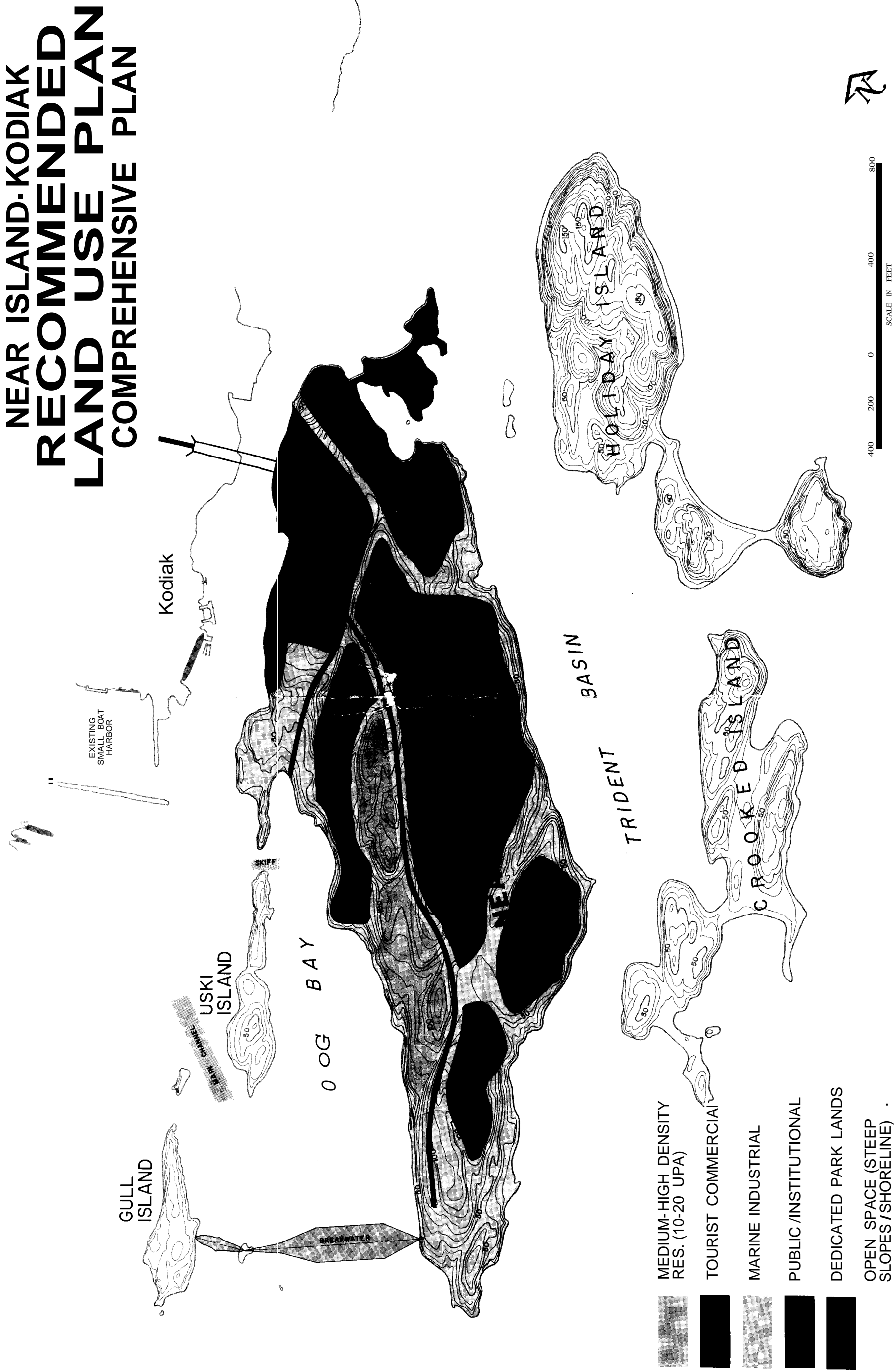
LEGEND			
	Future Reserve		Existing Trail
	General Commercial		Trail (Under Construction)
	General Commercial Tourism Related		Proposed Trail, Trail Linkages
	Institutional		Possible Coastal Trail
	Open Space & Recreation		Gate On Trail (Seasonal Closure)
	Seaplane Base & Support Services		
	Water Dependent Marine Industrial		
	Marine Related Marine Industrial		
	Vegetated		

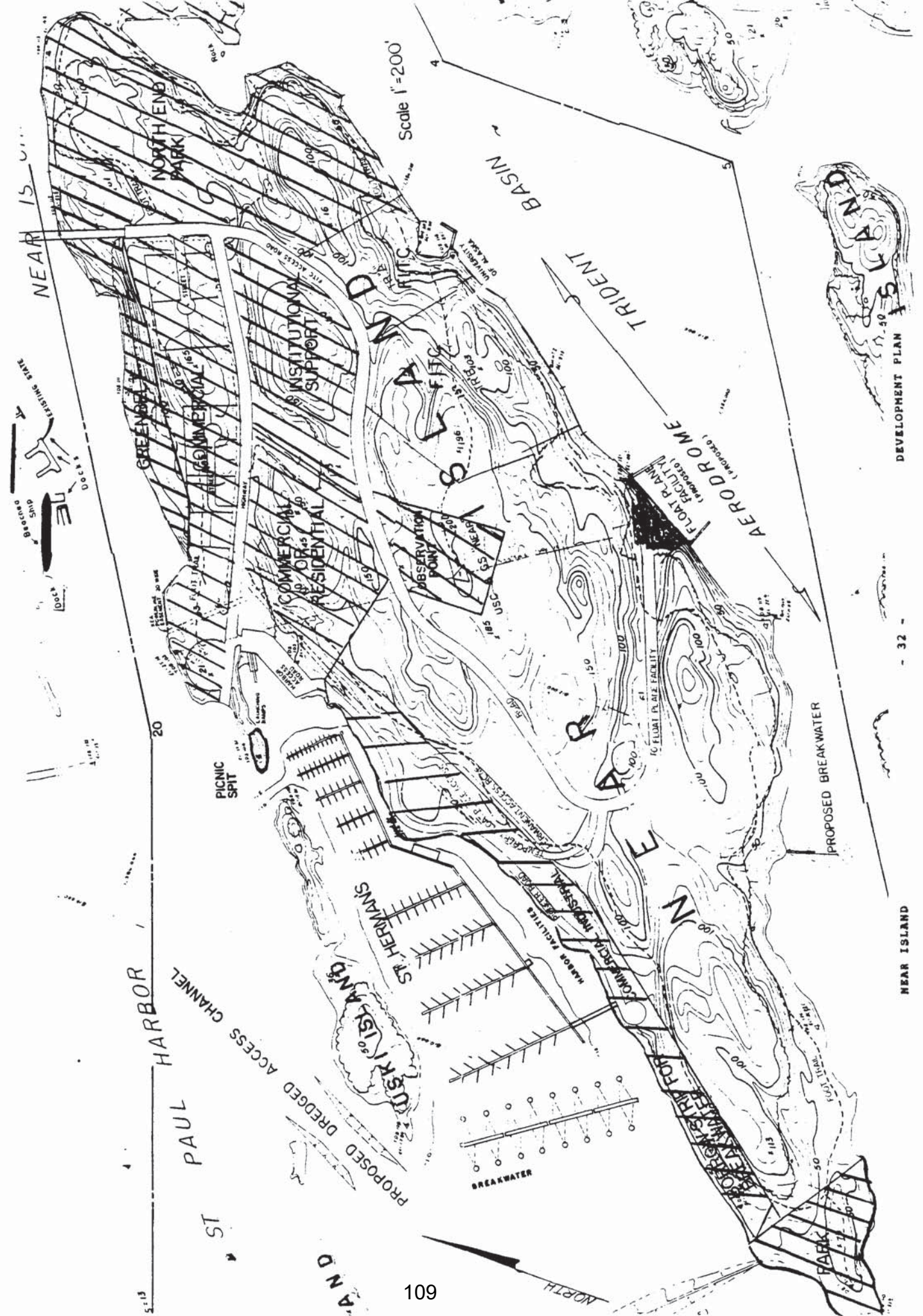
**CONCEPTUAL
LAND USE PLAN
CONCEPT C**

**NEAR ISLAND
KODIAK, ALASKA**

AUGUST 2016

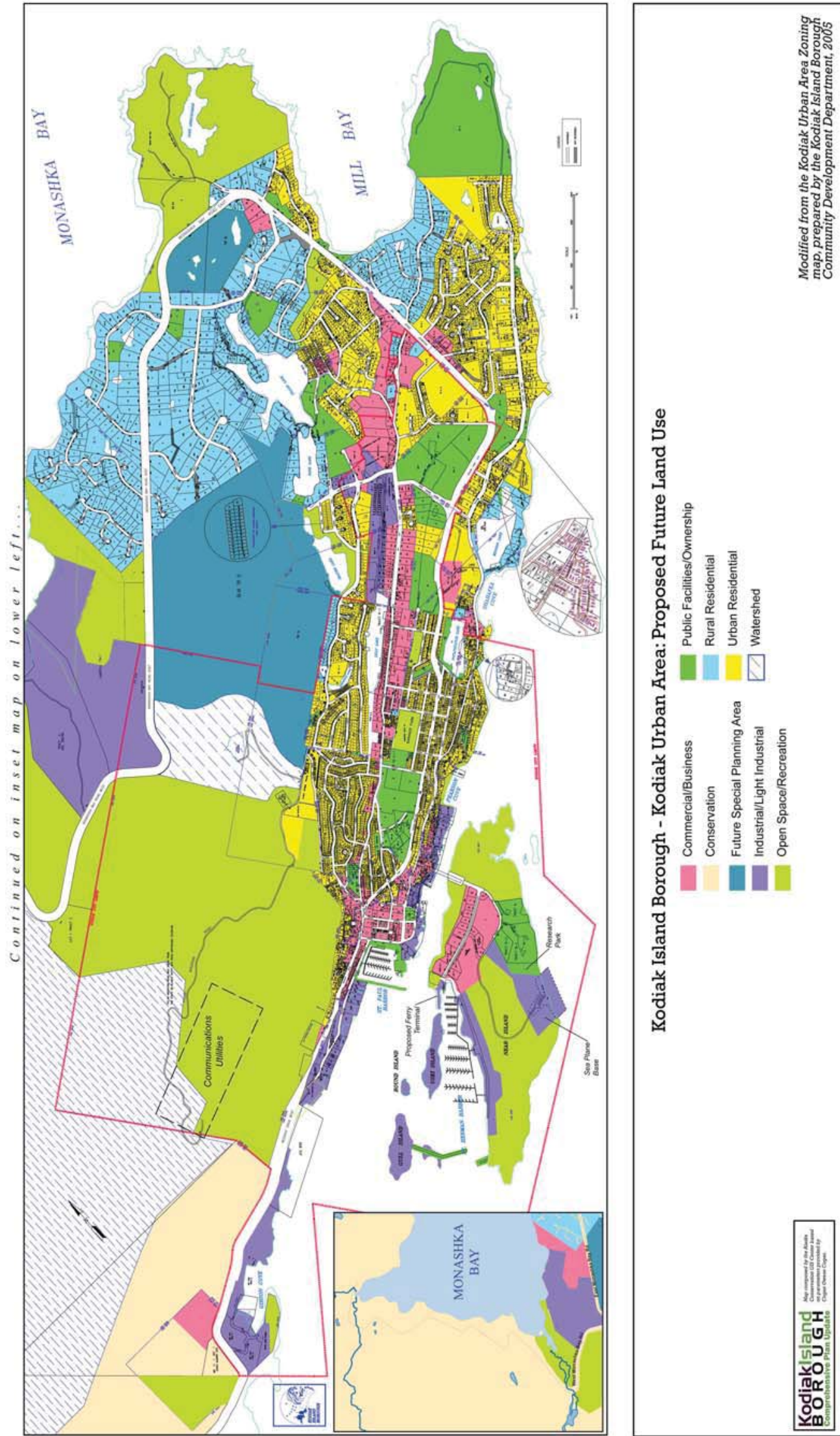
NEAR ISLAND-KODIAK RECOMMENDED LAND USE PLAN COMPREHENSIVE PLAN

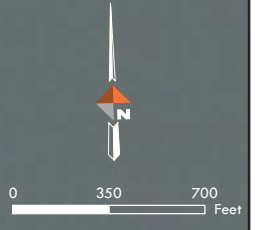




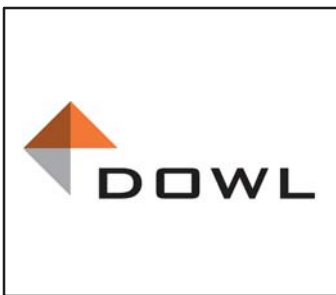
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Figure 4.2





9918 Kodiak Island Borough and Cities

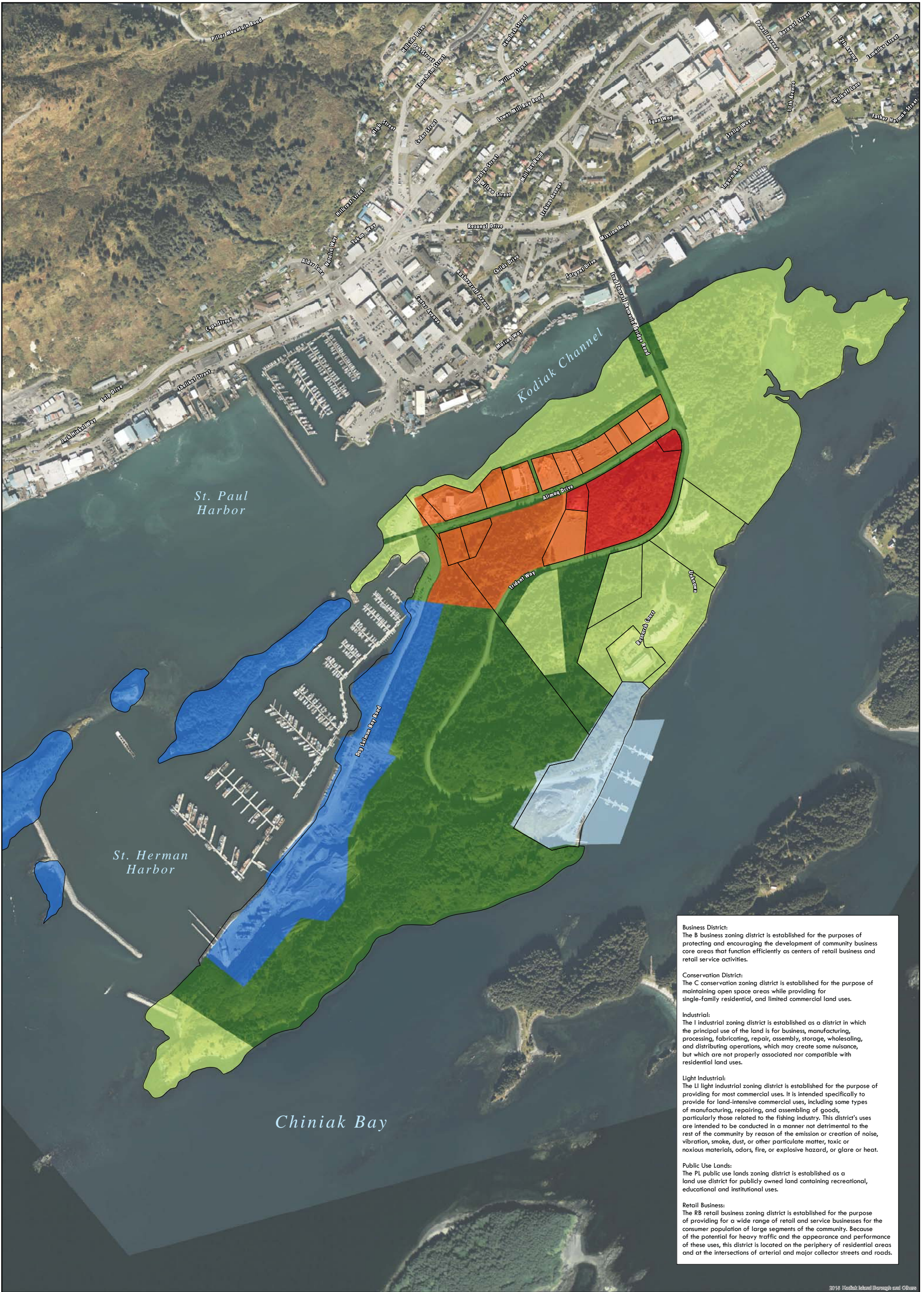


LEGEND			
	Future Reserve		Existing Trail
	General Commercial		Seaplane Base & Support Services
	General Commercial Tourism Related		Water Dependent Marine Industrial
	Institutional		Water Related Marine Industrial
	Open Space & Recreation		Vegetated Buffer
			Special Study Area
			Trail (Under Construction)
			Proposed Trail, Trail Linkages
			Possible Coastal Trail
			Gate On Trail (Seasonal Closure)

**PROPOSED
LAND USE PLAN**

**NEAR ISLAND
KODIAK, ALASKA**

AUGUST 2016



Business District:
The B business zoning district is established for the purposes of protecting and encouraging the development of community business core areas that function efficiently as centers of retail business and retail service activities.

Conservation District:
The C conservation zoning district is established for the purpose of maintaining open space areas while providing for single-family residential, and limited commercial land uses.

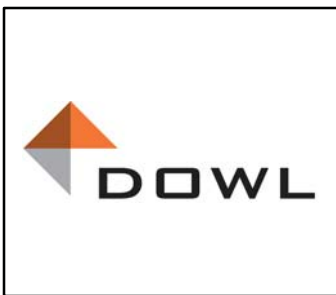
Industrial:
The I industrial zoning district is established as a district in which the principal use of the land is for business, manufacturing, processing, fabricating, repair, assembly, storage, wholesaling, and distributing operations, which may create some nuisance, but which are not properly associated nor compatible with residential land uses.

Light Industrial:
The LI light industrial zoning district is established for the purpose of providing for most commercial uses. It is intended specifically to provide for land-intensive commercial uses, including some types of manufacturing, repairing, and assembling of goods, particularly those related to the fishing industry. This district's uses are intended to be conducted in a manner not detrimental to the rest of the community by reason of the emission or creation of noise, vibration, smoke, dust, or other particulate matter, toxic or noxious materials, odors, fire, or explosive hazard, or glare or heat.

Public Use Lands:
The PL public use lands zoning district is established as a land use district for publicly owned land containing recreational, educational and institutional uses.

Retail Business:
The RB retail business zoning district is established for the purpose of providing for a wide range of retail and service businesses for the consumer population of large segments of the community. Because of the potential for heavy traffic and the appearance and performance of these uses, this district is located on the periphery of residential areas and at the intersections of arterial and major collector streets and roads.

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LEGEND

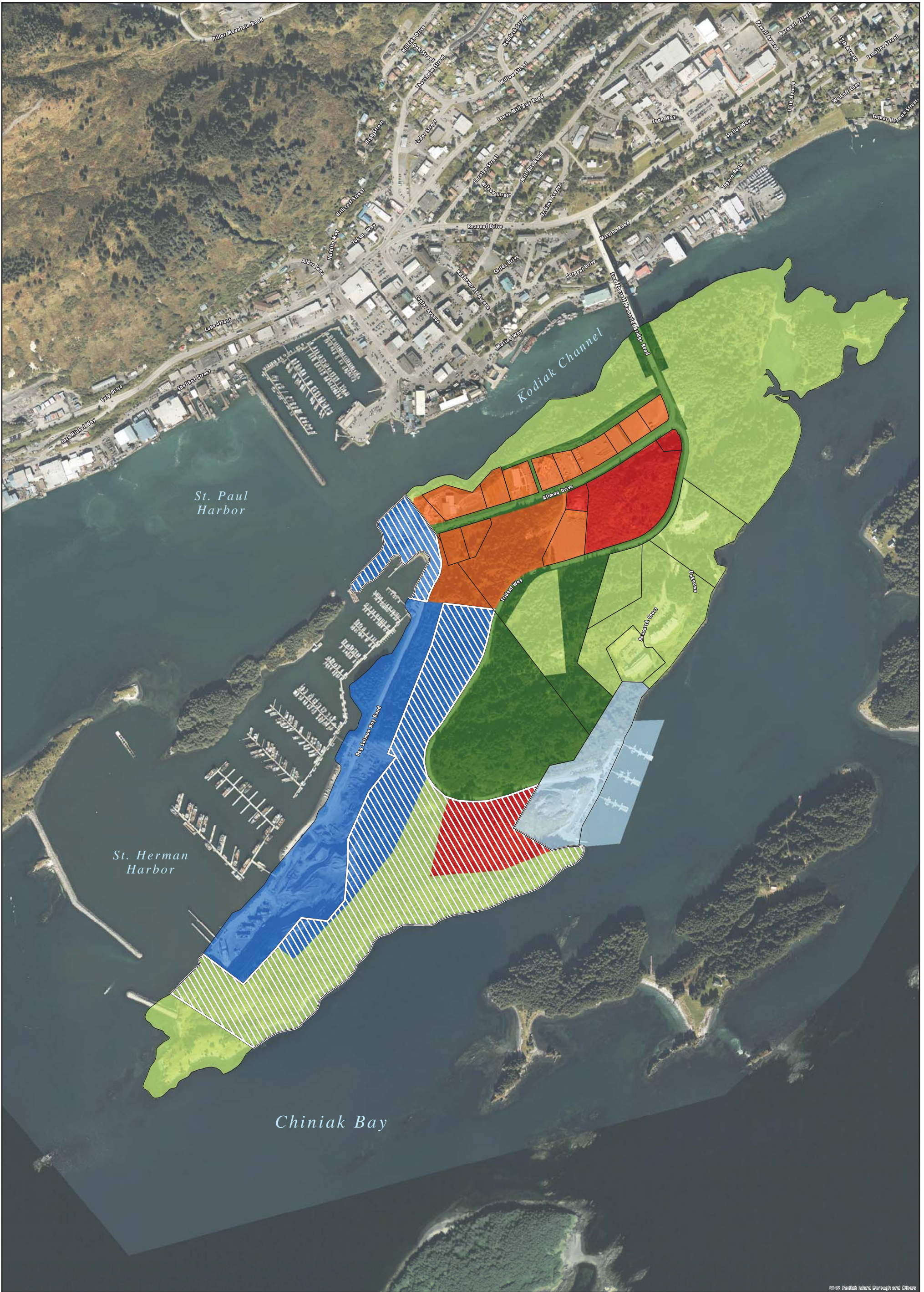
Business District	Light Industrial	Parcels
Conservation District	Public Use Lands	
Industrial	Retail Business	

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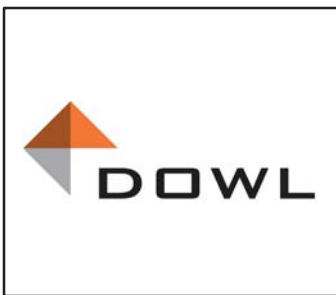
ZONING MAP

**NEAR ISLAND
KODIAK, ALASKA**

FEBRUARY 2016



© 2016 DOWL Island Group and Cities



LEGEND

Business District	Light Industrial	Parcels
Conservation District	Public Use Lands	Areas of Proposed Rezone
Industrial	Retail Business	

PROPOSED ZONING MAP

NEAR ISLAND
KODIAK, ALASKA

AUGUST 2016



**Chapter 17.205
AMENDMENTS AND CHANGES**

Sections:

- [17.205.010](#) Authority.
- [17.205.020](#) Report from planning and zoning commission.
- [17.205.030](#) Manner of initiation.
- [17.205.040](#) Hearing and notice on rezones.
- [17.205.050](#) Rezones may include additional property.
- [17.205.055](#) Submission to assembly.
- [17.205.060](#) Hearing determination.
- [17.205.070](#) Hearing – Required – Notice.
- [17.205.080](#) *Repealed.*

17.205.010 Authority.

Whenever the public necessity, convenience, general welfare or good zoning practice requires, the assembly may, by ordinance and after report thereon by the commission and public hearing as required by law, amend, supplement, modify, repeal or otherwise change these regulations and the boundaries of the districts. [Ord. FY2018-14 §2, 2018; Ord. 83-58-O §1, 1983. Formerly §17.72.010].

17.205.020 Report from planning and zoning commission.

The commission shall report in writing to the assembly on any proposed change or amendment regardless of the manner in which such change is initiated and such report shall find:

- A. Findings as to need and justification for a change or amendments;
- B. Findings as to the effect a change or amendment would have on the objectives of the comprehensive plan; and
- C. Recommendations as to the approval or disapproval of the change or amendment. [Ord. FY2018-14 §2, 2018; Ord. 83-58-O §1, 1983. Formerly §17.72.020].

17.205.030 Manner of initiation.

Changes in this title may be initiated in the following manner:

- A. The assembly upon its own motion;
- B. The commission upon its own motion; and
- C. By petition of one or more owners of property within an area proposed to be rezoned. A petition shall be in the form of an application for a change in the boundary of a zoning district, shall be filed in

the community development department, be accompanied by the required fee and such data and information as may be necessary to assure the fullest practicable presentation of facts and shall set forth reasons and justification for proposing such change. [Ord. FY2018-14 §2, 2018; Ord. 83-58-O §1, 1983. Formerly §17.72.030].

17.205.040 Hearing and notice on rezones.

The commission shall hold a public hearing on each properly submitted application for a rezone within 90 days after the date of the next available meeting agenda deadline. The community development department shall give notice of the hearing as required in the same manner prescribed for variances in KIBC 17.195.040. [Ord. FY2018-14 §2, 2018; Ord. 83-58-O §1, 1983. Formerly §17.72.040].

17.205.050 Rezones may include additional property.

When the commission deems it necessary or expedient, it may consider other property for change or amendment in addition to the property described in an application for change in the boundary of a zoning district, and may include such additional property in the notices of public hearing and consider amendments relating to such property at the public hearing. [Ord. FY2018-14 §2, 2018; Ord. 83-58-O §1, 1983. Formerly §17.72.050].

17.205.055 Submission to assembly.

A. Within 30 days after the commission has acted favorably upon a proposed zoning change in accordance with the above provisions, a report with recommendations shall be submitted to the assembly together with the proposed ordinance. Such recommendations of the commission shall be advisory only and shall not be binding upon the assembly. When an ordinance has been forwarded to the assembly, the assembly shall act in accordance with this chapter, and notice shall be issued as provided in KIBC [17.205.070](#) by the clerk.

B. If the commission recommends denial of any proposed amendment, its action shall be final unless the initiating party, within 20 days of the commission's decision, files an appeal specifying the grounds thereof in writing with the borough clerk. [Ord. FY2018-14 §2, 2018; Ord. 93-20 §3, 1993; Ord. 83-58-O §1, 1983. Formerly §17.72.055].

17.205.060 Hearing determination.

The assembly shall consider an application or commission recommendation for change in the boundary of a district or any other commission recommendation proposing a change in this title, and the report of the commission at its next regular meeting after receipt of such report. If, from the facts presented and by the findings of the report of the commission, it is determined that the public necessity, convenience, general welfare and good zoning practice requires the change or amendment of any portion thereof, the assembly by ordinance shall effect such amendment, supplement, change or reclassification. [Ord. FY2018-14 §2, 2018; Ord. 83-58-O §1, 1983. Formerly §17.72.060].

17.205.070 Hearing – Required – Notice.

No ordinance of the assembly effecting an amendment, supplement, change or classification, repeal of regulations or restrictions, the boundaries of zoning districts or classifications of property shall become effective until after a public hearing in relation thereto at which parties in interest and citizens shall have an opportunity to be heard. At least seven days' notice of the time and place of such hearing shall be published in a paper of general circulation in the borough. When the proposed amendment covers a change in the boundaries of a zoning district, notice to owners of property shall be given in the manner described in this title for variances. [Ord. FY2018-14 §2, 2018; Ord. 83-58-O §1, 1983. Formerly §17.72.070].

17.205.080 Boundary change – Protest.

Repealed by Ord. 93-20. [Ord. 83-58-O §1, 1983. Formerly §17.72.080].

Explanation of the effect such a change or amendment would have on the objectives of the applicable comprehensive plan:

Lined area for providing an explanation of the effect of a change or amendment on the objectives of the applicable comprehensive plan.

Date: _____

Signature: _____

CDD Staff Certification

Date: _____

CDD Staff: _____

Payment Verification

Fee Payable in Cashier's Office Room # 104 - Main floor of Borough Building

KIBC 17.205.030 Manner of initiation. Changes in this title may be initiated in the following manner:

- A. The assembly upon its own motion: Waiver of fee
- B. The commission upon its own motion: Waiver of fee
- C. By petition:
 - Less than 1.75 acres: \$350.00
 - 1.76 to 5.00 acres: \$750.00
 - 5.01 to 40.00 acres: \$1,000.00
 - 40.01 acres or more: \$1,500.00
- D. When submitted with a prerequisite Comprehensive Plan amendment application for the same parcels. Waiver of fee

Hello Charlie,

At the SWAMC retreat we talked about CEDS planning and the limited resources SWAMC has to assist localities with planning. Since Doug is aiming to have a mostly finished CEDS plan by the end of February it might be helpful if we were proactive at a local level. Do you think the City would be interested in working with the Borough on this? I don't envision this as lengthy or complicated, but we do need to at least make sure our priority projects (included in the back of the CEDS plan) are current. If Doug plans to come down to Kodiak maybe this could be accomplished in an evening or a Saturday morning with Doug facilitating.

What do you think?

Thanks!

Rebecca

SKINNER LAW OFFICE, LLC
326 Center Avenue, Suite 204
Kodiak, Alaska 99615
Phone/Fax: (907) 512-0467

SOUTHWEST ALASKA MUNICIPAL CONFERENCE

COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY, 2018

NOTE: An electronic version of this document and its appendices can be found online at www.swamc.org



Prepared for the United States Department of Commerce
Economic Development Administration



ACKNOWLEDGEMENTS

A special thanks to:

- The People of Southwest Alaska
- SWAMC Board of Directors
- SWAMC Municipal and Associate Members
- SWAMC Business Council Members
- SWAMC Economic Summit CEDS Strategic Planning Session Attendees
- Shirley Kelly, Economic Development Administration

2018 Update by SWAMC Board and Staff

Original Five Year CEDS

Prepared by Agnew Beck

Engage Plan Implement  AGNEW
BECK

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CHAPTER 3: SWOT ANALYSIS.....	38
CHAPTER 4: SWAMC WORK PLAN.....	65
CHAPTER 5: SWAMC ACTION PLAN	70

LIST OF ACRONYMS

AEA	Alaska Energy Authority
AMHS	Alaska Marine Highway System
ANCSA	Alaska Native Claims Settlement Act
APICDA	Aleutian-Pribilof Islands Community Development Association
ARDOR	Alaska Regional Development Organization
AVSP	Alaska Visitor Statistics Program
BBEDC	Bristol Bay Economic Development Corporation
BBNA	Bristol Bay Native Association
BBNC	Bristol Bay Native Corporation
CBSFA	Central Bering Sea Fishermen's Association
CEDS	Comprehensive Economic Development Strategy
CDQ	Community Development Quota
EDA	Economic Development Administration
EDD	Economic Development District
FSMI	Fisheries, Maritime and Seafood Initiative
PCE	Power Cost Equalization
SAVEC	Southwest Alaska Vocational & Education Center
SWAMC	Southwest Alaska Municipal Conference

EXECUTIVE SUMMARY

INTRODUCTION

The strength of Southwest Alaska Municipal Conference (SWAMC) is the organizations ability to organize data and networks into actionable information. A Comprehensive Economic Development Strategy (CEDS) is the product of ongoing planning and outreach with the SWAMC Board, businesses, membership, attendees to SWAMC's Annual Economic Summit, and an ongoing public review process. Building on these relationships and findings the CEDS is updated continually throughout the 2015-2019 period, representing the most current account of economic activity available. The CEDS is a guiding document for SWAMC's efforts, providing background and direction for working with partners, allocating funding and prioritizing efforts that support economic development in the region, while also addressing resiliency. The CEDS analyzes strengths, weaknesses, opportunities and threats and proposes actionable strategies that enhance the potential of Southwest Alaska.

THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE

SWAMC is the regional economic development organization representing Southwest Alaska, serving the three sub-regions of: the Aleutian/Pribilof Islands, Bristol Bay, and Kodiak. A 501(c)(4) non-profit, SWAMC is the designated State of Alaska Regional Development Organization (ARDOR) and Federal Economic Development District (EDD) entity tasked with expanding public-private partnerships and growing the Southwest Alaska region based on sound strategic planning efforts. Organized as a regional membership organization, SWAMC advocates the collective interests of Southwest Alaska people, businesses, and communities. The 11-member Board of Directors is comprised of two municipal officials and one associate member from each sub-region, plus two regional at-large seats. In addition to providing a regional voice and setting strategic direction, the Board serves as the regional CEDS Committee. SWAMC works closely with members and partners to provide perspectives and recommendations to support economic development in the region.



SWOT ANALYSIS: Regional Strengths, Weaknesses, Opportunities and Threats

Strength, weaknesses, opportunities and threat (SWOT) Analysis, helps identify actionable strategies. Primary sections of the CEDS, including the SWOT Analysis and Work Plan, are organized by five key topics that have emerged through the planning process (background research and stakeholder outreach), including: Workforce Development, Resources, Infrastructure, Energy and Partnerships.



WORKFORCE DEVELOPMENT – Businesses and organizations note the difficulty of training and maintaining a stable, qualified, reliable workforce in Southwest Alaska. Southwest Alaska sees a large influx of nonresident seasonal employees, in part due to the lack of workforce development in the region for residents. In recent years, statewide and regional efforts have begun to identify and address workforce development needs, especially in the fishery, seafood and maritime industry.



RESOURCES – Southwest Alaska has an abundance of natural resources. The region has world-class fish stocks and rich mineral deposits. The SWAMC region also has scenic natural landscapes and other intrinsic value that draw external interest to the region, supporting the basic sector economy. Responsibly managed resources can provide many generations of non-renewable development and conceivably eternal value from renewables to grow regional wealth for Southwest Alaska.



INFRASTRUCTURE – Southwest Alaska is a large region with a small population and many dispersed communities. The region has a substantial base of port infrastructure and harbor services; however, great distances add expenses to existing services and costs to develop and maintain infrastructure for air transportation.



ENERGY – Energy costs are high in Southwest Alaska and contribute to higher costs of doing business and an increase in the cost of living for regional residents. Southwest Alaska has an abundance of renewable energy options that have the potential to offset the current high costs of energy but remain largely stranded based on current technology.



PARTNERSHIPS – Businesses; local, state and federal government; Alaska Native entities; regional non-profits; and communities all contribute to the economic development and employment picture in Southwest Alaska. SWAMC supports existing local and regional economic development efforts and aims to identify new partnerships that can affect change and build regional wealth.

STRENGTHS

Existing relative competitive advantages.

Resources

FISH
6 of top 10 ports in U.S. are in SWAMC region

TOURISM
Out-of-state visitors to Southwest AK spent an average of **\$1,514** per person on their trip, compared with the statewide average of **\$941**⁵

MINING
52% of 2010 Alaska mining exploration expenditures were made in Southwest AK⁴

3 National Parks in the region

Community Development Quota program³
\$21.5 million/year
1,114 workers employed

Many potential sources of energy

Workforce Development

Fisheries, Seafood and Maritime Initiative - addressing workforce development needs
FSMI
2012 Rural Jobs + Innovation Accelerator Challenge grant: **\$405,023**

Partnerships
Example: U.S. Dept. of Commerce's Economic Development Administration, the U.S. Dept. of Agriculture
Partners: BBNA, SAVEC, University of Alaska, AK Regional Training Centers, Bristol Bay School District and more

Federal Spending in Alaska
2001 2005 2007 2009

Job growth to population growth ratio (1997-2008)¹
4.88 Southwest AK
0.93 United States

Energy

Alaska Energy Authority's Power Cost Equalization (PCE) program reimburses up to **70 percent of residential energy costs** in some Southwest Alaska communities.¹¹

PRIORITY ACTIONS

- Expand Fisheries Cluster
- Implement Alaska Maritime Workforce Development Plan
- Promote Local Guiding Training for Tourism

Workforce Development

BBEDC's Permit loan program is increasing the number of locally-owned commercial fishing permits

Partnerships
3 Alaska Native Corporations
3 Community Development Quota organizations
18 SWAMC Business Council members

Infrastructure

Recent and planned investments in microwave and fiber optic network improvements, including the proposed Quintillion Arctic Fibre cable
Source: Arctic Fibre

Energy

Many current and potential efforts to reduce regional energy costs:
Bulk fuel purchasing
Natural gas development
Hydro energy
Waste-to-heat incinerators
Pilot project in Unalaska
Tidal power in False Pass
Hydrokinetic in Igluigig
Dillingham
Egegik

WEAKNESSES

Existing relative competitive disadvantages.

Resources



Seasonality of resource jobs: Unemployment in Aleutians East Borough 7
8% July 2013
26% December 2013

Workforce Development

Widely dispersed population: Less than 30,000 people over an area the size of Oregon

Lack of trained local workforce
More than **80%** of fish processing jobs held by non-residents

Infrastructure

One-way flight costs from Anchorage⁸...
To Adak, Unalaska, St. Paul \$450-\$700
To Homer \$350-\$500
To London \$650-\$900



Energy

There is **no area-wide energy plan** to guide investments

Average annual household energy costs:¹⁰ 8,410 Lake + Peninsula Borough vs. 2,790 Municipality of Anchorage

4/6 Regions have higher overcrowding rates than the statewide rate of 6%.
In Dillingham Census Area, 18% of housing units are overcrowded⁹

Partnerships

There are only **2** Chambers of Commerce in Southwest Alaska

Resources

- Outer Continental Shelf (OCS) oil + gas potential
- Rich regional mineral deposits
- Arctic development, resources + science

Value-Added Seafood Processing

\$ Catch ← Happens in AK
\$\$ Process ← Usually happens in AK
\$\$\$\$ Package ← Sometimes happens in AK

Resources

THREATS TO FISH STOCKS

- Climate change
- Oil spill
- Mining accident
- Farmed fish

Environmental protections limit development¹⁵
Endangered since 1990

Workforce Development

300 people
Net migration loss between 2011 - 2012¹⁴

Partnerships

Tribal offices are relocating out of the region

Infrastructure

Heavy reliance on public funds.
Declining state and federal budgets may result in decreased investment and employment.



Infrastructure

Average of **200 earthquakes** per year¹⁷
36 of Alaska's 41 active volcanoes are in Southwest AK¹⁶

Climate change: current + potential threats
Erosion
Flooding
Melting permafrost
...and more

OPPORTUNITIES

Chances/opportunities for regional improvement or progress.

THREATS

Threats to regional improvement or progress.

SWAMC VISION

Vibrant and livable communities for Southwest Alaska.

SWAMC MISSION

Support the collective interests of Southwest Alaskans, businesses, and communities; promote long-term economic opportunities through improved quality of life and responsible development.

SWAMC GOALS, OBJECTIVES AND STRATEGIES: 2015-2019

1) GOAL: Support Regional WORKFORCE DEVELOPMENT Initiatives

Objective 1: Training and Education – Promote professional development that prepares Southwest Alaska residents to contribute to the region’s economic development potential.

Objective 2: Applicable Training – Promote workforce training that is closely aligned with needed skills.

2) GOAL: Support Access to and Development of RESOURCES

Objective 1: Fisheries Development – Promote fisheries that provide a sustainable income base to the communities, businesses, and residents of Southwest Alaska.

Objective 2: Tourism Development – Promote investment in new and existing tourism opportunities that grow and retain regional wealth by taking advantage of the region’s intrinsic ability to draw outside interest.

Objective 3: New Resource Development – Promote resource development that does not threaten other renewable resources that sustain the regional economy.

3) GOAL: Support INFRASTRUCTURE Improvements

Objective 1: Strategic Infrastructure Investments – Promote infrastructure that facilitates and supports the region’s social, cultural, and economic development needs.

Objective 2: Community Planning – Promote long-term visions, goals, and plans for sustainable community development.

4) GOAL: Improve ENERGY System Efficiency

Objective 1: Energy Efficiency – Promote energy systems that stabilize or reduce the long-term cost of power by increasing the energy efficiency.

Objective 2: Ownership of Energy Systems– Promote local ownership of energy planning, decision-making, and projects.

Objective 3: Supply of Low-Cost Power – Promote projects that supply low-cost power.

5) GOAL: Support Regional PARTNERSHIPS

Objective 1: Regional Economic Planning – Promote a regional Comprehensive Economic Development Strategy, with sub-regional and local planning efforts.

Objective 2: Communications – Promote partner networks and activities of the organization, region, state, and federal interests.

Objective 3: Advocacy – Promote local, regional, state and federal policies that benefit the region, its communities, businesses, members and key partners.

Objective 4: Organizational Effectiveness – Maintain leadership from a Board of Directors, representative of regional interests, and a productive and committed staff that assure a financially secure organization, and pursue regionally collective interests.

PRIORITY STRATEGIES (PROGRAMS, PROJECTS, ACTIVITIES)

- Support our Municipal Members
- Support Youth Mentorship and Skills-Gap Training Programs
- Strengthen and Diversify Alaskan Manufacturing
- Understand Operating Environment and Resource Needs of Business
- Promote Energy Planning and Infrastructure Development
- Maintain a Data Library and Publish Economic Trends
- Host SWAMC Economic Summit and Membership Meeting



Kodiak Harbor



1st annual SWAMC Business Council meeting



Airplane in Port Alsworth

CHAPTER I: INTRODUCTION

PURPOSE

The Comprehensive Economic Development Strategy (CEDS) is the product of an ongoing regional planning process. The CEDS provides an overview of economic indicators and identifies projects and actions that will support economic development and increase regional wealth in Southwest Alaska. The CEDS aims to highlight the region’s economic development strengths, challenges and opportunities and proposes strategies and actions that enhance the economic development potential of Southwest Alaska. As federal funds in the region continue to decline, it is increasingly important that the public, private and non-profit sectors in the region work together to grow the region’s economy. Southwest Alaska Municipal Conference (SWAMC) uses the CEDS to help these partners collaborate and work strategically to leverage the resources and strengths of the region.

The Southwest Alaska CEDS is prepared, in part, as a requirement of the region’s designation as an Economic Development District (EDD) by the Economic Development Administration. The document also fulfills SWAMC’s obligation as an Alaska Regional Development Organization (ARDOR) to develop a regional plan. The CEDS is updated every five years; this 2015-2019 CEDS builds upon the efforts of previous CEDS planning efforts. The CEDS is the guiding document for all of SWAMC’s efforts and provides staff with the background and direction they need for working with partners, allocating funding and prioritizing efforts that support economic development in the region.

WHO IS SWAMC?

The Southwest Alaska Municipal Conference (SWAMC) is a non-profit regional economic development organization for Southwest Alaska, serving three sub-regions of Southwest Alaska: the Aleutian/Pribilofs, Bristol Bay, and Kodiak. This area corresponds to the incorporated boundaries of the Aleutians East Borough, the Bristol Bay Borough, the Kodiak Island Borough, and the Lake and Peninsula Borough, as well as two federally designated census areas – the Aleutians West Census Area



and the Dillingham Census Area. SWAMC is the designated State of Alaska Regional Development Organization (ARDOR) and Federal Economic Development District (EDD) entity tasked to pursue public-private-partnerships based on sound strategic planning efforts. One of the most important roles of an EDD is to develop and maintain a Comprehensive Economic Development Strategy (CEDS) for the region.

The SWAMC membership includes municipal members such as cities and boroughs, and associate members, representing businesses, village and tribal councils, and nonprofit organizations. SWAMC provides an important link between the public and private sector with a coalition of local government, business, and non-profit members, all with an interest in Southwest Alaska. To see a full list of SWAMC members and partners, please see interactive chart also available on SWAMC’s website at www.swamc.org.

SWAMC BOARD OF DIRECTORS & CEDS STRATEGY COMMITTEE

SWAMC is a regional membership organization that advances the collective interests of Southwest Alaska people, businesses, and communities. To ensure the organization remains broad in scope and inclusive in mission, the Board of Directors sets policy and strategic direction. The 11-member Board of Directors is comprised of two elected municipal members and one associate member from each sub-region plus two, regional at-large seats. The SWAMC Board also serves as the CEDS Strategy Committee, overseeing and providing guidance throughout the planning process, and development of the final document. The Board of Directors serves as the previously approved Overall Economic Development Program (OEDP) Committee and the CEDS Committee since 1991. The following list includes current SWAMC Directors, as of July 2017.

OFFICERS

- Rebecca Skinner, President -- Kodiak Municipal, Seat, Kodiak Island Borough Assembly
- Layton Lockett, Vice President -- Aleutians/Pribilofs Municipal Seat; City of Adak
- Myra Olsen, Treasurer -- Bristol Bay Municipal Seat, Lake and Peninsula Borough

REMAINING BOARD

- Mayor Frank Kelty -- At Large Seat B, City of Unalaska
- Paul Gronholdt – Aleutians/Pribilofs Associate Seat, Commercial Fisherman
- Mayor Alice Ruby – Bristol Bay Associate Seat, Bristol Bay Economic Development Corporation, City of Dillingham
- Laura Muller – Kodiak Associate Seat, Spruce island Development Corporation
- Mayor Glen Gardner, Jr. – Aleutians/Pribilofs Municipal Seat, City of Sand Point
- Candace Nielsen – At Large Seat A, City of Cold Bay
- Mary Swain -- Bristol Bay Municipal Seat, Bristol Bay Borough
- Charles Davidson, -- Kodiak Municipal Seat, City of Kodiak

In addition to acting as the governing body and CEDS strategy committee, the Board is establishing a Fisheries Committee to provide greater oversight and understanding of the main economic resource in the SWAMC region. The Fisheries Committee will initially consist only of Board members but may be expanded to include other SWAMC members at a future date. This is particularly timely due to work in Congress to reauthorize the Magnuson – Stevens Fisheries Conservation and Management Act.

THE SWAMC BUSINESS COUNCIL

To enrich SWAMC’s working relationship with the business community in Southwest Alaska, and to gain critical perspectives of people that own and operate businesses in the region, SWAMC convened the SWAMC Business Council in December of 2013. The Business Council is comprised of 18 industry leaders representing primary sectors in Southwest Alaska including fisheries, Alaska Native corporations, banking, communications, transportation, retail and other businesses. By identifying the primary industries that drive the region’s competitiveness and create economic activity and coordinating a face-to-face discussion with representatives of those sectors, SWAMC is better able to align public and private sector goals. The non-fiduciary Business Council complements the SWAMC Board, which is largely composed of municipal and tribal representatives.

The objectives of the Business Council include:

- Share and incorporate feedback from membership on focus areas identified by Business Council members, to clarify achievable objectives for SWAMC;
- Collection and aggregation of known and unknown (gaps) data;
- Help businesses in the region better outline their individual, industry and collective needs;

- Identify what resources are needed to retain and expand regional economic activity; and
- Inform SWAMC’s overall Economic Development Strategy and advocacy efforts to support regional strengths and plan for resiliency.
- Facilitate ongoing networking and communication opportunities to support business-to-business, business-to-government and government-to-government relationships on the region’s economy.

As outlined in the “Process” section below, the December Business Council meeting, as well as pre- and post-member surveys and interviews, was an important first step in the CEDS development. In their feedback, Business Council Members helped SWAMC identify preliminary economic development/business climate issues, challenges and opportunities for the region, and a list of potential strategies for improving the area’s business climate and increasing economic development opportunities. SWAMC aims to continue working with Southwest Alaska business leaders, facilitating conversations, and partnering with business leaders to champion and implement economic development strategies in the region, including direct implementation, updating and evaluating of the CEDS.

STRATEGY DEVELOPMENT

Outlined below are the main steps in the SWAMC Comprehensive Economic Development Strategy planning process. The CEDS was developed by SWAMC with assistance from Agnew: -Beck Consulting. The process began in December of 2013 and ended in July of 2014.

The CEDS planning process began with SWAMC's Business Council Meeting on December 16th, 2013. After reviewing key indicators and data points for the region, Business Council Members provided feedback on the benefits and challenges of doing business in Southwest Alaska. They also discussed ways to build on the region’s strengths through a preliminary set of recommendations for improving the Southwest Alaska business climate and quality of life for all Southwest Alaska residents. The group also shared specific roles SWAMC can play in implementing and supporting strategies that will have a broad, positive impact on the region’s economy.

Results from the meeting, as well as feedback from subsequent one-on-one conversations with business council members, were reviewed and revised by the SWAMC Board. The finalized results, in the form of “preliminary CEDS strategies” were shared back at a CEDS planning session with SWAMC members at the March 6th and 7th SWAMC Annual Economic Summit. At the Summit, participants had the opportunity to review, discuss and add to the list of preliminary strategies. They also gave feedback on what SWAMC should focus on over the next five years by voting their top five priority strategies. Workforce Development, Collaborative Partnership Efforts and Energy/Infrastructure needs were confirmed as priority action items.

An important component of the planning process included research and analysis of past and current trends for the region. The previous 2010-2014 CEDS contains a wealth of background information on the geography, history, demographics and natural resources of Southwest Alaska. This collection of baseline data supported an in-depth regional SWOT analysis, as well as clearly-defined actionable items for SWAMC and partners to address. The complete collection of baseline data is available in the appendices attached to this report.

Feedback from membership, business, and others in the SWAMC network, in coordination with development of the baseline data library, were compiled to create the content and foundation for the updated CEDS. The project team also reviewed current local and regional planning documents to ensure CEDS strategies align with these efforts and to identify opportunities to expand partnerships. Working with the SWAMC Board, the project team also added a detailed framework for tracking the progress of plan implementation.

UNDERSTANDING REGIONAL NEEDS

Continued efforts to understand the needs of communities and businesses in Southwest Alaska are implemented through SWAMC's Energy Planning and Business Retention and Expansion projects.

The Energy Plan, Phase I - Resource Assessment, and Phase II - Outreach, have been completed and now moving into Phase III - Energy Solutions, the energy committees have been initiated in each of the three sub-regions of Aleutians, Bristol Bay and Kodiak. Working with regionally representative and community supported stakeholders the committees are tasked with identifying community priority projects to address the high costs of energy and explicitly outline necessary steps to improve energy systems. Due to the technical nature and complexity of community scale energy projects, SWAMC works closely with over 50 technical programs and 90 financing programs that provided input and direction on pathways communities must take to improve their energy future. After communities develop roadmaps to achieve priority energy projects, committee discussion provides regional input, support and learning that helps align the effort.

As the regional partner on the Statewide Business Retention and Expansion (BRE) project, SWAMC is coordinating outreach with four Boroughs, two census areas, three communities and many more regional entities to form a strategic approach to understanding strengths and weaknesses within the existing businesses climate. Through targeted surveys by geographic location and industry sector, this partnership develops personal relationships with businesses, and collect empirical data so that the necessary resources, programs or regulations support economic activity, where non-profit and government act as partners in prosperity. The continued outreach efforts to support and be a partner to the Southwest Alaska Business community derive directly from the successful findings with the SWAMC Business Council.

CHAPTER 2: SUMMARY BACKGROUND

The regional economy must be understood to establish strategic priorities. This chapter provides an overview of the people, regional wealth, industrial clusters, infrastructure and resources that comprise the foundations of Southwest Alaska. This chapter identifies compelling data, relevant trends and economic indicators that help define Southwest Alaska strengths, weaknesses, opportunities and threats (SWOT), and ultimately, highlights strategies from which to build economic resilience. The rest of the baseline data library can be found in the Appendices.

GEOGRAPHY

Southwest Alaska is a vast area that includes portions of mainland Alaska as well as hundreds of islands. The region, which stretches nearly 1500 miles across, encompasses four incorporated boroughs and two federally recognized census areas: the Aleutians East Borough, the Aleutians West Census Area, the Bristol Bay Borough, the Dillingham

Table 2.1: Southwest Alaska Area by Boroughs and Census Areas

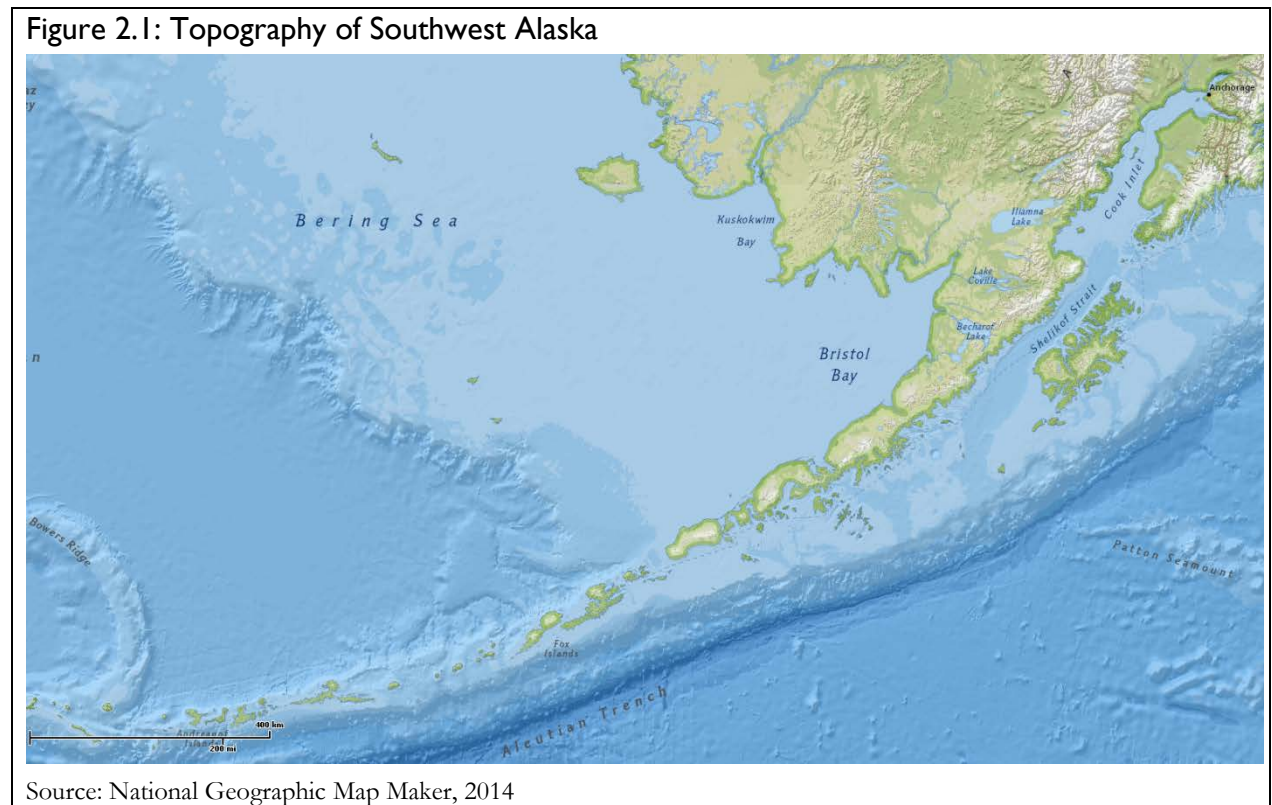
Borough or Census Area	Land Area (sq. miles)	Water Area (sq. miles)	Total Area (sq. miles)	%
Aleutians East Borough	6,988.10	8,023.5	15,011.6	16.0%
Aleutians West Census Area	4,397.00	9,719.7	14,116.5	15.0%
Bristol Bay Borough	504.9	382.8	887.7	0.9%
Dillingham Census Area	18,675.00	2,253.6	20,928.40	22.3%
Kodiak Island Borough	6,559.80	5,463.8	12,023.70	12.8%
Lake & Peninsula Borough	23,782.00	7,125.0	30,907.00	32.9%
Southwest Region Total	60,906.80	32,968.5	93,874.80	100.0%

Source: U.S. Census Bureau and Alaska Department of Community & Economic Development

Census Area, the Kodiak Island Borough and the Lake and Peninsula Borough. It is bordered by the Yukon-Kuskokwim region to the northwest, the Bering Sea to the west, the North Pacific Ocean to the south, the Gulf of Alaska to the south and east, and portions of the Kenai Peninsula Borough and an unorganized portion of Southcentral Alaska to the east and northeast. From Anchorage, Alaska's largest city and population center, it is 180 air miles to the nearest Southwest community of Port Alsworth. In contrast, to reach the westernmost Attu Island, it would require a flight of nearly 1,700 miles. There is no overland connectivity to the region from other areas (Anchorage); primary transportation to and from the region is by boat and/or plane. There are a few places where various communities within close proximity has connectivity such as Naknek and King Salmon or Dillingham and Aleknagik.

The combined area of the four boroughs and two census areas equal 93,875 square miles. Of the total area, nearly 61,000 square miles is land mass and an additional 33,000 square miles is water surface, including the State water boundaries extending three miles from land. It is an area roughly equivalent to the State of Oregon, the tenth largest state in the U.S., or 16.5% of the total area of the state. See Table 2.1 for information on land area for each of the region's boroughs and census areas.

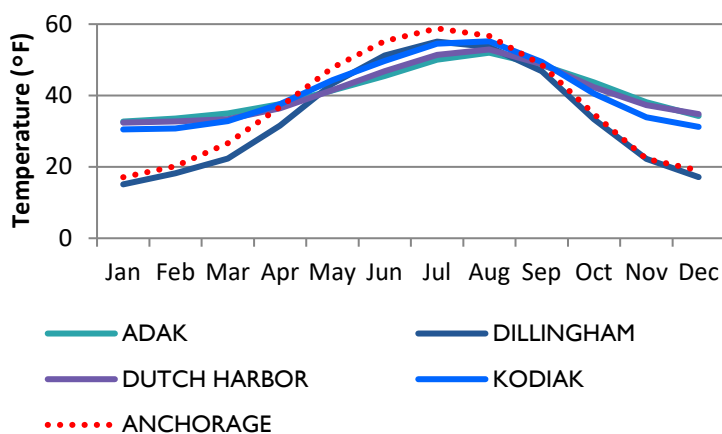
Southwest Alaska boasts a wide variety of landscapes and physical characteristics including estuaries and lagoons; wetlands and tide flats; rocky islands and sea cliffs; exposed high-energy coasts; rivers, streams and lakes; boreal forests/taiga; alpine and low arctic tundra; glaciers and barren alpine; and temperate rainforests. Southwest Alaska has nearly 12,000 miles of shoreline, which accounts for nearly 40% of the shoreline for the State of Alaska. In comparison, the contiguous 48 states have a combined shoreline of 16,900 miles. See Figure 2.1 for a topographical map of the region. As the map shows, a shallow continental shelf follows the near-shore landmass, accompanied by deeper water in the western Bering Sea, and extreme depths of the Aleutian Trench. Historically, sea ice forms annually from the Pribilof Islands to the Bering Sea, extending into Bristol Bay, south to Egegik, but remains ice-free year-round south of this line. Due to its proximity to a very active section of the Pacific Ring of Fire, the region is home to many active volcanoes and experiences frequent earthquakes.



CLIMATOLOGY & OCEANOGRAPHY

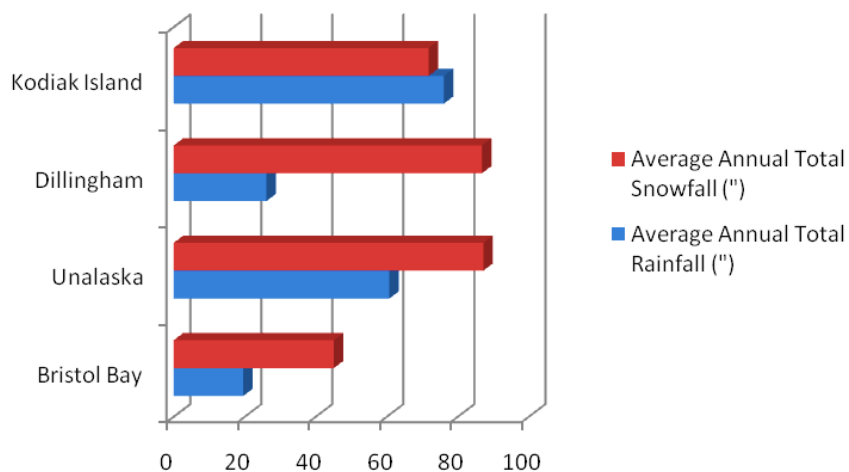
There are four climatic regions in Southwest Alaska: Western Maritime, Southcentral, West Coast, and Interior. The weather of Southwest Alaska is relatively warm and mild compared to other parts of the state. Wind and rain are prevalent across the marine environment, turning to snow inland and along the mountains, although variation exists across the vast geography. Figure 2.2 and Figure 2.3 display average monthly temperatures and precipitation for select communities in the region. Average temperatures range from a high of 56.1°F in Iliamna in July to an average low of 15.1°F in Dillingham in January. Precipitation varies widely across the region; Dillingham receives an average of 25.32 inches of precipitation a year while Kodiak receives an average of 78 inches per year. In comparison, the statewide average is 19.49 inches per

Figure 2.2: Average Monthly Temperatures
(30-year time period, 1981-2010)



Source: [The Alaska Climate Research Center](#)

Figure 2.3 Average Annual Temperatures for Selected Southwest Regions



Source: [National Weather Service](#)

year. Climate dramatically influences daily life in Southwest Alaska. The local economy is based almost entirely on fishing, and having reliable weather information is critical; and critical to traveling long distances over air and sea. In addition to standard weather forecasts, marine and aviation forecasts are of particular importance to the region.

Ocean basin topography, currents, the extent of sea ice, water temperature and other environmental characteristics influence the productivity of the region’s salt water environments. The Kuroshio Current flows across the Pacific Ocean from Japan, splitting into two currents as it approaches North America. One current, the Alaska Current, turns north creating a counterclockwise flow into the Gulf of Alaska. Currents from the North Pacific move through passes in the Aleutian Chain into the Bering Sea. Currents in the Bering Sea are very complex, but generally tend to move counterclockwise. The interaction of ocean currents with nutrient-rich freshwater runoff from the region’s uplands is part of what makes the area such a productive fisheries ecosystem. A shallow continental shelf follows the near-shore landmass, including the entire eastern Bering Sea, north and east of the Pribilof Islands, accompanied by deeper water in the western Bering Sea, and extreme depths of the Aleutian Trench (www.gi.alaska.edu). The last Ice Age left deep scars in the remaining land formation, which over the centuries of heavy rainfall have created some of the biggest lakes in Alaska, fed by mineral rich glaciers, creating abundant and rich fresh water rivers. The Alaska Department of Fish & Game lists 3,174 entries for Southwest Alaska in the Catalog of Waters Important for the Spawning, Rearing or Migration of Anadromous Fishes (Jay Johnson, ADF&G, personal communication, www.adfg.alaska.gov).

Figure 2.4: Land Ownership in Southwest Alaska



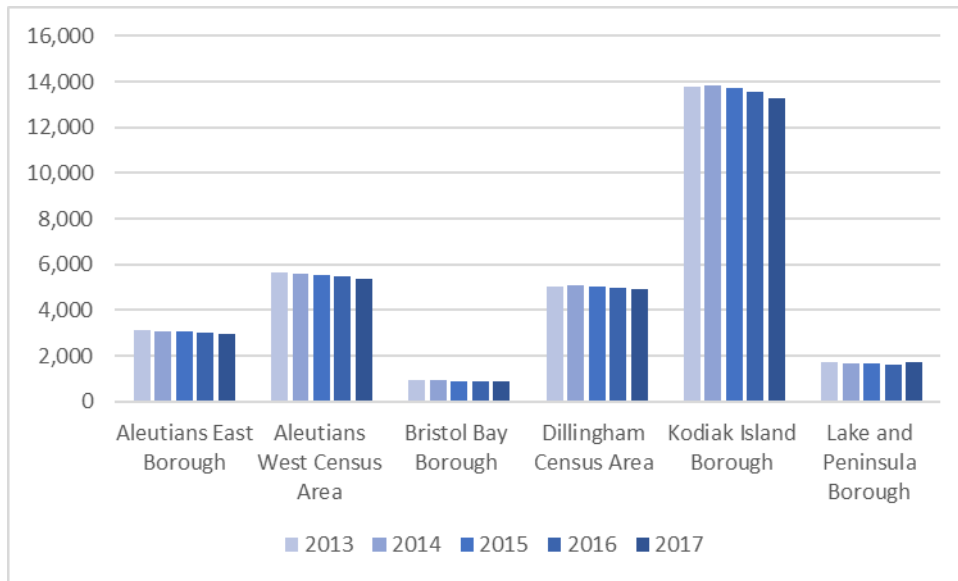
Source: Alaska Department of Natural Resources

HISTORY, CULTURE & LAND OWNERSHIP

Southwest Alaska has over 29,300 residents living in fifty-four communities within the region. The people of Southwest Alaska are a diverse mix, with roots in the Alaska Native cultures of Yupik, Athabascan, Aleut and Alutiiq, overlaid with over 100 years of Russian heritage and western influences, especially development of commercial fisheries. The Alaska Native Claims Settlement Act of 1971 (ANCSA) addressed which lands Alaska Natives owned by right of traditional use and occupancy. ANCSA provided for the creation of regional and village corporations to receive settlement

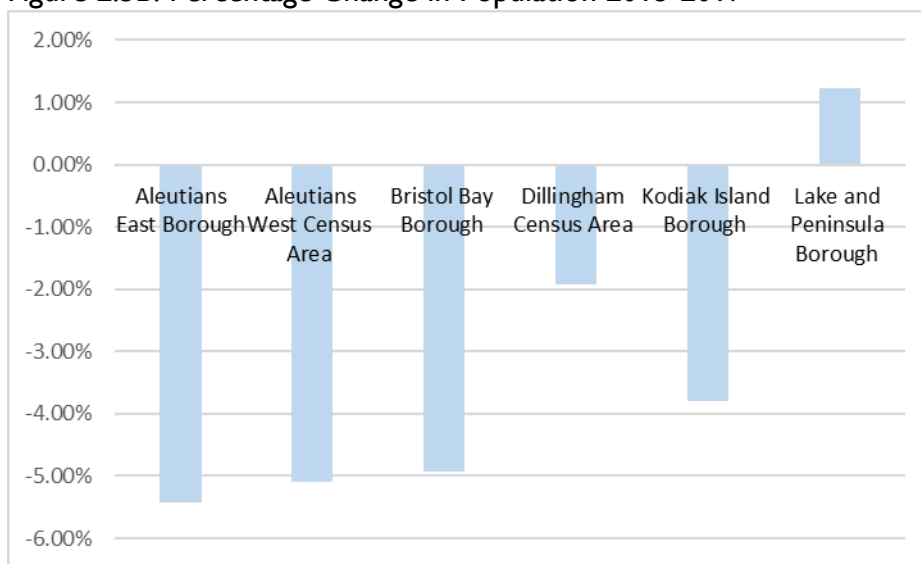
compensation in the form of cash and various land rights. The boundaries of three ANCSA regional corporations are wholly or partially contained in Southwest Alaska, including 47 village corporations also established by ANCSA. Some village corporations have become wealthy organizations that contribute substantially to local economic resiliency.

Figure 2.5A: Population 2013-2017



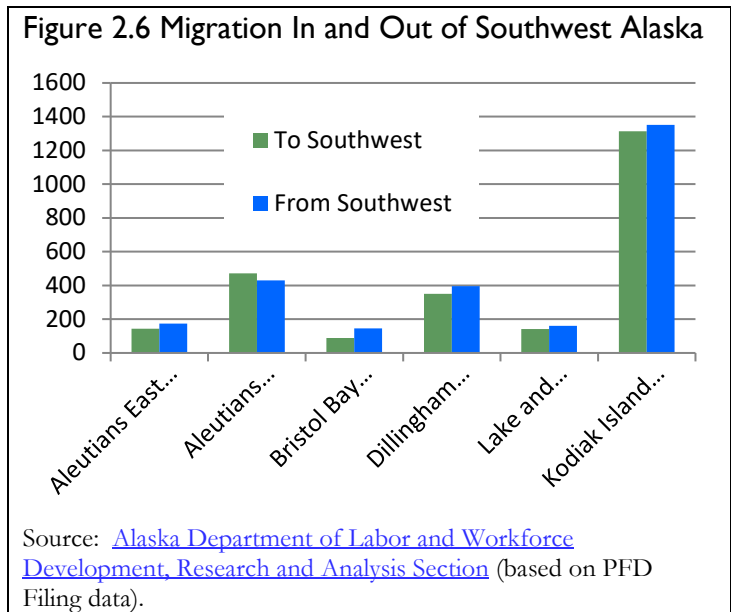
Source: <http://labor.alaska.gov/research/index.htm>

Figure 2.5B: Percentage Change in Population 2013-2017



Source: <http://labor.alaska.gov/research/index.htm>

Land ownership patterns in Southwest Alaska mirror that of the rest of the state. The federal government is the largest landowner, followed by the State of Alaska, and then, collectively, the largest private land owners – the ANCSA Native corporations (see Figure 2.4). The majority of federally owned lands in Southwest Alaska have been set aside for public use. The National Park Service and U.S. Fish and Wildlife Service units are managed primarily for resource protection, fish and wildlife conservation, and recreation. The Bureau of Land Management manages for multiple use purposes including timber production, fish and wildlife, recreation, water and mining. Management of these lands is based on priorities and compatibility among various uses. The remaining federal land is designated for special purposes, such as military reservations.



The State of Alaska owns significant land holdings throughout the region. Major state land units in the region fall into several broad categories: tidelands and submerged lands, parks, game refuges and sanctuaries, and critical habitat areas. State park lands include Wood-Tikchik State Park, the largest state park in the nation at 1.6 million acres.

Native Corporations make up the largest private landowners in the region. Native lands in the region have been developed in a variety of ways including: logging; tourism facilities and activities; residential real estate development; federal and state land acquisition through the EVOS Council habitat restoration activities; mining; and gravel and rock sales. Other private landowners, including individual and community holdings, comprise less than 1% of the remaining land in the region. The University of Alaska and the Alaska Mental Health Trust both have modest land holdings within Southwest Alaska.

PEOPLE OF SOUTHWEST ALASKA

Populations throughout the region were mostly static 2000-2010. According to the 2010 Census there are 29,769 people living in the Southwest Region. Almost half (13,592) of these residents live in the Kodiak Island Borough. See Figure 2.5 for trends by borough and census area. These numbers estimate permanent full-time residents and do not include temporary or seasonal residents. The population of some communities in Alaska can vary by as much as 20% due to the influx of seasonal tourism, fishing and construction workers.

Estimates from the Alaska Department of Labor and Workforce Development indicate that there is a net migration out of the region (see Figure 2.6). Between 2011 and 2012 - 2,507 residents moved to the region and 2,656 residents left the region for a loss of 149 residents. However, population changes due to natural increases (births minus deaths) are resulting in a steady population over time.

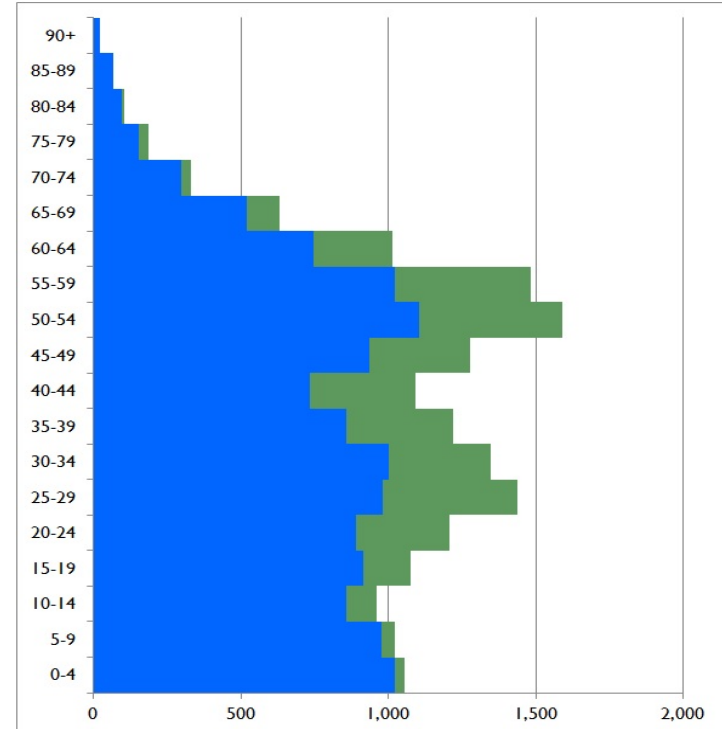
The Southwest region is very diverse. As seen in Figure 2.7, 40 percent of the population is white, followed by 28% who are American Indian and Alaska Native and 18 percent who are Asian. There is significant variation in demographic composition in each borough/census area. The primary Alaska Native groups in the region include Aleut, Alutiiq and Central Yupik peoples and cultural traditions.

Fifty-six percent of the population in Southwest Alaska is male, which is higher than the statewide average of 52 percent. Most of this difference is accounted for by the gender composition of the populations in the Aleutians East

Borough and the Aleutians West Census Area. In each of these two sub-regions, the population is comprised of nearly two-thirds males and slightly more than one-third females. A full distribution of the population by gender and age can be seen in Figure 2.8, with females in blue and males in green.

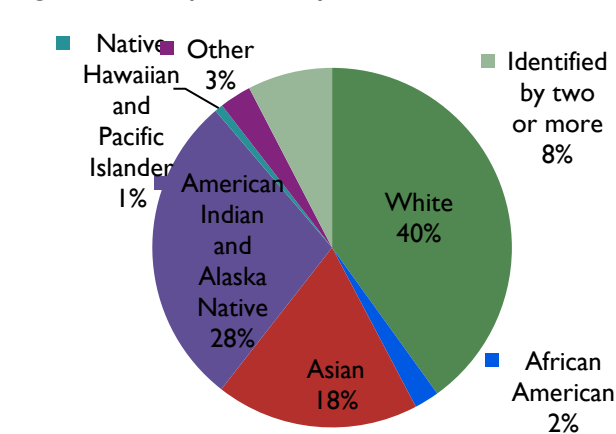
In terms of education, school district enrollment has been holding steady across the region, see Figure 2.9. 57% of the population has gone to secondary school compared with 64% of the population in the state. 32% have some college but no degree. Nineteen percent of the population has a bachelor's degree or higher compared with 27% in the state. Given the small sample size these numbers should be considered general estimates due to high margins of error.

Figure 2.8: Southwest Population by Age + Gender, 2014 Estimate



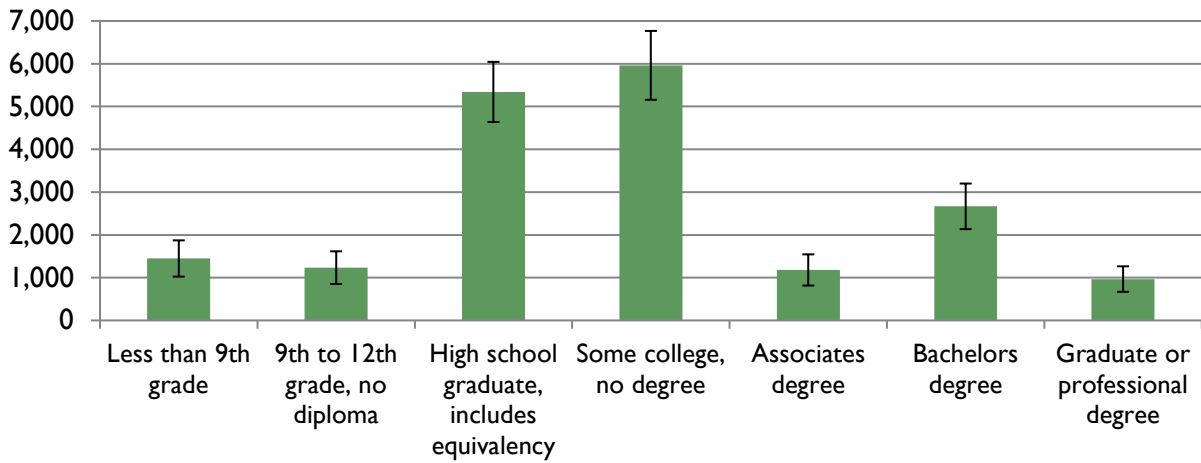
Source: [Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Census Bureau](#)

Figure 2.7: Population by Race, Southwest Alaska



Source: [Alaska Department of Labor and Workforce Development, Research and Analysis Section](#) (based on 2010 Census data).

Figure 2.9: Level of Educational Attainment, 2012



NOTE: These figures include the Bethel and Wade Hampton Census Areas, which are not in the SWAMC region.

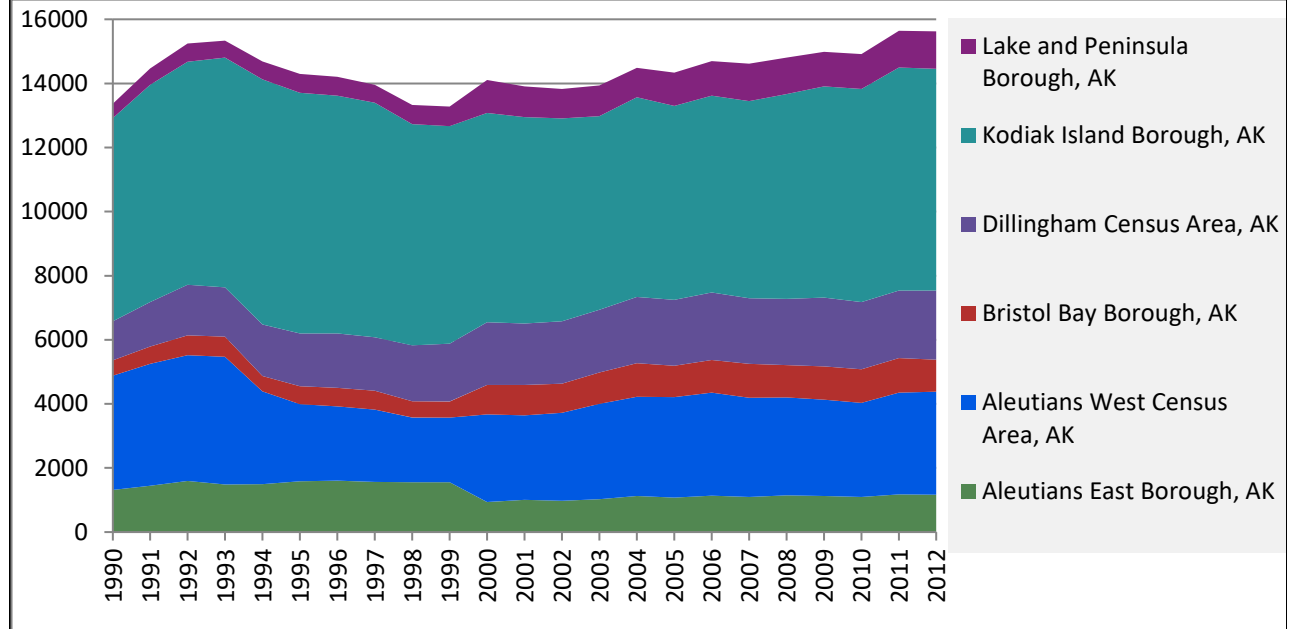
Source: [Alaska Department of Labor and Workforce Development, Research and Analysis Section; U.S. Census Bureau.](#)

REGIONAL EMPLOYMENT & EARNINGS

EMPLOYMENT

The labor force in Southwest Alaska is largely structured to respond to the direct demands of the commercial seafood industry, as well as support functions ancillary to that industry. Unfortunately, employment and industry data is somewhat limited due to high self-employment numbers, limited reporting, proprietary information of large sole-owner processing facilities and other factors.

Figure 2.10: Total Labor Force Estimates



Source: [U.S. Bureau of Labor Statistics](#)

The total labor force saw a small decline in the 1990s and has been slowly increasing since (see Figure 2.10). In 2012 there were 15,621 residents in the labor force. A recent change in the way labor force statistics are calculated by the Alaska Department of Labor & Workforce Development rendered labor data prior to 2010 incomparable to data from 2010 and onward. Figure 2.11 reflects newly calculated unemployment rates from 2010 onward. The most notable change is shown in the Lake and Peninsula Borough's unemployment rate, which now hovers around 15%.

	2007	2008	2009	2010	2011
Number of Firms	3,573	3,536	3,439	3,525	3,544
Number of Receipts	158,927,000	164,713,000	152,490,000	172,789,000	188,949,000

Source: [U.S. Census Bureau](#) and the [IRS](#).

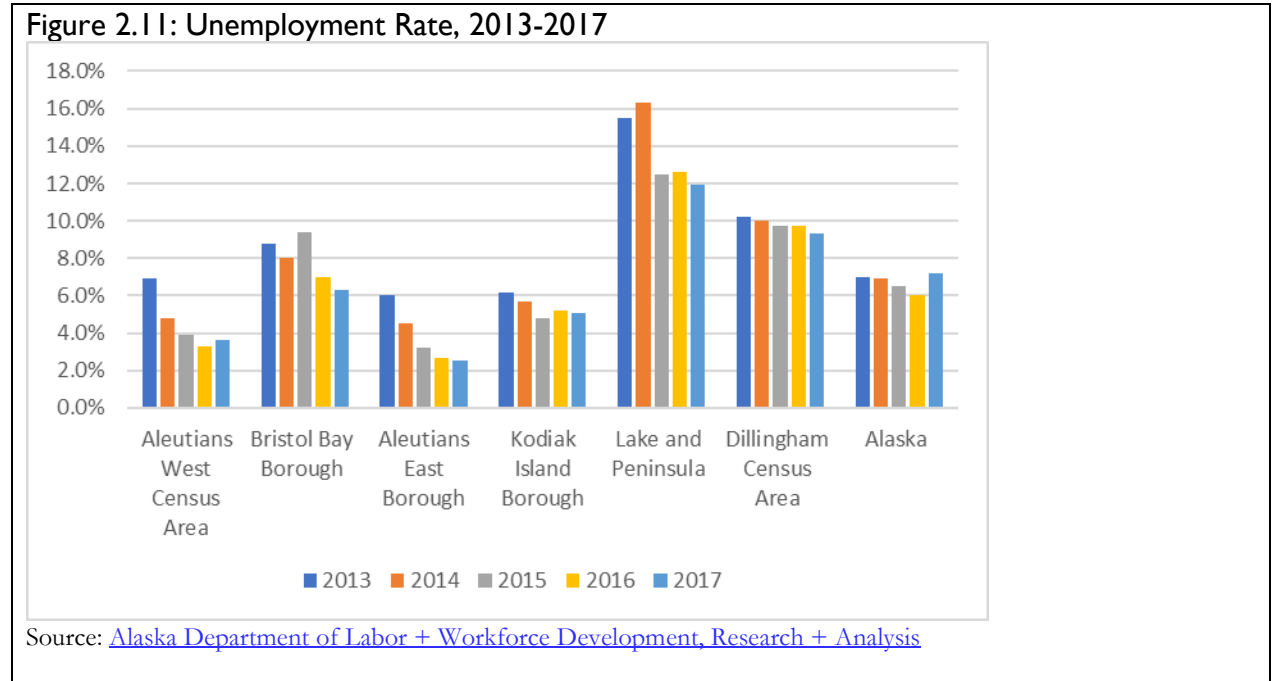
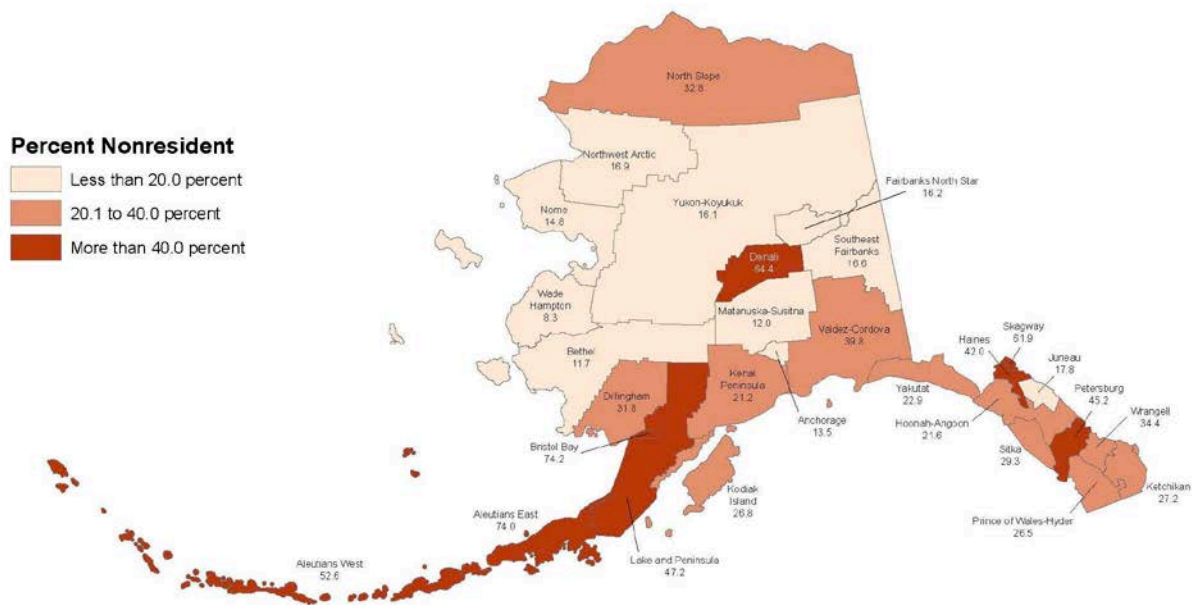


Figure 2.12: Nonresident Workers by Place of Work, 2013



Source: [Alaska Department of Labor and Workforce Development, Research and Analysis Section](#)

Southwest Alaska also has high self-employment numbers. The U.S. Census Non-employer Statistics is based on the number of business income tax returns submitted by firms without any employees. Table 2.2 shows that the number of non-employer firms stayed fairly steady at around 3,500 firms. The total receipts have been steadily increasing over the past five years. Over half of these firms are businesses related to the fishing industry. These numbers are based on the submitter's address, so if an individual fishes in the Southwest Alaska region, but lives and completes taxes outside the region, the numbers will not be captured here.

In general, Southwest Alaska hosts many nonresident workers. Workers come from other parts of the state and from the contiguous United States for seasonal work in fishing, tourism, construction and more. Unfortunately, most of the labor force and employment figures in this section do not capture these migratory workers. Figure 2.12 shows the percentage of nonresident workers for various regions around the state. Southwest Alaska has some of the highest nonresident worker figures in Alaska, with Aleutians East Borough (74%), Bristol Bay Borough (74.2%) and Aleutians West Census Area (52.6 percent) seeing the highest percentages of nonresident. The employment of non-American labor is subject to Federal labor laws and quotas that can vary from year to year. This adds a level of unpredictability to labor availability.

REGIONAL EARNINGS

Per capita income for the region varies by borough and census Area (see Figure 2.13). Over the twenty-year period between 1992 and 2012, the region saw an average increase in per capita income of 18%. Aleutians East Borough and Aleutians West Census Areas both experienced declines over that period of -19% and -13.7%, respectively. In 2012, per capita income in Bristol Bay Borough, Kodiak Island Borough and Lake and Peninsula Borough was higher than the national average of \$43,735 and lower

than the national average in Aleutians East Borough, Aleutians West Borough and Dillingham Census Area. This trend continues into 2013 per capita incomes reported by the US Bureau of Economic Analysis, though each region represents steady growth in their per capita income, a trend that was not always present in the past 20 years.

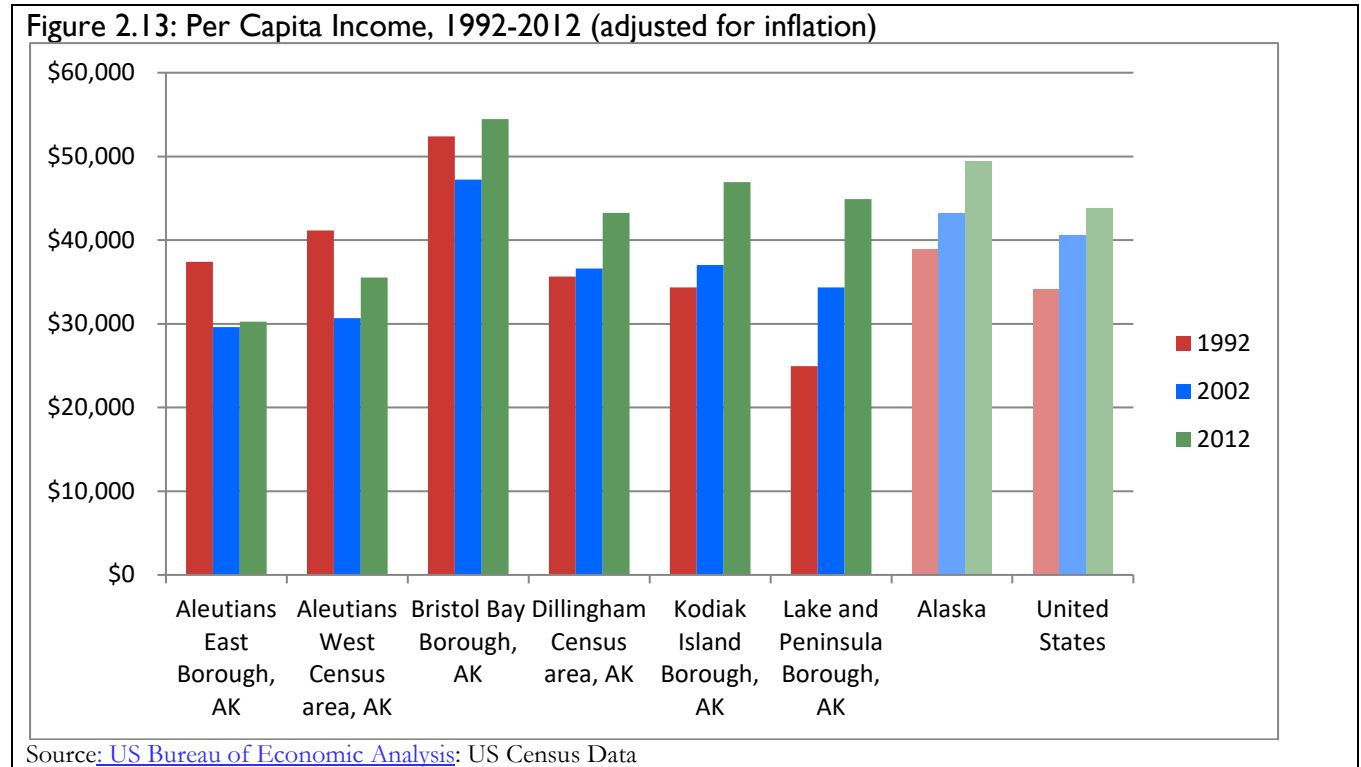
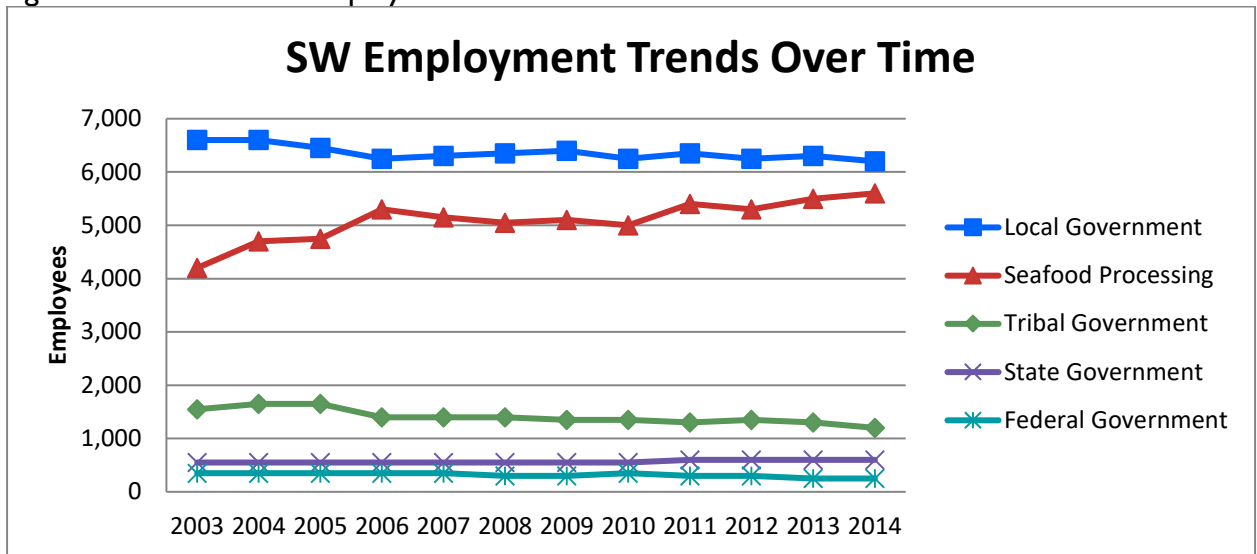


Figure 2.14 shows employment trends over time for some of the largest sectors. Fishing and government are the two largest employers in the region. Combined government (tribal, local, state and federal) employed 8,500 residents while seafood processing employed 5,300 residents in 2012. In 2014, government employed only 8,250 residents while seafood processing employed 5,600 residents. These figures do not include self-employed residents, many of whom fish. Self-employment information can be found later in this chapter under “Industry and Occupation Trends.”

Figure 2.14: Southwest Employment Trends Over Time



Source: [Alaska Department of Labor and Workforce Development, Research and Analysis Section.](#)

TAXES

At a statewide level, the tax climate in Alaska is relatively favorable compared to other U.S. states. The Tax Foundation compiles an annual State Business Tax Climate Index. Alaska ranks fourth out of all the states (a rank of 1 is most favorable for business). The three states with a higher ranking are Wyoming, South Dakota and Nevada. See Table 2.3 for a breakdown of Alaska’s tax ranking.

Table 2.3 State Business Tax Climate Index, 2015: Alaska

State	Overall Rank	Corporate Tax Rank	Individual Income Tax Rank	Sales Tax Rank	Unemployment Insurance Tax Rank	Property Tax Rank
Alaska	4	30	1	5	24	32

Note: A rank of 1 is more favorable for business than a rank of 50.

Source: [Tax Foundation, 2015 State Business Tax Climate Index.](#) Data comes from October 28, 2014.

A particularly relevant fact to the Southwest Alaska region is the fisheries business tax. The fisheries business tax is assessed on fisheries businesses and persons who process or export fisheries resources from Alaska. The Division collects fisheries business taxes primarily from licensed processors and persons who export unprocessed fish from Alaska. The State also levies the fishery resource landing tax on processed fishery resources. The Southwest region includes additional taxes that vary at the municipal level. These taxes are levied in a variety of ways including through property taxes, sales taxes, bed taxes, fuel taxes, liquor taxes and natural resources taxes.

INNOVATION

The U.S. Economic Development Administration (EDA) publishes an Innovation Index for comparing regions to the U.S. in order to assess innovative capacity. The innovation calculation uses measurable inputs and outputs from a region to evaluate what is driving innovation and where there is room for improvement. The scores are compared to the United States as a whole, which is given a baseline value of 100. Higher scores mean that a region is performing better than the country; scores lower than 100 mean that the region is not performing as well at the country as a whole. In 2014, the SWAMC region received a relatively low overall score of 74, less than Alaska's score of 88.8. In 2015, the region moved up to a score of 85.2, an increase of over 10 points, while Alaska only grew to 90.5 points. This growth in the last year is mirrored in the subcategories, with the region nearly closing gaps with Alaska in certain sectors. Productivity and Employment, for example, features the region and Alaska with only a .01 point difference. Data for the SWAMC region still indicates that the region excels in the number of large establishments per 10,000 workers (1.43 establishments per 10,000 workers compared with 1.1 for the U.S.), job growth to population growth ratio (a ratio of 4.88 compared to .69 for the U.S. between 1997 to 2008), and slightly lower unemployment rates (6.9 percent compared to 6.6 percent for the U.S.). Figure 2.15 shows how the SWAMC region scored compared to the state and the U.S.

Figure 2.15: Innovation Index Indicators

Red = SWAMC region

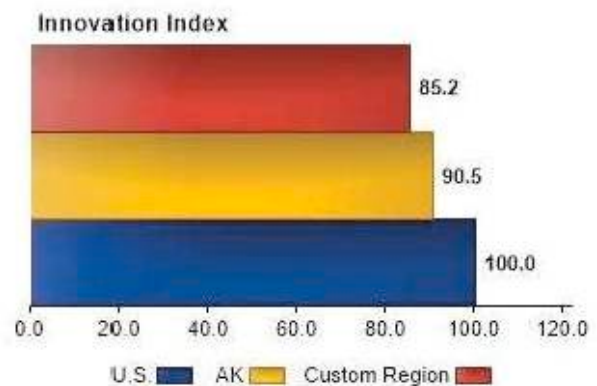
Yellow = Alaska

Blue = United States (baseline)

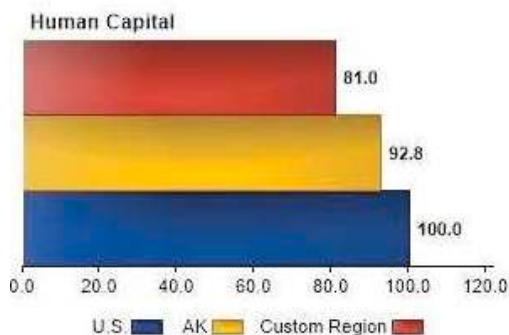
The index is calculated using the following indicators:

- Human Capital
- Economic Dynamics
- Productivity and Employment
- Economic Well-Being

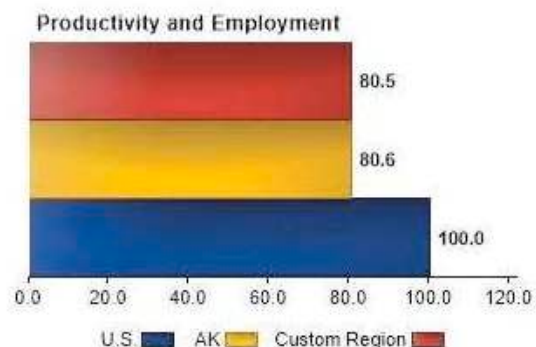
Sub-scores for the each indicator are below.

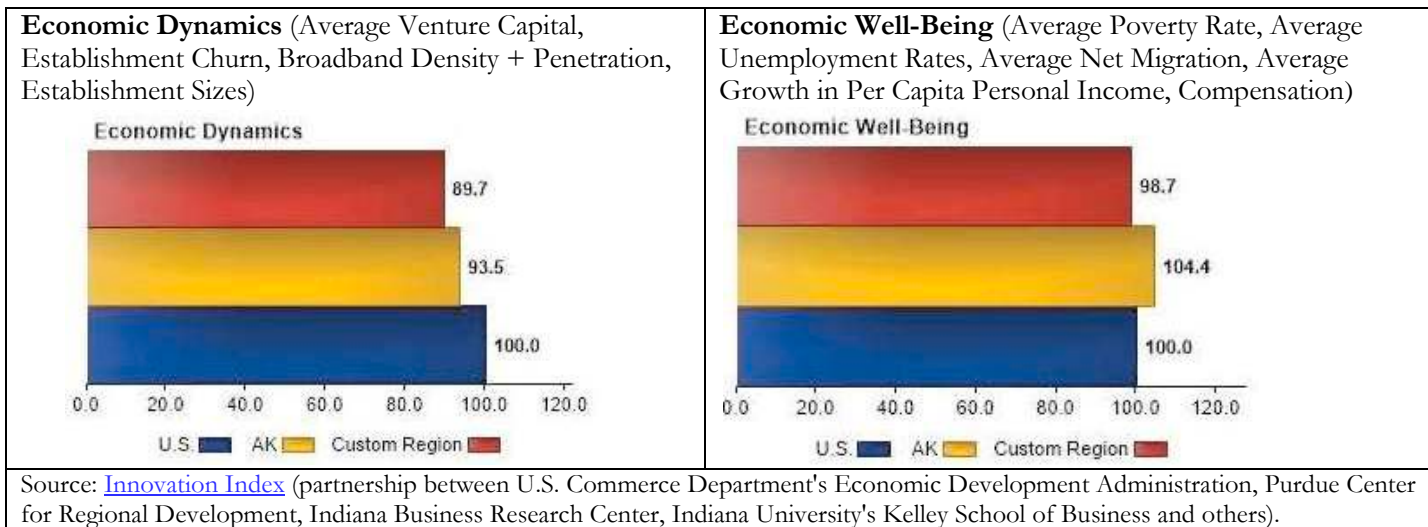


Human Capital (Educational Attainment, Technology-based Knowledge Applications, Population Growth Rates)



Productivity and Employment (Change in High-Tech Employment, Job Growth, Gross Domestic Product Per Worker, Average Patents per 1,000 Workers)





INFRASTRUCTURE

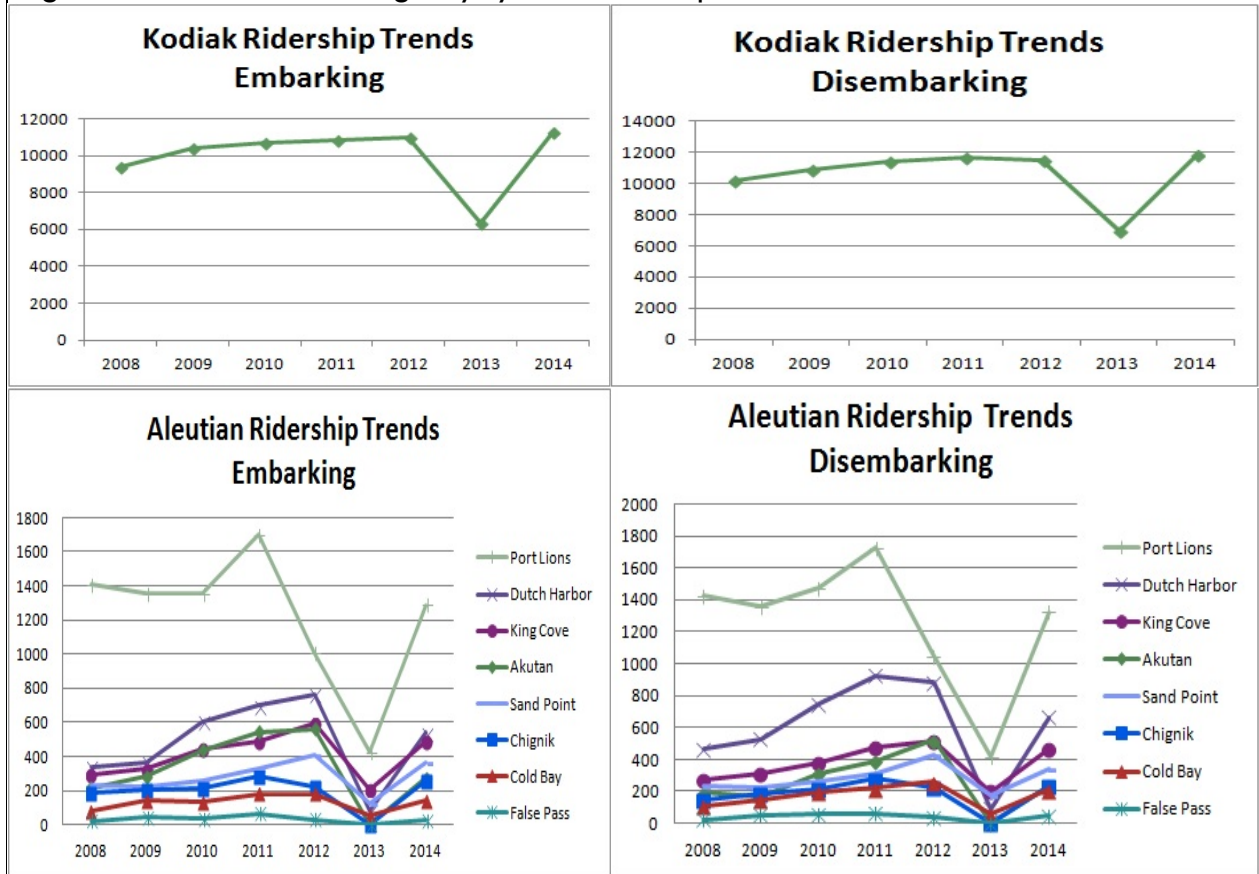
Southwest Alaska is a large region with a small and dispersed population. Maintaining infrastructure is difficult given challenging logistical costs of mobilization. Although, the resource rich region provides a market incentive to develop expensive infrastructure in order to access resources. Some of the highest capacity fishing communities in the nation are located in Southwest Alaska. Expensive infrastructure is also justified given the military and scientific geo-location, particularly because Southwest Alaska is the U.S.'s nearest region to Asia and the Arctic. The geography limits overland connectivity, leaving water and air as the primary modes of inter-community transportation.

WATER

Transportation by boat is the most common means of transporting goods to and around Southwest Alaska. Unalaska's deep-water port is one of the most productive cargo ports in the United States, along with Kodiak and Bristol Bay ports, as an anchor for both regional fishing as well as domestic and international cargo. The Alaska Marine Highway system serves the Kodiak hub year-round, and the southern Aleutian Chain as far as west as Unalaska during the summer months, May-September; no scheduled marine services are available for communities of the Bering sea and communities east of Unalaska. As seen in Figure 2.16, Kodiak sees the highest ridership. The sharp drop in Port Lions in 2012 is likely due to inconsistent ferry service due to summer dock work. Ridership dropped in all ports in 2013 due to the M/V Tustumena being out of service for an extended time. Normal service resumed 2014 and ridership trends rose. The M/V Tustumena was out of service most of the summer of 2017 due to the need to replace critical steel portions of the vessel. Money was appropriated in the 2017 State Capital Budget to match Federal funding to construct a new vessel to replace the Tustumena. Given the high per-capita costs of operating Alaska Marine Highway System (AMHS) and State budget shortfalls, a growing concern in Southwest Alaska is the long-term sustainability of reliable ferry service.

SWAMC participated in an effort led by the Southeast Conference to look at operational models and practices that could reduce the level of State subsidy for the AMHS.

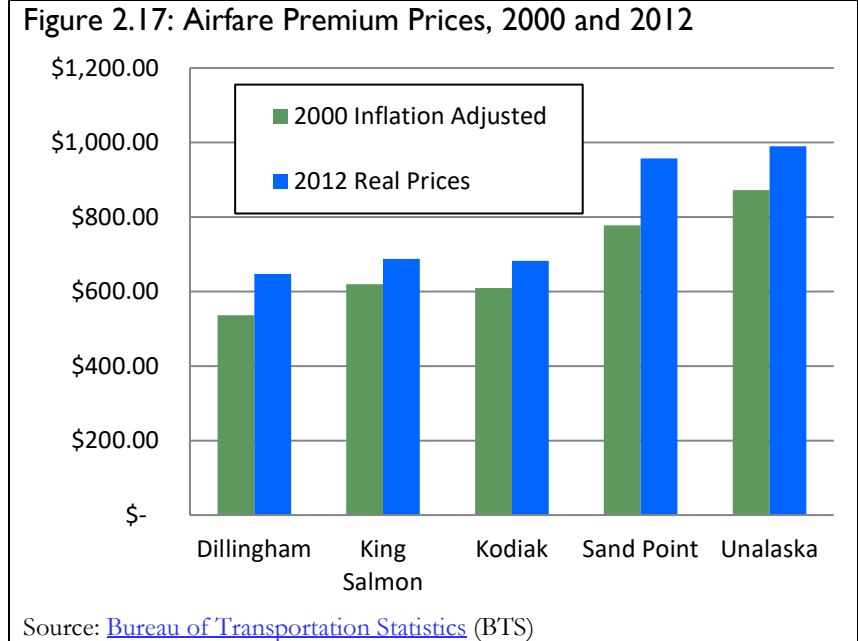
Figure 2.16 Alaska Marine Highway System: Ridership Trends, 2008-2014



Source: [Alaska Marine Highway System](#)

AIR

Aviation is the principle means of transporting people to and within the communities throughout the Southwest region. A lack of interconnected roads means passenger and light goods such as mail and perishable food typically move by air. Extreme weather, poor visibility, long distances, limited airport infrastructure, and low economies of scale all present challenges to the use of air as a primary mode of travel.



The cost of flying has increased significantly over the past decade. Figure 2.17 shows 2000 inflation adjusted and 2012 real prices for airfare to select communities, to highlight that costs have risen faster than inflation vis-a-vis air service.¹ Adjusted for inflation, prices increased between 11 percent and 23 percent over the 12 year period.

ROADS

There is limited overland connectivity in Southwest Alaska. Connector road that do exist are short and connect communities that are in close proximity; none over approximately 25 miles in length.

COMMUNICATIONS

The SWAMC region has limited communication infrastructure. Connect Alaska compiles maps and information on the availability of broadband and internet connectivity around the state. Figure 2.18 shows that like other rural regions of the state, Southwest Alaska has limited broadband availability. Broadband connectivity, defined as the availability of download speeds of at least 768 Kbps and upload speeds of 200 Kbps, varies widely across the region. Table 2.4 shows the number of households with broadband service in each sub-region.

¹ Bureau of Transportation Statistics, Research and Innovative Technology Administration. (2013). *Average Domestic Airline Itinerary Fares by Origin City*. Retrieved April 18, 2014 from <http://www.transtats.bts.gov/AverageFare/default.aspx>

Area	Number of Households	Estimated Percent of Households w/ Broadband Service	Estimated Total Households w/ Broadband Service
Aleutians East Borough	553	ND	ND
Aleutians West Census Area	1212	ND	ND
Bristol Bay Borough	423	76	323
Dillingham Census Area	1563	94	1465
Kodiak Island Borough	4630	91	4202
Lake and Peninsula Borough	553	80	440
Total	8934	73	6495

Source: Connect Alaska

Network Connection Service Level	Fiber		Satellite		Microwave	
	Basic	Fastest	Basic	Fastest	Basic	Fastest
Kodiak Region	\$50 for 10 Mbps	\$130 for 22 Mbps	\$60 for 1 Mbps	\$200 for 2 Mbps	-	-
Bristol Bay Region	-	-	\$60 for 1 Mbps	\$200 for 2 Mbps	\$24 for .512 Mbps	\$150 for 6 Mbps
Aleutian Region	-	-	\$65 for .512 Mbps	\$110 for 1.5 Mbps	-	-

*Prices as of November 1, 2012

Source: [SWAMC](#)

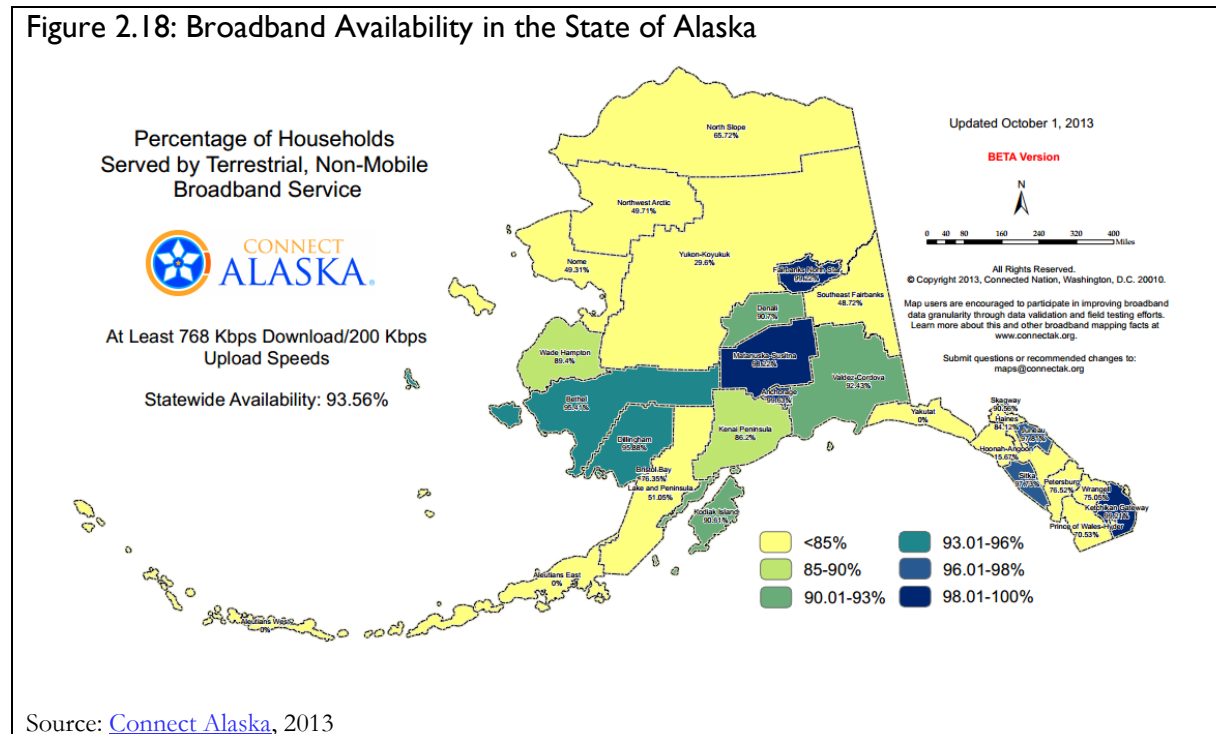
Dillingham and Kodiak have more households with broadband service at 96% and 91% respectively; Bristol Bay Borough and Lake and Peninsula Borough have broadband coverage of 76% and 51%.² In the Aleutians, Dutch Harbor, Cold Bay, King Cove, and Sand Point have 1 Mbps broadband service available from TelAlaska³. Table 2.5 shows connection availability and costs in the SWAMC region as of November 1, 2012. This table shows that cost varies across the region, with prices ranging from \$24 for 0.512 megabits per second (\$0.05 per bit per second) for basic microwave in Bristol Bay to \$200 for two megabits per second of data via fast satellite connections in Kodiak and Bristol Bay.⁴ While

² Connect Alaska. (2014, May). *Facts and Figures*. Retrieved June 10, 2014, from Estimated Availability of Broadband Service by Borough, Census Area and Municipality: http://www.connectak.org/sites/default/files/facts-figures/files/ak_may_2014_table_5.pdf

³ Dave Goggins, TelAlaska, personal communication, July 29, 2014

⁴ Southwest Alaska Municipal Conference. (December 2012). *Regional Applications for a Digital Economy*. Accessed June 16, 2014 from http://www.swamc.org/files/RegionalApplicationsDigitalEconomy_FINAL.pdf.

network connection services still remain limited in many areas, recent investments in microwave and fiber optic networks are slowly bringing increasing levels of service to Southwest Alaska.



HOUSING

The housing stock in Southwest Alaska varies greatly between communities. According to interviews and conversations within the SWAMC network, many communities are experiencing shortages of affordable and adequate housing. Table 2.6 shows information on housing units, average household size and overcrowding percentages for the six boroughs/census areas as well as for the state. Four of the six areas are experiencing higher overcrowding levels than the state as a whole; in the Dillingham Census Area, 18% of occupied housing units are overcrowded, followed by 13% in the Lake and Peninsula Borough and 9% in both the Aleutians West Census Area and the Kodiak Island Borough.

Borough/Census Area	Housing Units				Household Size	
	Housing units	occupied	for sale/rent	seasonal /vacant	(%) of occupied units that are overcrowded	Avg. Household size
Aleutians East Borough	535	336	46	153	3.6%	2.3
Aleutians West Census Area	2,268	1,255	184	829	9.0%	2.4
Bristol Bay Borough	952	424	43	485	4.5%	2.4
Dillingham Census Area	2,416	1,369	128	919	18.0%	3.5
Kodiak Island Borough	5,323	4,445	112	766	9.0%	2.9
Lake and Peninsula Borough	1,605	562	45	998	13.0%	2.7
Statewide					6.0%	2.7

Source: Cold Climate Housing Research Center, 2014 report.

ENERGY

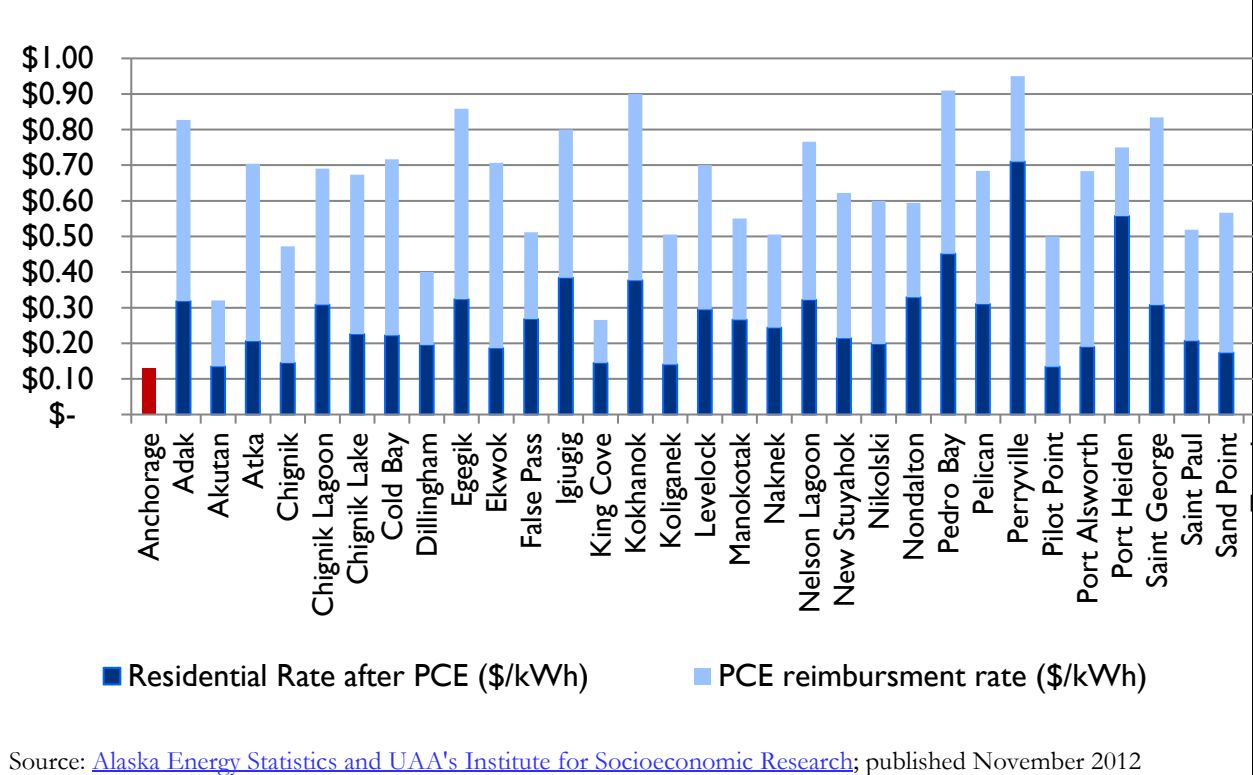
Energy costs in Southwest Alaska are generally high with significant variability between communities. Annual household energy costs range from \$6,260 in the Kodiak Island Borough to \$8,410 in the Lake and Peninsula Borough. All SWAMC regions experience energy costs that are higher than the state average of \$4,681 per year and most regions are more than three times the national average of \$2,146 per year (see Table 2.7). Affordability is an issue for some communities although the region has fewer households spending over 30% of their income than the rest of the state and the nation. There are a number of energy cost saving programs in the state that are available to help reduce energy costs, including the Home Energy Rebate Program and Alaska Housing and Finance Corporation (AHFC)'s Weatherization Assistance Program. Participation in these energy programs varied widely across the region: 40% of Lake and Peninsula Borough households participated in a program, while only 4% of households participated from the Aleutians West Census Area.

	Energy use/sf (BTUs)	Annual Energy Cost	% In Energy Programs	Households Spending Over 30% of Income on Housing
Aleutians East Borough	108,000	\$6,300	29%	21%
Aleutians West Census Area	120,000	\$ 6,620	4%	26%
Bristol Bay Borough	142,000	\$ 7,030	22%	16%
Dillingham Census Area	134,000	\$ 6,320	22%	20%
Kodiak Island Borough	117,000	\$ 6,260	16%	34%
Lake and Peninsula Borough	139,000	\$ 8,410	40%	24%
Municipality of Anchorage	141,000	\$ 2,790	23%	35%
Statewide	137,000	\$ 4,681	21%	31%
Nationwide		\$ 2,146	n/a	37%

Source: [Cold Climate Housing Research Center](#), 2014 report.

The Alaska Energy Authority's Power Cost Equalization (PCE) program subsidizes the cost of electricity for approved rural communities. The PCE subsidy has helped buffer households from the increasing rise in energy costs. Figure 2.19 shows the residential energy cost per kilowatt hour before and after the PCE subsidy. While the program helps buffer households from increasing energy costs, it only applies to residential energy costs. As a result, commercial energy costs remain very high in Southwest Alaska.

Figure 2.19: Residential Energy Costs and PCE Reimbursements, 2011



Source: [Alaska Energy Statistics and UAA's Institute for Socioeconomic Research](#); published November 2012

RESOURCES

FISH

Southwest Alaska’s economy is largely centered on the region’s abundant marine resources. Southwest Alaska is home to four of the top ten ports in the United States by volume and six of the top ten ports in the United States in terms of value (Figure 2.20).

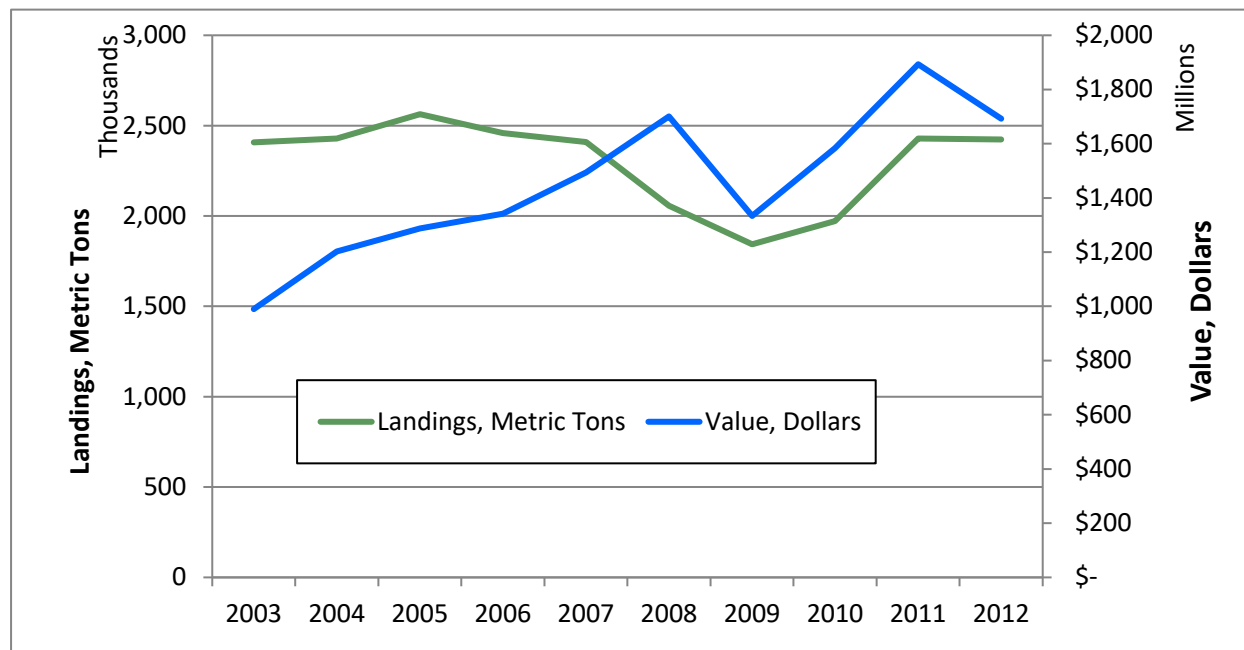
Regional fishery landings declined in 2008-2010 but then increased to almost 5 billion pounds in 2011 and 2012 (Figure 2.21). Similarly, fishery values dipped in 2009 but have otherwise been steadily increasing, and total price per pound has increased from roughly \$0.28 to \$0.34.

Figure 2.20: Top 10 Ports in the U.S.

Volume, Million Pounds				Value, Million Dollars			
	Port	2011	2012		Port	2011	2012
1	Dutch Harbor, AK	706	752	1	New Bedford, MA	\$ 369	\$ 411
2	Empire-Venice, LA	532	500	2	Dutch Harbor, AK	\$ 247	\$ 214
3	Aleutian Islands (other), AK	431	456	3	Kodiak, AK	\$ 182	\$ 170
4	Kodiak, AK	372	393	4	Aleutian Islands (Other), AK	\$ 129	\$ 119
5	Reedville, VA	414	389	5	Honolulu, HI	\$ 83	\$ 100
6	Intracoastal City, LA	327	345	6	Alaska Peninsula (Other), AK	\$ 138	\$ 99
7	Pascagoula-Moss Pt., MS	267	250	7	Empire-Venice, LA	\$ 99	\$ 80
8	Cameron, LA	227	228	8	Bristol Bay (Other), AK	\$ 86	\$ 79
9	Alaska Peninsula (other), AK	211	191	9	Naknek, AK	\$ 100	\$ 78
10	Astoria, OR	144	170	10	Galveston, TX	\$ 47	\$ 74

Source: [NOAA National Marine Fisheries Service, Office of Science and Technology](#).

Figure 2.21: Total Alaska Fisheries Value + Landings Trends



Source: [National Marine Fisheries Service](#)

The Western Alaska Community Development Quota (CDQ) Program is a federally managed economic development program. Three of the six CDQ groups established by the program are in Southwest Alaska: the Aleutian Pribilof Islands Community Development Association (APICDA), the Bristol Bay Economic Development Corporation (BBEDC), and the Central Bering Sea Fisherman’s Association (CBSFA).

	APICDA	CBSFA	BBEDC	TOTAL
annual investments in fishery-related endeavors, 2006-2010	\$4,700,000	\$6,800,000	\$10,000,000	\$ 21,500,000
direct + indirect employment*, 2006	129	138	241	508
direct + indirect employment*, 2010	226	179	709	1114
jobs: % that go to member residents (2010)	39%	84%	95%	82%
*note: APICDA's employment numbers only include direct employment				
Source: Alaska DCCED: Decennial Review Reports , January 2013				

These three organizations represent 24 of the 65 communities under the CDQ umbrella (within a fifty nautical mile radius of the Bering Sea coast). In 2013, Alaska’s Department of Commerce, Community and Economic Development (DCCED) released the decennial review of the CDQ groups, which includes information from 2006-2010. Table 2.8 includes the highlights of the decennial review. According to DCCED’s reports, the CDQ groups invested a combined \$21.5 million dollars each year in the region over the five-year period. In 2010, the CDQ groups employed a combined 1,114 workers (direct and indirect), with an average of 82% of jobs going to member residents in the region. Nearly all jobs supported by BBEDC and CBSFA went to residents: 95% and 84% respectively, and 39% of jobs supported by APICDA went to member residents.

MINING

The Southwest region has rich mineral wealth due to its history of volcanism. However, much has remained inaccessible due to the harsh climate, high energy costs and limited transportation and infrastructure. Interest in the region’s minerals has increased over the past decade. According to a 2012 report by the Alaska Miner’s Association *The Economic Impacts of Alaska’s Mining Industry* In 2010, over half (52%) of mining expenditures in Alaska were made in the Southwest Alaska (\$137 million). Several mining projects, if developed, have the potential to increase the region’s employment over the next several years, including Donlin Gold (outside of SWAMC boundaries) and the Pebble Project.

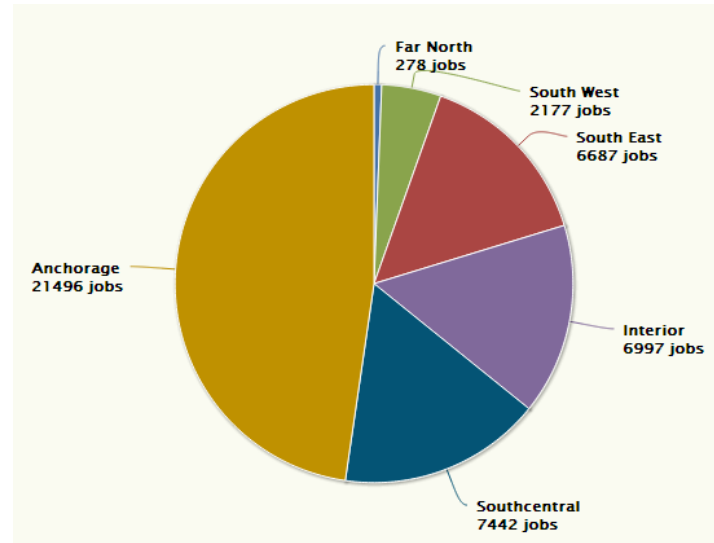
OIL & GAS

The region has offshore oil and gas deposits in the North Aleutian Basin. The North Aleutian Basin was withdrawn from developmental consideration by presidential designation.

TOURISM

Compared with the rest of the state, tourism growth in Southwest Alaska is very modest. Higher costs, complicated travel logistics, and a limited transportation infrastructure impedes visitation and tourism development in the region. However, recent interests and investment in tourism are encouraging. At a statewide level, the Alaska Partnership for Economic Development (APED) recognizes that tourism is a growing industry in Alaska with considerable potential for additional growth. Using 2012 Alaska Department of Labor data, APED compiled information on the tourism cluster, including the distribution of tourism jobs around the state. The report concluded that the tourism industry employs approximately 2,177 people in Southwest Alaska, which is about 5 percent of the total tourism sector employment for the state. Table 2.9 shows the approximate number of jobs per business type that are directly and indirectly related to tourism in the region.

Table 2.9: Tourism-related jobs in Southwest Alaska, 2012



Business Type	# of Jobs: Core Businesses	# of Jobs: Linked Businesses
Lodging	324	0
Attractions	44	0
Transportation	10	710
Retail	0	722
Dining	0	367
Info + Booking	0	0
TOTAL: 2177 jobs	378	1799

Source: The Alaska Partnership for Economic Development

The Alaska Department of Commerce, Community and Economic Development (DCCED)'s 2011 Alaska Visitor Statistics Program (AVSP) provides some interesting insights about tourism in Southwest Alaska. It should be noted that the AVSP report includes the Y-K region, which is not within the SWAMC region. Table 2.10 shows that visitors to the Southwest region stayed on average over a week, longer than visitors to any other part of the state. Two-thirds of visitors to the region

were visiting for Vacation or Pleasure. Figure 2.22 shows the amount of industry spending in the region during the 2011-2012, 2012-2013, and 2013-2014 seasons.

Out of State Visitors: Average Length of Stay by Region (days)			Southwest Region: Trip Purpose	
Southeast	5.7	5.5	Vacation/pleasure	66%
Southcentral	5.8	5.9	Friends/relatives	16%
Interior	4.3	4.2	Business Only	12%
Southwest	7.3	7.5	Business/pleasure	6%
Far North	6.1	5.7		

Source: [Alaska Visitor Statistics Program](#) (AVSP) VI -Summer 2011

Figure 2.22: Visitor Industry Economic Impacts by Region, 2011-2012, 2012-2013, and 2013-2014

	2011-12 Impacts	2012-13 Impacts	2013-14 Impacts
Total Visitor Industry Spending	\$3.72 billion	\$3.93 billion	\$3.92 billion
Southcentral	\$1.97 billion	\$2.05 billion	\$2.06 billion
Southeast	\$1.00 billion	\$1.10 billion	\$1.09 billion
Interior	\$605 million	\$631 million	\$626 million
Southwest	\$116 million	\$120 million	\$121 million
Far North	\$29 million	\$30 million	\$30 million
Total Employment Impacts	37,800 jobs	39,000 jobs	38,700 jobs
Southcentral	18,900 jobs	19,200 jobs	19,200 jobs
Southeast	10,200 jobs	10,900 jobs	10,800 jobs
Interior	7,000 jobs	7,100 jobs	6,900 jobs
Southwest	1,400 jobs	1,500 jobs	1,500 jobs
Far North	300 jobs	300 jobs	300 jobs
Total Labor Income Impacts	\$1.24 billion	\$1.32 billion	\$1.31 billion
Southcentral	\$580 million	\$601 million	\$604 million
Southeast	\$370 million	\$407 million	\$405 million
Interior	\$240 million	\$251 million	\$246 million
Southwest	\$42 million	\$44 million	\$44 million
Far North	\$11 million	\$12 million	\$12 million

Source: [Alaska DCCED: Economic Impact of Alaska's Visitor Industry, 2013-2014 update](#)

While still only a fraction of the overall statewide impacts, spending increased from \$116 million to \$120 million and created an additional 100 jobs between the 2011-2012 and the 2012-2013 seasons. That increase leveled out in the 2013-2014 season, with jobs available remaining the same and the Southwest industry only seeing a \$1 million rise in revenue.

SUBSISTENCE

Subsistence, defined as the customary and traditional uses of wild foods and resources, is an important aspect of the economy of Southwest Alaska. Subsistence resources account for a substantial portion of all economic activity and value in many of the communities in the region. Subsistence enhances food security in rural communities. In some communities, opportunities for year-round employment in the

cash economy are limited. Subsistence practices supplement any earnings from the cash economy serve as an alternative to public assistance, and mitigate the impact of the extreme seasonality. Subsistence data is limited and there is very little information available for Southwest Alaska.

INDUSTRY AND OCCUPATION TRENDS

As discussed above, the Southwest Alaska region’s economy is largely based on seafood. Due to many factors including seasonality of employment, proprietary information of large single-owner processing facilities and the high numbers of self-employed individuals, creating an accurate employment and industry profile of the region is challenging. Nonetheless, it is helpful to look at the available indicators to better understand the economy of Southwest Alaska.

In 2016, SWAMC funded and released *A Linked Economy: Southwest Alaska’s Economic Linkages to the State and Beyond*, a report that updated an earlier 2004 version. Like the earlier version the study evaluated the region’s contributions and economic value to the state of Alaska and the nation as a whole. This information clearly showed the economic value of Southwest Alaska to the State as a whole and gives a helpful perspective on the importance of the region’s economy and the scale of the region’s fishing industry. According to the report, total industry output for the region represented about 6% of the total output of the state (\$2.2 billion out of \$38 billion for the state in 2004 dollars). Fish processing in the region accounts for 67% of statewide fish processing employment and 68% of fish processing output in Alaska.

Industry	2008	2009	2010	2011	2012
Base Industry: Total, all industries	1.00	1.00	1.00	1.00	1.00
Natural resources and mining	-	-	-	-	-
Construction	-	0.34	-	-	-
Manufacturing	4.40	3.32	3.41	3.53	3.46
Trade, transportation, and utilities	0.70	0.68	0.70	0.68	0.69
Information	-	-	-	-	-
Financial activities	0.58	0.58	0.57	0.50	-
Professional and business services	-	0.19	-	-	0.19
Education and health services	-	-	-	-	-
Leisure and hospitality	0.53	0.49	0.48	0.47	0.46
Other services	0.57	0.56	0.58	0.54	-
Unclassified	-	-	-	-	-

Source: [US Dept. of Labor, Bureau of Labor Statistics](#)

The U.S. Department of Labor publishes Quarterly Census Employment and Wages (QCEW) data which includes the number of people employed in all industries for a particular region. The QCEW data for Southwest Alaska is limited because employment information for some of the largest employers is kept confidential. Table 2.11 uses location quotient calculations to compare the concentration of employees in various industries to the rest of the nation between 2008 and 2012. The U.S. is established as a baseline of 1; values above one indicate a higher concentration of industry employment in the SWAMC region, and values lower than 1 indicate a lower concentration of employment for that industry in the SWAMC region. Of the industries with available information, the manufacturing industry is the one with a location quotient higher than the U.S. This is unsurprising because Manufacturing includes seafood processing, which is one of the largest sources of employment in the region.

Looking at non-employer statistics is a helpful way to understand the self-employment picture for the region. Non-employment data comes from IRS tax returns and includes data for all establishments with no employees. In 2011 there were 3,404 non-employer firms in the Southwest Alaska region that generated a combined \$183 million. Figure 2.23 shows the number of non-employer establishments for the top 12 industry classifications. In 2011 there were 1,906 non-employment firms in the agriculture, forestry, fishing and hunting classification. This is further evidence of the high number of individuals involved in the fishing industry in Southwest Alaska.

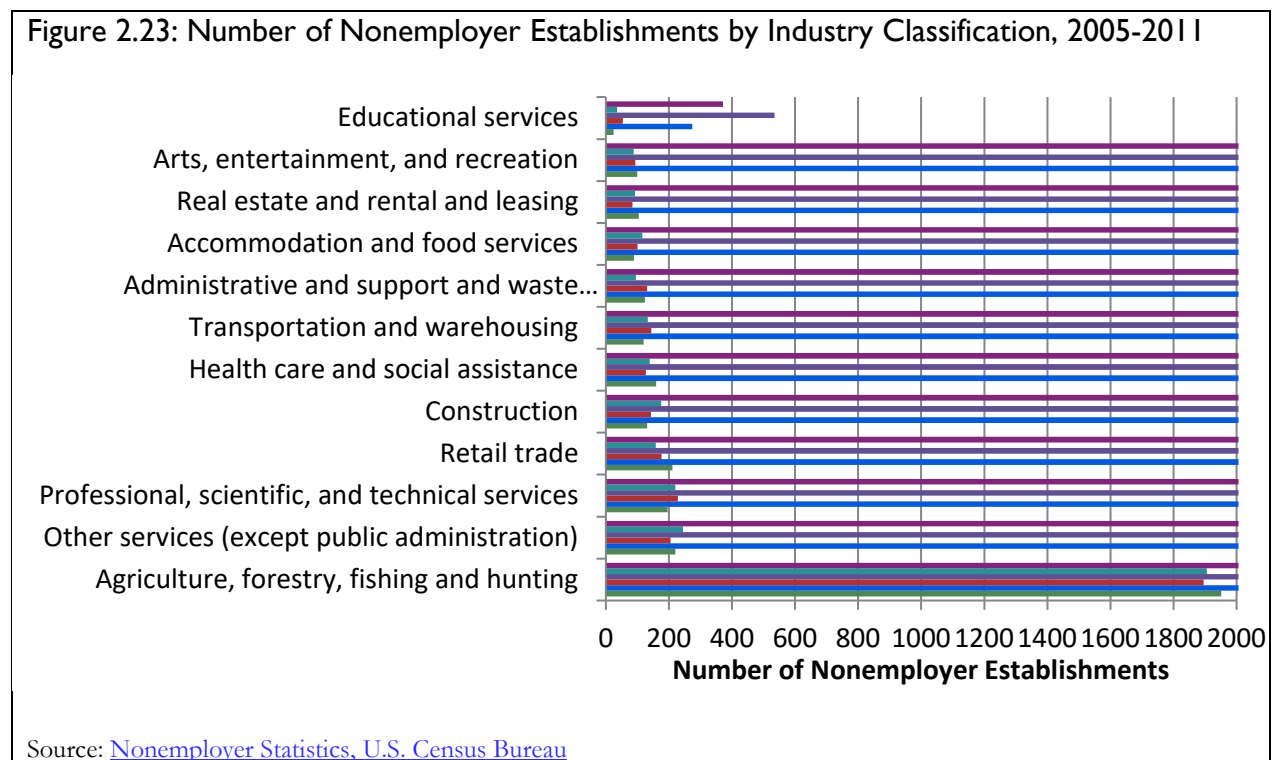


Table 2.12 shows the top occupations for the Southwest Alaska region between 2010 and 2012. This information includes Wade Hampton and Bethel Census Areas, which are not in the SWAMC region. The information comes from the Alaska Department of Labor and Workforce Development's

Occupational Database, which only includes occupational information for Alaska residents. It does not include federal workers, military individuals, the self-employed or nonresidents. Among residents employed in the region, the most popular occupation in 2012 was Meat, Poultry, and Fish Cutters and Trimmers with 1,024 individuals. This is a sharp increase from the year before, when there were 731 resident employees working in that occupation.

Job	2010	2011	2012
Meat, Poultry, and Fish Cutters and Trimmers	703	731	1,024
Teacher Assistants	855	922	869
Construction Laborers	939	933	851
Cashiers	539	598	583
Laborers and Freight, Stock, and Material Movers, Hand	559	583	533

Source: [Alaska Department of Labor and Workforce Development, Research and Analysis](#)

Another useful analytic tool for comparing the industry and sector performance of the region is through cluster analysis. A cluster is a geographic concentration of interconnected businesses, suppliers, services providers and institutions. The Alaska Partnership for Economic Development prepared a cluster analysis for the SWAMC region as a part of a statewide cluster analysis in 2010.

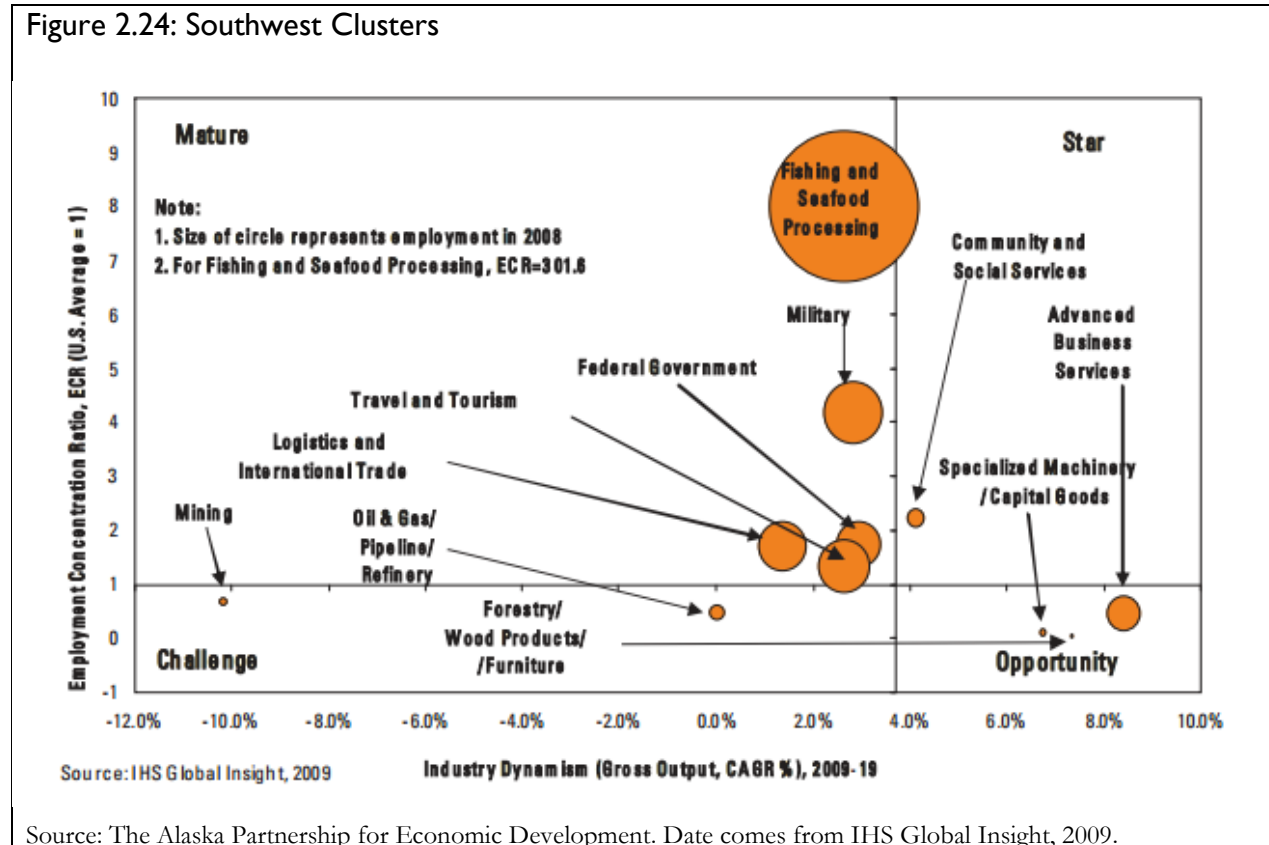


Figure 2.24 shows the results from the Southwest Alaska cluster analysis. While the data is from 2009 it still provides a useful overview of clusters in the region. The size of the circle indicates the relative size of employment for a particular cluster. The y-axis includes the employment concentration ratio, which is the same as a location quotient; a score of 1 is equal to the baseline U.S. level. The x-axis measures “Industry Dynamism, which the report defines as the relative growth rate. This figure is determined by adding up the real gross output of each industry along with the compound annual growth to forecast the long-term potential of a particular cluster. Notably the Fishing and Seafood Processing cluster has a location quotient of 301.6. The community and social services cluster, while small in comparison, has a location quotient of 2.2 times the national average and industry dynamism estimated to be 4.1 percent. Other clusters with location quotients higher than the national average include the Military cluster, Federal Government cluster, Travel and Tourism cluster and Logistics and International Trade cluster.

This CEDS document focuses primarily on the following existing and emerging clusters:

- Fishery, Seafood and Maritime Cluster
- Transportation, Shipping and Logistics Cluster
- Travel and Tourism Cluster
- Government Cluster

These clusters will be discussed in more detail in the following chapters.

CHAPTER 3: SWOT ANALYSIS

(STRENGTHS, WEAKNESSES, OPPORTUNITIES, THREATS)

INTRODUCTION

The key to increasing Southwest Alaska’s regional wealth and overall economic productivity is leveraging the area’s strengths (S), taking advantage of existing and future opportunities (O), while also mitigating the region’s weakness (W) and outside threats (T). A “SWOT analysis” helps determine what regional assets could be better leveraged to build local and regional capacity, support economic growth and develop strategic direction for the Southwest Alaska region. The strategic direction that develops from this process helps to outline programs, projects and activities towards achieving SWAMC’s economic development mission (see SWAMC Work Plan, Chapter 4); the analysis also highlight area’s where SWAMC must engage other regional, state and federal partners to be successful. The SWOT analysis also discusses Southwest Alaska’s economic resiliency, or ability to ensure long-term economic success, viability and durability; it highlights the ways in which the region is prepared and can be responsive to change. SWOT analysis categories are further explained below.

- **Strengths** – Existing relative competitive advantages. What is the state of the regional economy? What sectors and clusters are growing? What is driving these improvements? (Existing/Internal Advantages)

- **Weaknesses** – Existing relative competitive disadvantages. (Existing/Internal Disadvantages)
- **Opportunities** – Occasions for regional improvement or progress. How is the region positioned in the national and global economies? (External/Potential Advantages)
- **Threats** – Threats to regional improvement or progress. How is the region not positioned in the national and global economies? (External/Potential Disadvantages)

OVERVIEW

Southwest Alaska’s rich marine resources are the foundation of the region’s economy. As highlighted in the background in Chapter Two, the fishing industry is the region’s largest employer and contributor to the Southwest Alaska economy. At the same time, the public sector also employs many residents in the region, which provides steady income and benefits to Southwest Alaska. Despite its small population, the region also continues to secure both federal and state funding for many of the area’s projects and programs. This speaks to the region’s strong political will and ability to effectively advocate for local and regional level programs and projects. Adding to these strengths is the area’s natural landscape and abundant outdoor recreation opportunities. The potential for both consumptive and non-consumptive recreation activities include world-class wildlife viewing, hunting, fishing, boating, hiking, snow-machining – the options are endless for an experience at the edge of the Last Frontier.

Despite its strengths and potential opportunities, Southwest Alaska is still a relatively small population spread over a very large area (less than 30,000 people over 60,000 square miles⁵). As a result, the region has limited communication infrastructure, high energy costs and major transportation challenges. Declines in state and federal funding further threaten the region’s economic resiliency. Add to these threats and regional weaknesses the fact that even when there are potential job opportunities outside of the region, a lack of proper training, substance abuse issues, non-competitive salaries, high cost of living, and numerous other barriers, make it difficult for residents to connect with job opportunities. Today, many entry-level jobs are left unfilled, or they are taken by an influx of nonresident or seasonal employees. This trend is most prevalent in the region’s thriving fishing industry, although most of these jobs are held by nonresident workers. In recent years, statewide and regional efforts have begun to identify and address workforce development needs, especially in the fishery, seafood and maritime industry.

Outlined below is a detailed explanation of these various regional strengths, weaknesses, opportunities and threats, organized by key focus area including: workforce development, resources, energy, infrastructure and partnerships. This chapter, coupled with the SWOT graphic presented in the Executive Summary, set the stage and helps inform the Work Plan presented in Chapter Four. The SWAMC Board of Directors, Business Council, and Members participated in SWOT development to identify goals, objectives and strategies that support the region’s strengths and mitigate existing challenges and potential threats.

⁵U.S. Department of Commerce, *US Census Bureau State & County QuickFacts*. Retrieved on May 27, 2014 from http://quickfacts.census.gov/qfd/maps/alaska_map.html

STRENGTHS

Southwest Alaska is fortunate to have a diverse array of resources, partners and assets that support the regional economy. The area's abundant regional, state and federal partnerships and investment, combined with the region's marine animals, minerals, stranded energy potential, geostrategic location and natural environments comprise the base of Southwest Alaska's existing competitive advantage. Illustrative examples of these regional strengths follow.



“Unique beauty of the land, water, and cultural heritage.”

“Location and proximity to natural resources.”

“Working with a group of people who are used to looking outside of the box for answers to complex problems.”

- *SWAMC Business Council members, "What is the primary advantage of doing business in Southwest Alaska?"*

WORKFORCE DEVELOPMENT

There have been extensive recent efforts to identify and address the region's workforce needs. Southwest Alaska is well-positioned to expand and improve the residential workforce due to its young, trainable population. With increased training and the opportunity to develop a roadmap for connecting workers to these programs, there is potential to hire qualified local residents. Current efforts and potential SWAMC partners in the workforce development focus area include:

- **Job Growth** – Jobs are being created faster than people are moving to the region. The job growth to population growth ratio between 1997 and 2008 was 4.88, which is more than four times the national average of 0.93.⁶
- **SWAMC Labor Force** – The region's population is relatively young and the labor force has been slowly increasing since it dipped in the late 1990s (see Background chapter for trend information).
- **Training** – The University of Alaska's Fisheries, Seafood and Maritime Initiative (FSMI) was created in 2011. FSMI brings together business, academic, policy and community leaders who are working to identify workforce, economic and scientific needs related to Alaska's Fishery, Seafood and Maritime industries. FSMI will ultimately release recommendations on how to develop and sustain programs that fulfill the workforce development needs of Alaska.
- **Confronting Substance Abuse** – Partners in the region are working to develop strategies that address substance abuse concerns, one of the largest barriers to employing local residents, and

⁶ U.S. Commerce Department's Economic Development Administration (2010). *Innovation Index*. Retrieved May 20, 2014 from Stats America: http://www.statsamerica.org/innovation/innovation_index/region-select.html

keeping them employed. For example, the ‘A Team’ – a partnership between the Aleutian Pribilof Island Community Development Association, Aleut Corporation, Aleutian Housing Authority, Aleutians East Borough, Aleutian Pribilof Islands Association, held a substance abuse conference - Reclaim Alaska, focusing on support and prevention. SWAMC held a follow up component with all members of the region in coordination with the Annual Economic Summit and Membership Meeting based on stakeholder requests for information on this important and challenging subject.

- **SWAMC Programs** – SWAMC’s Science, Technology, Engineering and Math (STEM) Program explores developing human capital to take advantage of locally available resources that can support the regional economy over the long-term. As part of the SWAMC STEM Program, the organization’s Broadband Initiative promotes anchor institution use of technology and broadband internet to expand learning, working, collaborating and living, through access to communication technologies. This program supported the Kodiak Public Library in opening a new Innovation Center featuring advanced computer hardware and software to provide training opportunities to the local population. Other successes were participation in Kodiak and Bristol Bay *Science Night*, which highlights local providers of science-based careers and gets students excited about STEM opportunities in their communities; each attracted 200 attendees. The Kodiak event has become so popular that it is now an annual event, managed by the Kodiak School District. Additionally, SWAMC STEM Coordinators travel to regional communities in conjunction with Junior Achievement, a valuable program covering financial literacy and workforce skills, identified as critical gaps by private sector leaders. Programs currently under development include engagement with student and citizen scientists to collect baseline data for education as well as building foundations for future development projects, such as mariculture and renewable energy projects. Successes in the STEM program point to the need and interest of actively engaged citizens in areas important for developing local potential.
- **AKCIS** – The Alaska Career Information System (AKCIS) is an internet-based workforce development tool available to any Alaskan resident through the Alaska Commission on Postsecondary Education (ACPE). Many schools within the region already have access to the tool through their classrooms. However, a lack of training leads to underutilization of the software. A potential partnership with ACPE could allow for more thorough training and frequent use of AKCIS, which includes resume-building, interview preparedness, and workforce readiness assessments.

RESOURCES

The SWAMC region has an abundance of raw resources. In particular, the region boasts one of the most productive fisheries in the world. Southwest Alaska also has mineral, oil, and gas deposits, some of which are in development and others which are being considered for development. The region has intrinsic value, including beautiful landscapes, abundant wildlife, welcoming communities and strong cultural identities. Outlined below are key highlights of the area’s critical resource base, including current figures on how the region rates compared to other fishing regions of the world, and community/regional infrastructure that supports fisheries, and potentially other resource development industries (e.g., oil, gas, mineral development, tourism, etc.).

- **Strength of the Fishery** – The commercial fishing industry harvests 5.6 billion pounds each year from Alaska waters, equivalent to 54 percent of all US domestic harvest.⁷ The majority of Alaska landings occur in state and federal waters in the SWAMC region. According to NOAA’s Office of Science and Technology, in 2012 communities in the SWAMC region had six of the top ten ports in the United States in terms of value and four of the top ten ports in terms of volume (see Background chapter for the complete list of top ports).^{8,9}
- **Seafood Processing** –Eighteen communities offering land-based processing facilities, and 22 vessel based processors support the logistics of moving product from mobile vessels to global markets.¹⁰ Seafood processing in Alaska employs residents year-round. As stated by a SWAMC Business Council member: “When a processor opens a new facility, you have to hide if you don’t want to work.” Akutan is the self-proclaimed largest processing plant in North America, though confidentiality obscures this fact.¹¹ Saint Paul offers both the northernmost processing facility in the United States, as well the largest crab processing facility in the U.S.¹² Trident Seafoods employs thousands of workers in its many seafood processing facilities. According to Trident’s website, the Akutan shore plant is the largest seafood production facility in North America, processing over three million pounds of seafood daily and housing up to 1,150 employees.¹³ Saint Paul is home to the largest crab processing facility in the world, processing 500,000 pounds of crab daily and employing up to 400 workers in peak season.¹⁴ Unisea’s principal seafood processing facility on Amaknak Island in Dutch Harbor which processes Pollock, crab, halibut, cod and more, and employs up to 1,200 employees during the winter fishing season.¹⁵ Icicle Seafoods also has shore plant facilities in Egegik, Larsen Bay and Wood River, which collectively employ about 1,000 employees.¹⁶ Peter Pan Seafoods has major processing facilities in King Cove, Dillingham and Port Moller, employing 500, 320 and 140 people respectively during peak production periods.¹⁷ Kodiak Island has 13 state registered fish processing facilities, ranging in size from family owned boutique smokehouses to large scale industrial operations capable of processing

⁷ National Marine Fisheries Service. 2014. Fisheries Economics of the United States, 2012. U.S. Dept. Commerce, NOAA Tech. Memo. NMFS-F/SPO-137, 175p. Available at: <https://www.st.nmfs.noaa.gov/st5/publication/index.html>.

⁸ NOAA. (2012). *NMFS*. Retrieved May 22, 2014, from Leading Ports by Dollar Results: http://www.st.nmfs.noaa.gov/pls/webpls/MF_LP_PORT_YEAR.RESULTS

⁹ NOAA. (2012). *NMFS*. Retrieved May 22, 2014, from Leading Ports by Poundage Results: http://www.st.nmfs.noaa.gov/pls/webpls/MF_LP_PORT_YEARP.RESULTS

¹⁰ State of Alaska Division of Environmental Health. (2014). *Food Safety and Sanitation Program*. Retrieved May 22, 2014, from Land Based Processors: http://alaska.state.gov/alaska/seafood_listing.cfm?step=land-based

¹¹ Trident Seafoods. (n.d.). *Company*. Retrieved May 22, 2014, from Alaska Plants: http://www.tridentseafoods.com/company/plants_alaska.php

¹² Trident Seafoods. (n.d.). *Company*. Retrieved May 22, 2014, from Alaska Plants: http://www.tridentseafoods.com/company/plants_alaska.php

¹³ Trident Seafoods. (n.d.). *Company*. Retrieved May 22, 2014, from Alaska Plants: http://www.tridentseafoods.com/company/plants_alaska.php

¹⁴ Trident Seafoods. (n.d.). *Company*. Retrieved May 21, 2014, from Alaska Plants: http://www.tridentseafoods.com/company/plants_alaska.php

¹⁵ Seafood Business Magazine (June 2009). *Celebrating 50 Years of Seafood Processing*. Retrieved May 27, 2014 from http://www.seafoodbusiness.com/uploadedFiles/SeaFoodBusiness/Site_Content/2009SFBJune_Alaska50thAnniversary.pdf

¹⁶ Icicle Seafoods (n.d.). Retrieved May 27, 2014 from <http://www.icicleseafoods.com/operations/>

¹⁷ Peter Pan Seafoods (n.d.) Retrieved May 27, 2014 from <http://www.ppsf.com/facilities/index.aspx>

1.5 million pounds of fish per day.^{18,19} In all, Kodiak Island employs 1,856 fish processor in peak season.²⁰ The floating Catcher-Processor Vessels that operate in the region are some of the most sophisticated commercial vessels in the world.

- **The Community Development Quota Program (CDQ)** – The CDQ Program brings money to coastal fishing communities throughout the region. These funds support economic development, education, fisheries, tourism, workforce development and other community development activities and facilities throughout the region. Three of these organizations operate in Southwest Alaska and contribute to in-region investments: Aleutian-Pribilof Islands Community Development Association (APICDA), The Bristol Bay Economic Development Corporation (BBEDC) and the Central Bering Sea Fishermen’s Association (CBSFA). Between 2006 and 2010, these three organizations spent a combined \$21.5 million dollars each year. In 2010, the CDQ groups employed a combined 1,114 workers (direct and indirect), with an average of 82 percent of jobs going to member residents in the region.²¹
- **Community Quota Entities (CQEs)** – In 2002, the North Pacific Fishery Management Council took action to address the decline of halibut and sablefish quota shares held by residents of small, coastal communities and the negative economic impacts of the decline. The council voted to allow 42 eligible remote, coastal communities with few economic alternatives to form non-profit corporations called Community Quota Entities. CQEs purchase catcher vessel quota shares and lease the resulting Individual Fishing Quotas to community residents on an annual basis.²² The Alaska Department of Commerce, Community and Economic Development provides loans of up to \$1 million to CQEs to purchase quota shares.²³ There are currently 14 SWAMC communities eligible to participate in the CQE program.²⁴
- **Geostrategic Location** – Located in the geostrategic location of the North Pacific between Asia, North America and the Arctic, air and marine supper highways direct the flow of commercial aircraft and vessels moving goods, services and people through Southwest Alaska to every major region of the world. Six airlines pass through airspace in the region daily. 4,443 vessels transit between Asia and America on an annual basis, and as the Arctic opens up, traffic through the Bering Sea reached 484, up 123 percent from 2008-2012.²⁵ The geospatial location of Southwest Alaska has been of increasing military importance lately as Asian Powers maneuver for geopolitical prestige, the Russian Empire flexes muscle and many

¹⁸ State of Alaska Division of Environmental Health. (2014). *Food Safety and Sanitation Program*. Retrieved May 22, 2014, from Land Based Processors: http://alaska.state.gogov.com/alaska/seafood_listing.cfm?step=land-based

¹⁹ Trident Seafoods. (n.d.). *Company*. Retrieved May 22, 2014, from Alaska Plants:

http://www.tridentseafoods.com/company/plants_alaska.php

²⁰ Alaska Department of Labor and Workforce Development. (2012). Retrieved June 24, 2014, from Reserach and Analysis: <http://live.laborstats.alaska.gov/odb/odb.cfm?a=000150>

²¹ Alaska Department of Commerce, Community and Economic Development (January 2013). *CDQ Program Decennial Review*. Retrieved May 22, 2014 from <http://commerce.alaska.gov/dnn/dbs/CDQInformation.aspx>.

²² North Pacific Fisheries Management Council. (2010, March). Retrieved June 24, 2014, from Review of the Community Quota Entity (CQE) Program: <http://www.npfmc.org/wp-content/PDFdocuments/halibut/CQEREport210.pdf>

²³ Alaska Department of Commerce, Community, and Economic Development. (n.d.). *Loan Programs*. Retrieved June 24, 2014, from Community Quota Entity:

<http://commerce.alaska.gov/dnn/ded/FIN/LoanPrograms/CommunityQuotaEntity.aspx>

²⁴ National Oceanic and Atomospheric Administration. (2014, March 17). *Alaska Fisheries*. Retrieved June 24, 2014, from Eligible CQE Communities, Halibut IFQ Regulatory Area Location, Community Governing Body :

<https://alaskafisheries.noaa.gov/tr/tables/tab121.pdf>

²⁵ Marine Exchange of Alaska. (n.d.). *Marine Exchange of Alaska*. Retrieved May 21, 2014, from Port Information - All Regions: http://www.mxak.org/ports/all_regions.html

nations jockey for access to the Arctic.^{26,27,28} Southwest Alaska is also biologically strategically positioned between the North Pacific and Arctic Oceans, where nutrient rich ecosystems are uniquely plentiful and diverse in marine fish, bird and mammal species. The Pribilof Islands of Saint Paul and Saint George are placed on important migration routes for nearly all fish, birds and mammals that populate the rich Bering Sea.

- **Mineral Development** – The SWAMC region has recently seen an increase in mining investment and exploration. According to a 2012 Alaska Miners Association publication, 52 percent of statewide expenditures in 2010 spent on mining exploration were made in Southwest Alaska.
- **Natural Environment** – Drastic mountains, vast and numerous fresh-water lakes and rivers, wetlands, forests, mysterious island archipelagos, volcanoes and productive ecosystems with abundant natural wildlife create demand for outside visitors to explore the region. The mountains, rivers, lakes, wetlands, forests, archipelagos, volcanoes and wildlife in the region also help shape the identity of communities and provide subsistence opportunities for many residents.
- **Tourism Development** – The area has three units in the national park system: Lake Clark National Park and Preserve, Katmai National Park and Preserve, and Aniakchak National Monument and Preserve. The region also has numerous national wildlife refuges, national historic landmarks and state parks, including the largest state park in the country: Wood-Tikchik State Park at 1.6 million acres and Round Island.²⁹ These areas are open for public recreation and can be a big draw for visitors. While still modest compared to other areas of the state, tourism is one of the growing industries in the region. Between summer 2011 and 2012, total visitor industry spending increased from \$116 million to \$120 million and employment impacts went from approximately 1,400 jobs to 1,500 jobs.³⁰ In 2011, out-of-state to Southwest Alaska spent an average of \$1,514 per person, which is considerably higher than the average of \$941 among all Alaska visitors. This figure excludes the cost of transportation to enter/exit the state but does include travel costs within the state. The most popular activities for visitors to Southwest Alaska were wildlife viewing, fishing and cultural activities. Over half the visitors said they were likely to return to the state in the next five years, compared with 38 percent for visitors statewide.³¹

²⁶ U.S. Department of Defense. (April 1, 2014). *Defense Officials in Ukraine for Consultations*. Retrieved May 22, 2014 from <http://www.defense.gov/news/newsarticle.aspx?id=121949>

²⁷ U.S. Department of Defense. (2013). Annual Report to Congress: Military and Security Developments Involving the People's Republic of China, 2013. Retrieved May 23, 2014 from http://www.defense.gov/pubs/2013_china_report_final.pdf

²⁸ Joint Base Elmendorf-Richardson. (September 2013). *Alaskan Command*. Retrieved May 23, 2014 from <http://www.jber.af.mil/library/factsheets/factsheet.asp?id=5286>

²⁹ Alaska Department of Natural Resources. (2014). *Wood-Tikchik State Park*. Division of Parks and Outdoor Recreation. Accessed June 16, 2014 from <http://dnr.alaska.gov/parks/units/woodtik.htm>

³⁰ Alaska Department of Commerce, Community and Economic Development. (2012-2013). *Economic Impact of Alaska's Visitor Industry*. Retrieved April 18, 2104 from <http://commerce.alaska.gov/dnn/ded/DEV/TourismDevelopment/TourismResearch.aspx>

³¹ Alaska Department of Commerce, Community and Economic Development. (March 2012). *Alaska Visitor Statistics Program VI: Summer 2011*. Retrieved April 18, 2104 from <http://commerce.alaska.gov/dnn/ded/DEV/TourismDevelopment/TourismResearch.aspx>

ENERGY

Southwest Alaska has significant potential for renewable energy projects. Recent planning efforts and statewide programs have helped communities identify projects and tasks for addressing the high cost of energy.

- **Stranded Energy Potential** –The Alaska Energy Authority’s Renewable Energy Atlas of Alaska identifies many Gigawatts of power potential – Wind, Tidal, Ocean, River, Hydro, Geothermal, Biomass and to a lesser extent Solar – available to Southwest Alaska,³² far in excess of the 2.2 Gigawatts of currently installed power available to the entire State of Alaska.³³ The convergence of the North Pacific and Bering Sea creates massive potential for ocean and tidal energy in Southwest Alaska. Likewise, the Aleutians are the epicenter of many North Pacific storm systems that move eastward along the Aleutians, hitting Bristol Bay and Kodiak regions, providing an amazing source of wind power. The collision of the Pacific and North American Plate, which formed much of the regional geography including Kodiak, Aleutian Range and the Aleutian Islands, also creates geothermal energy. See “Opportunities” below for more details related to the region’s stranded energy.
- **SWAMC Energy Planning** – Under contract with AEA, SWAMC is assisting the State with an energy gaps analysis/needs assessment for Southwest Alaska communities, through the Regional Energy Planning process. This work will help the State in identifying the region’s energy needs and will help them prioritize energy projects. Through this process, SWAMC can also help the State and other partners in identifying those communities that are well positioned for new, innovative energy technologies. Facilitated by SWAMC, this collaborative project is currently identifying multiple resources to address a wide range of energy issues from homeowner energy audits, to community-wide efficiency upgrades, to region-wide energy supply projects.
- **Attractive for Emerging Energy Projects** – When energy prices are low, new projects are not always feasible because the slight savings from the new project do not offset the cost of development. With rising energy costs, new energy projects become more feasible because the savings are significant enough to offset the initial development costs. Furthermore, there is public incentive to support investments in regions with excessive costs of living. Regional examples of emerging energy projects are the ocean tidal power project in False Pass, in-river hydrokinetic in Igiugig and waste-to-heat/power incinerators in Dillingham and Egegik. When successful, these projects reap big rewards. For example, cheap renewable power in Kodiak allows investments to stay in-region and low-cost. This creates a competitive advantage for companies, especially natural resource companies that have large energy demands, and cost advantages for citizens that have more disposable income.
- **Strategic Location for Energy Distribution** – Unalaska, which has the westernmost container terminal in the state, serves as the staging area for supplies and fuel to the Bering Sea marine fleet, and also for many communities in Western Alaska. In 2006, the Port of Dutch

³² Alaska Energy Authority. (April 2013). *Renewable Energy Atlas of Alaska*. Retrieved May 23, 2014 from <http://www.akenergyauthority.org/PDF%20files/2013-RE-Atlas-of-Alaska-FINAL.pdf>

³³ Fay, Ginny, Alejandra Villalobos Meléndez, and Amber Converse. (June 2012). *Alaska Energy Statistics 1960-2010*. Retrieved May 23, 2014 from http://www.iser.uaa.alaska.edu/Publications/2012_06-EnergyStatSummaryHighlights_2010.pdf

Harbor saw almost 1.2 million short tons of freight move through the Port, which includes both foreign and domestic receipts and shipments.³⁴

- **Balancing the Cost of Energy** – Alaska Energy Authority’s Power Cost Equalization (PCE) program provides significant relief to rural communities with high residential energy costs, reimbursing up to 70 percent the cost of energy in some communities.³⁵

INFRASTRUCTURE

Southwest Alaska is comprised of geographically separate, but geostrategic, industrialized communities with good harbor, air and communication infrastructure, with capacity to supply services. For example:

- **Marine Infrastructure** – The marine infrastructure of Southwest Alaska supports one of the richest fisheries ecosystems in the world. Six of the top ten fishing port, by value, are located in the SWAMC region. Strategically located ports, capable of supporting harvesting and processing of fisheries resource, spread from Kodiak Island to Adak, St. Paul and Bristol Bay. This includes ports of refuge every few hundred miles. In addition to providing the lifeline to the area’s fisheries, the marine infrastructure supports other vital community services ranging from basic supply of food, shelter, fuel, marine supplies to specialized services. Some community-specific detail is outlined below:
 - Community infrastructure supports a fleet of 1,487 boats, each of which serves as an individual business, albeit mobile, moving between communities.³⁶
 - Twenty-two communities offer harbor facilities capable of servicing and supporting harvest vessels, and offering supply stations for food, fuel, gear and all aspects of support necessary to effectively execute the commercial fisheries of the Western Gulf of Alaska, Aleutian Islands and Bering Sea. The port of Kodiak offers export facilities and staging areas for transport to domestic markets, and transshipment to international markets.
 - The Port of Dutch Harbor is the only International port in Alaska and moves 752 million pounds of product on an annual basis. The Port of Dutch Harbor is also a deep draft, year-round ice-free port, a designated “Port of Refuge,” providing a suite of services to vessels in the Bering Sea region. The port is capable of receiving catcher boats from small 32 foot catcher vessels to the most sophisticated catcher/processor vessels and 800 foot cargo ships, making it one of the most important domestic and international cargo ports in the United States. With fuel storage of 20 million gallons, 37 and annual marine sales of 70 million gallons, Unalaska supports communities and commercial activity throughout the Bering Sea and North Pacific. Unalaska has long

³⁴ City of Unalaska. (April 2009). *Port and Harbor Ten-year Development Plan*. Retrieved May 27, 2014 from http://www.ci.unalaska.ak.us/sites/default/files/fileattachments/Ports%20and%20Harbors/page/503/port_and_harbor_10-year_development_plan.pdf

³⁵ Alaska Energy Authority and UAA’s Institute for Socioeconomic Research. (November 2012). *Residential Energy Costs + PCE Reimbursements, CA 2011*. Retrieved December 2013 from http://iser.uaa.alaska.edu/Publications/2012_11-AlaskaEnergyStatisticsCY2011PreliminaryTables.xlsx

³⁶ Alaska Commercial Fisheries Entry Commission. (2012). *CFEC Public Lookup Database*. Retrieved April 18, 2014 from <http://www.cfec.state.ak.us/plook/>

³⁷ Alaska Department of Environmental Conservation. (2010, July). Retrieved May 23, 2014, from Total Maximum Daily Loads (TMDLs) for Petrochemical Hydrocarbons in the Waters of Dutch Harbor and Iliuliuk Harbor in Unalaska, Alaska: http://www.epa.gov/waters/tmdl/docs/DutchHarbor_Final%20TMDL_7-28-10.pdf

served as the staging area for a range of activity throughout the Bering Sea and Arctic coasts, including Outer Continental Shelf Arctic hydrocarbon exploration.

- Kodiak is home to the largest Coast Guard institution in the Pacific Area and serves as the headquarters for marine safety with a jurisdiction of over four million square miles in the Bering Sea, North to the Arctic, West to the Russian border and east to Central Gulf of Alaska.³⁸ The community supports the largest diversified fishing fleet in Alaska, including harvesting and processing of all commercially viable fisheries, domestic shipping and services to meeting the needs of all vessels up to 150 foot, and basic support for other vessels of any size, including 1,000 foot cruise ships. Two boat lifts, a small one for boats up to 50 feet, and a large one for boats up to 150 feet, increase the community's capacity to service marine vessels, with expanding capacity of specialty service firms.
- St. Paul is surrounded by 250 miles of ocean in every direction, and thus serves as natural refuge for any vessels transiting the Bering Sea. While ice does engulf the island, it is generally new ice, which vessels can pass, allowing nearly year-round ice-free ports in the North Pacific.
- Bristol Bay communities sit at the headwaters of the most productive sockeye salmon run in the world, and provide the necessary infrastructure to harvest, process and move up to 100 million pounds of salmon annually.
- Communication infrastructure in Southwest Alaska has expanded substantially in recent years. Adequate communication infrastructure is critical for successful natural resource management, educational advantages and better connection to domestic and global networks of family and friends; with an overall effect of more opportunity and a better quality of life. Advanced fiber optic cable connects Kodiak, home to 40 percent of SWAMC's regional population, with the Bristol Bay receiving a hybrid fiber/micro-wave system linked into the global backbone, reaching another 40 percent of the SWAMC population; the Alaska Peninsula, Aleutian and Pribilof Islands are serviced by satellite service. Expanded communication infrastructure has enhanced and improved the productivity of the region to create new businesses, increase the speed of information transfer. For example, while still somewhat limited, internet connectivity has begun to revolutionize life in rural Alaska. GCI's recent TERRA project upgraded several Bristol Bay communities to a new microwave network and expanded a new high speed fiber optic network into several Lake and Peninsula communities³⁹. Residents of Port Alsworth, for example, now have access to download speeds of up to 6.0 Mbps⁴⁰. The increasing availability of the internet has opened up access to shopping and business opportunities. For example, Amazon Prime has become a frequently used means of shipping inexpensive globally available supplies.
- **Air Transportation** – Air transportation is the primary means of regional travel; all communities in the SWAMC region have capabilities to receive air service, ranging from dirt runways to some of the largest runways in Alaska (e.g., Cold Bay at 10,180 ft., Adak at 7,790 ft., Shemya at 10,004 ft., King Salmon at 8,901 ft. and Kodiak at 7,880 ft.).⁴¹ These runways

³⁸ U.S. Department of Homeland Security. (September 2013). *Air Station Kodiak*. United States Coast Guard. Retrieved May 22, 2014 from <http://www.uscg.mil/d17/airstakodiak/>

³⁹ GCI. (n.d.). *GCI TERRA*. Retrieved June 10, 2014, from TERRA Southwest: <http://terra.gci.com/maps-locations/terra-southwest>

⁴⁰ GCI. (2014). Retrieved June 10, 2014, from Residential Internet Plans: <http://www.gci.com/internet/plans>

⁴¹ Federal Aviation Administration. (2014). NFDC. Retrieved May 27, 2014 from National Flight Data Center: <https://nfdc.faa.gov/xwiki/bin/view/NFDC/WebHome>

provide occasional emergency landing services for the airline superhighway over the North Pacific. On October 30, 2013, Delta Flight 208 made an emergency landing in Cold Bay in route from Tokyo to San Francisco. Additionally, a service industry for supporting and maintaining small aircraft exists in Dillingham, King Salmon, Cold Bay and Kodiak. Air service is limited by the capability of the runways, which in some communities are too short for cargo and larger commercial air carriers.

- **The Kodiak Launch Complex** – The Alaska Aerospace Corporation (AAC) maintains the Kodiak Launch Complex (KLC) on Kodiak Island. AAC works with both national and commercial organizations, primarily doing satellite launches. The Launch Complex brings direct and indirect benefits to the region through local contracting, local hire and increased visitation to the region. The Kodiak Launch Complex offers the advantage of location, with a wide-open southern launch corridor and an unobstructed down-range flight plan over relatively open-ocean. The location is ideal for launching expendable launch vehicles with payloads requiring low-Earth polar or sun-synchronous orbits.⁴²
- **Military Strategic Location** – Shemya Alaska offers a military strategic location. It currently houses the COBRA DANE L-band large phased array radar system, monitoring activity throughout the Pacific Ocean.⁴³

PARTNERSHIPS

Southwest Alaska is fortunate to have an interconnected network of businesses, organizations and communities that work closely with one another to achieve shared goals and to improve the economy of the region.

- **State and Federal Presence in the Region** – New money is constantly entering the region through salaries, contracts and transfer. The large federal and state presence in the region, in the form of land ownership and major facilities, precipitates that public employees oversee and manage these resources; salaries of which inject new cash into the economy. Government funding employs regional residents directly and brings in additional funds through grants, infrastructure funding, statewide programs and more. Many of the federal and/or state infrastructure projects inject new capital into the region and are often followed by new support businesses to help address contractor needs (e.g., building materials and equipment, housing, food, gas, etc.). There is also an inflow of government transfers tied to Alaska Native corporate dividends, as well as federal subsidies that go to residents that fall below the poverty line.
-
- **SWAMC as a Convener/Coordinator/Facilitator** – SWAMC’s key strength is to coordinate resources and to pursue shared interests within the region and between regional and non-regional partners. SWAMC acts as a mediator between people, businesses, institutions, communities and government. Specifically, SWAMC:
 - Maintains a network of over 115 members, and an additional 75 associates pursuing shared interests, maintaining individual networks for Energy, Infrastructure, Basic Sector Resources, Tourism, Natural Resources, Fisheries, Workforce Development and Economic Development. A complete list of SWAMC members and associates is listed on the organizational website, www.swamc.org.

⁴² <http://www-pao.ksc.nasa.gov/kscpao/nasafact/kodiak.htm>.

⁴³ Missile Defense Agency. (2013, October 21). Retrieved May 22, 2014, from COBRA DANE Upgrade: <http://www.mda.mil/global/documents/pdf/cobradane.pdf>

- The SWAMC Business Council, who convened for the first time in December 2013, is intended to help guide SWAMC’s economic development efforts while also establishing a forum for business leaders in the region to network with one another and identify shared opportunities. According to Business Council Members, local municipalities, as well as the State of Alaska, are both very supportive and willing community and economic development partners. See the introductory chapter and appendices for a detailed description of the Business Council.
- SWAMC acts as a liaison between communities and the Alaska Energy Authority (AEA). SWAMC currently has contracts with the AEA for conducting Energy Planning in the three sub-regions of Southwest Alaska. Though the Energy Planning process SWAMC connects with local governments, utilities providers, CDQ’s, Tribal groups, and local development interests to open dialogue on energy issues and priorities for communities in the region. In addition to SWAMC’s energy planning, SWAMC plays an active role in identifying and helping to enact community energy projects such as the tidal project in False Pass.

WEAKNESSES

Many of the same regional strengths are also inherent weaknesses. The vast and rugged environment, coupled with the extreme weather and swings in seasonal abundance, creates difficult transportation linkages, increasing costs to mobilize capital, with high costs to develop and maintain infrastructure. Together, these challenges yield low population levels and difficult economic development conditions. The primary economic engine in the region is based on a fully capitalized resource, fisheries; this resource is constrained from value-added activities by the cost of energy. Illustrative examples of these regional weaknesses follow.



“The cost of living drives wages up and makes it difficult to retain qualified employees.”

“Small markets. Economies of scale are hard to find.”

“High transportation and energy costs.”

- *SWAMC Business Council,
What is the primary challenge of doing
business in Southwest Alaska?*

WORKFORCE DEVELOPMENT

Businesses and organizations note the difficulty of training and maintaining a stable, qualified, reliable workforce in Southwest Alaska. Many businesses hire out-of-state employees because local residents are either not qualified and/or uninterested in the jobs available. Unemployment remains high while job positions remain vacant. The high costs of living and challenges found in remote communities can add additional barriers. Specific examples of these and other barriers are outlined below.

- **Lack of Education, Training**– A 2012 FSMI Education and Training Gap Analysis of the Fisheries, Seafood and Maritime Workforce noted statewide: ⁴⁴
 - Technical skills are in short supply;
 - Access to information and training is difficult;
 - There is a lack of exposure to industry skills and opportunities at a young age; and,
 - In general, it is difficult to find qualified people in rural regions.
- **Flat Population Growth and Aging of the Fleet** – The population of Southwest Alaska has remained relatively stagnant and has experienced slower growth than the rest of Alaska. Additionally, many residents in the fishery, seafood and maritime industry are nearing retirement age. There is a perceived “graying” or aging of Alaska’s fishing fleet, and what is understood to be a small pool of younger fisherman to take their places. A more definitive assessment of this perceived problem is being assessed by researchers at the University of Alaska Fairbanks and the Alaska Marine Conservation Council. The project, titled “Graying of the Fleet in Alaska’s Fisheries: Defining the Problem and Assessing Alternatives”, is funded by the North Pacific Research Board. The project started in August of 2013; research results are anticipated for release in late 2017.
- **Communication Infrastructure** – This list echoes many of the concerns that were voiced by Business Council representative. Many Business Council members stated they frequently have trouble finding interested and qualified candidates in rural communities. Explanations range from a lack of training, subsistence activity conflicts, and substance abuse with local residents, to lack of interest from workers outside of the region due to remoteness, lack of housing and high costs of living. As stated by one Business Council member: “When I have employees in a town who can’t function because email, voicemail or cell phones don’t work, it can be very difficult to do business. If it takes three hours to get ahold of someone and they’re sitting in Dutch Harbor with a \$1,000-an-hour tug, that’s a big lost cost to me.”
- **Technology and Training** – Additional concern related to education and training opportunities is the relatively expensive and slow communication technologies available in many parts of Southwest Alaska. Training institutions in the region, like SAVEC, and the UAF Bristol Bay and Aleutian campuses, that would like to expand their offerings with cost effective and more elaborate digital training courses are unable to do that with existing communication infrastructure.
- **Non-Resident Employment** – Many jobs in the region are filled by non-residents. For example, the number of Southwest Alaska residents employed in the fish processing workforce is less than 20 percent, with some variation across regions: two percent in Bristol Bay, 16 percent in the Aleutians/Pribilof Islands and 51 percent in the Kodiak Region.⁴⁵

⁴⁴ University of Alaska (May 2012). *Education and Training Gap Analysis for the Fisheries, Seafood, Maritime Workforce*. Retrieved April 28, 214 from <https://www.alaska.edu/files/fsmi/FSMFinalReport5-14-12.pdf>

⁴⁵ Alaska Department of Labor and Workforce Development. (2012). *Research and Analysis Section*. Retrieved May 20, 2014 from <http://laborstats.alaska.gov/seafood/seafoodaleutians.htm>;
<http://laborstats.alaska.gov/seafood/seafoodbristol.htm>; <http://laborstats.alaska.gov/seafood/seafoodkodiak.htm>

- **Data Gaps** – The lack of relevant participation data, especially with commercial fishing crew, is a data gap which presents difficulties collecting baseline data to improve conditions for the largest single labor force in the region. Another good example – there is no workforce development database for tracking employment opportunities, training opportunities and skilled laborers in the region. The information that is available is scattered and difficult to find.

RESOURCES

The SWAMC region has an abundance of raw resources. However, many of these resources are difficult to access and take energy and infrastructure to transport, process, and add value to them, optimally moving them up the value chain to become more profitable end products. Following are some of the specific regional barriers to increasing the value of Southwest Alaska’s resources.

- **Extreme Weather** – While Southwest Alaska is relatively warm by Alaska standards, high winds are prevalent throughout the region, with the highest winds in the Aleutians and Gulf Coast. The low pressures that generate wind also create a prevalence of low cloud cover, fog and precipitation. This combination of wind and obstructed visibility from precipitation (often rain), places additional strain on the transportation networks, reducing service and increasing costs of operation.
- **Resource Fluctuation** – Seafood, which is the essential driver in the region, is subject to natural fluctuations. These fluctuations happen on natural biological and economic cycles, subjecting the regional economy to constant uncertainty. Halibut stocks are currently experiencing a biological fluctuation, where Pacific Biomass has dipped considerably from the high of 22,500,000 metric tons that occurred in the mid-90s.⁴⁶ Salmon markets experienced economic fluctuation, when ex-vessel value peaked at around \$2.30 in 1988 and fell to \$0.60 in 2000. In 2017, the ex-vessel value was around \$1.10.
- **Seasonality of Resource Utilization and Employment** – Many of the key industries and employment in Southwest Alaska are seasonal in nature, including fishing, tourism, mining and construction. This means that unemployment rises in the fall and winter months. In Aleutians East Borough, for example, between 2014 and 2016 the average unemployment rate was 2.6 percent in July and rose to 6 percent in December.⁴⁷
- **Adding Value to the Resource** – Alaska’s fisheries resources are fully utilized, and because the resource is managed for long-term returns, the short-term extraction is effectively capped. Over the long-term, new commercial fisheries resources are not expected to proliferate, which leaves only two means of incorporating new money into the regional economy: increased ownership, which allows resource rents to flow back to the region, and increasing value for each unit produced. Due to the maturity of the fishery, and high costs of entry, vastly increasing local ownership opportunities is limited. Fish permits are prohibitively expensive for younger fishermen, making it difficult for the next generation to enter the industry. When permits are owned by nonresidents they contribute less to the regional wealth as that revenue generally leaves Southwest Alaska. Due to the high costs of energy for operations, including capital mobilization, utilization, and transportation, value added processes are limited.

⁴⁶ Trends in Groundfish Biomass and Recruits per Spawning Biomass. (2014). Boldt, Jennifer. Retrieved May 27, 2014 from NOAA: <http://access.afsc.noaa.gov/reem/ecoweb/html/ecocontribution.cfm?id=33>

⁴⁷ Alaska Department of Labor and Workforce Development. (2013). *Alaska Local and Regional Information*. Retrieved April 18, 2014 from <http://live.laborstats.alaska.gov/alari/details.cfm?yr=2012&yr=2011&yr=2010&dst=01&dst=03&dst=04&dst=02&dst=06&r=6&b=0&p=0>.

- **Potentially Conflicting Resource Development** – Abundant resources can lead to conflict as to best use, and concerns for trading one resource for another. The North Pacific Fisheries Management Council manages primarily for the long-term sustainability of the fisheries; they also balance allocation of rights to different groups, within the fishing industry. The Pebble Mine claims to be one of the biggest of its kind in the world, and brings the potential to diversify the regional economy, although concerns from the fisheries sector about developing mines at the expense of fish (and culture) has left the project’s future uncertain.

ENERGY

High energy costs in the region lead to higher costs of doing business. Some larger businesses and processing sites have elected to generate their own power because local utilities are either unable to provide sufficient levels of power at an affordable costs. Specific barriers to economic development caused by lack of local access to cheap, renewable energy are outlined below.

- **High Cost and Logistics** – Many communities struggle to import energy due to high costs and the logistical challenge of bringing fuel into remote locations. High costs of energy act as a tax on the disposable spending power of local populations, and an increased cost of doing business for firms.
- **Access to Stranded Renewable Energy Sources** – The cost and technological ability to access abundant stranded energy supplies prevents many local sources of energy from entering the local economy.
- **Lack of Comprehensive Planning** – A comprehensive energy plan is still in development. Energy investments in the region is sporadic and does not always include appropriate analysis and foresight. While some intertie and strategic planning has been done on a small scale in Southwest Alaska, the region as a whole does not currently have an energy plan to guide investment.
- **Need for Public-Private Partnerships** – Entities with the capacity to develop their own power often do, forgoing partnerships with small capacity communities that could benefit from greater integration between the largest users. In some communities where the public utility simply does not have the capacity to provide consistent, reliable, cheap power to big processors, some public-private partnerships have been forged. Within the last five years, the City of Unalaska partnered with Unisea and other large processors in the community to assess the potential for a natural gas supply that could meet the needs of community residents while also satisfy high energy demands of large processing and storage facilities.

INFRASTRUCTURE

Communication, transportation, housing and other infrastructure is essential to life and the economic viability of the region. However, the harsh environment, small populations, distant communities and poor transportation linkages contribute to the difficulty and expense of maintaining infrastructure in rural Southwest Alaska.

- **Geography and Connectivity** – The lack of overland connectivity limits transportation options to air and sea, raising the cost of moving goods, services and people. Vessels are an efficient means of moving goods, although scaling capabilities to meet needs in small, and variable sized communities creates further inefficiencies. While vessels are well equipped to move a large quantity of any one item, using vessels to serve communities with many different

needs provides for inefficient designs that would be otherwise more capable. The ocean south and east of the Aleutians is ice-free year-round, although sea fast ice forms in Bristol Bay, as far south as Egegik⁴⁸, including the Pribilof Islands, completely eliminating marine transportation. An alternative, and often the primary means of transportation for most communities is flying. Flying is fast and flexible, although it is also very expensive, and does not effectively move bulk goods. Air services also is constrained by economies of scale, with often long distances servicing a small population, with limited community infrastructure, allowing for only small aircraft to service the community. There is no probability of an overland route being established to the Southwest Alaska region in the foreseeable future.

- **Capital Mobilization and Maintenance** – The limitations to regional transportation linkages precipitate that moving, establishing and maintaining infrastructure is relatively expensive and slow in comparison to most other regions. Further complicating projects, are the projected tightening of public budgets which are a primary source of infrastructure funding in the region. As projects are delayed, the cost increases, and infrastructure becomes more strained and aged with time, which further reduces the efficiency of maintaining existing and new capital projects. Many facility and/or industry-specific projects are privately funded, primarily associated with specific types of resource development. Many Southwest Alaska coastal communities have aging port facilities in need of repair, infrastructure that would normally help facilitate private investment weighs on, potentially reducing private investment.
- **The Alaska Marine Highway** – The Alaska Marine Highway System currently services Southwest Alaska with the M/V Tustumena, the oldest vessel in the State fleet. The ferry has been in service since 1964 will likely be retired in another 5-10 years. The Tustumena spent almost a year out of service starting in October 2012 and was again in dry dock for most of the summer of 2017, removing one of the primary channels of transportation for Southwest Alaska while repairs were underway. A new ferry to replace the M/V Tustumena has been designed and State funding to match Federal Highway funds was appropriated in the 2017 Capital Budget. A new vessel should be constructed in the next four to five years.
- **Limited, Unreliable, Costly Air Service and Poor Infrastructure** – Southwest Alaska has a small number of airline operators serving many communities; in some communities there is only one commercial operator providing flight services. Flights are expensive and increasing in cost; service is often unreliable. Typical flights to Adak, Unalaska and Saint Paul cost between \$500 and \$1,000 per one-way flight.⁴⁹ For less money, individuals can sometimes purchase one-way tickets from Anchorage to Paris (\$812), London (\$609), or Honolulu (\$358).⁵⁰ In a recent series of land use planning community meetings and stakeholder interviews in Unalaska, one of the most repeated statements was: “Extend our runway and bring in new air carriers.” Airport infrastructure is limited and inadequate in many communities. Of the 66 airports in the region, many have runways that are insufficient in length or width to handle cargo and/or more than eight passengers. For communities that are considering processing plants as economic development projects, insufficient runway length and surfaces are an issue.

⁴⁸ Source: Alaska Center for Climate Assessment and Policy using the Sea Ice Atlas Tool created by the IARC, viewing Feb 2013.

Retrieved 27 May 2014. Sea Ice Atlas Tool: <http://seiceatlas.snap.uaf.edu/explore>

Project description located at: <https://accap.uaf.edu/?q=project/digital-sea-ice-atlas-alaska-waters>

⁴⁹ Bureau of Transportation Statistics, Research and Innovative Technology Administration. (2013). *Average Domestic Airline Itinerary Fares by Origin City*. Retrieved April 18, 2014 from <http://www.transtats.bts.gov/AverageFare/default.aspx>

⁵⁰ Prices from a search of flights on kayak.com, conducted on May 16, 2014.

- **Poor Communication Infrastructure** – Cell phone reception is limited throughout the Southwest region. In some locations the issue is contractual: certain carriers hold exclusive coverage rights to communities. Internet connectivity in the region is also variable and often inadequate.⁵¹ 90 percent of Kodiak Island Borough households have access to download speeds of over 10 Mbps⁵². In contrast, the fastest available residential internet access in the Aleutians clocks in at 1 Mbps.⁵³ In some communities, faster network connection services are available but the costs are prohibitively high for many businesses and households.
- **Limited Affordable, Quality Housing** – Some communities are experiencing housing shortages and have limited land availability for constructing new homes. In Dillingham Census Area, 18 percent of occupied units are overcrowded, followed by 13 percent in the Lake and Peninsula Borough and nine percent in the Kodiak Island Borough.⁵⁴ These numbers are significantly higher than the state and nationwide rates of six and four percent, respectively. In recent interviews of Unalaska residents for a community land use project, one newcomer to the community had moved four times in one month in search of available, affordable housing. In that community, and many others in the region, there are developable lands for housing, however, the cost of construction and lack of collaborative fundraising have been barriers to constructing new housing developments.⁵⁵
- **Ageing Industry Facilities** – The commercial fish processing industry in Southwest Alaska has some of the oldest plants in the state, many are decades old. Aged infrastructure adds costs to updating processes that could be more easily implemented in new builds. An assessment of Dutch Harbor processing facilities, while some of the most sophisticated manufacturing plants in the state, were not as efficient with energy use as could be with diesel as the main source of energy. They were constructed in a period of low diesel prices; energy efficiency was not a concern or priority. As the price of energy rises, the cost of efficiency becomes more important.
- **Sustainability of The Kodiak Launch Complex** – The Alaska Aerospace Corporation (AAC) maintains the Kodiak Launch Complex (KLC) on Kodiak Island. KLC is not launching enough rockets to be sustainable – they need at least one or two additional launches a year. As a public corporation of the State of Alaska, its continued funding might be at risk unless the Complex is able to increase annual launch numbers.

PARTNERSHIPS

Local, regional, state and federal – public and private – partnerships and collaborations are key to the success of any project. In Southwest Alaska, there continue to be some challenges with forging new and expanding old business partnerships. There is continued tension and a perceived lack of understanding with federal partners. Perhaps because of the size of the area, and the challenging

⁵¹ Connect Alaska. (October 2013). *Borough Profiles*. Retrieved April 18, 2014 from <http://www.connectak.org/mapping/state>

⁵² Connect Alaska. (2014, May). *Facts and Figures*. Retrieved June 10, 2014, from Estimated Availability of Broadband Service by Borough, Census Area and Municipality: http://www.connectak.org/sites/default/files/facts-figures/files/ak_may_2014_table_5.pdf

⁵³ Dave Goggins, TelAlaska, personal communication, July 29, 2014

⁵⁴ Wiltse, N., Madden, D., Valentine, B., Stevens, V. (2014). 2013 Alaska Housing Assessment. Cold Climate Housing Research Center. Prepared for: Alaska Housing Finance Corporation. Retrieved April 18, 2014 from <http://www.cchrc.org/2013-alaska-housing-assessment>.

⁵⁵ Wiltse, N., Madden, D., Valentine, B., Stevens, V. (2014). 2013 Alaska Housing Assessment. Cold Climate Housing Research Center. Prepared for: Alaska Housing Finance Corporation. Retrieved April 18, 2014 from <http://www.cchrc.org/2013-alaska-housing-assessment>.

communication infrastructure, there are still not enough regional partners working together, across subregions, to address common issues. Specific examples are outlined below.

- **Communication with Federal Partners** – Communication between the business community and local/state government entities is mostly positive and productive. In contrast, interactions with federal government agencies can be strained and frustrating for Southwest Alaska business owners and leaders. Different federal agencies have different rules and procedures, making permitting and licensing processes confusing, expensive and difficult to navigate. As one Business Council member put described: “It’s important that we’re all good stewards and operators but it’s getting to be where it’s harder and harder to get through the day because of the levels of redundant paperwork. A lot of it is redundant. You’d think the different agencies could get together. For example, why should my captains have to carry three different picture IDs for three different agencies?” Additionally, recent federal regulatory changes have made the business climate in the region more challenging. Many of these regulations address issues that are not applicable in Alaska but that are enforced here. From one Business Council member: “The federal government increased the mandatory rest time that pilots need. We had to hire 25 new pilots. Pilots are the most expensive employees on my payroll. We also recently saw a 30 percent cost in the increase in the costs of our health care.”
- **Inconsistent Regional Collaboration** – Despite some existing partnerships between regional workforce development entities and the region’s educational institutions, there are still limited training and education opportunities to train residents for the necessary technical and specialized skills.
- **Lack of Support for Local Business Community** – Dillingham and Kodiak are the only two communities in the region with a Chamber of Commerce office. Chambers support economic development and promote business interests.

OPPORTUNITIES

Stranded and underutilized resources offer the best opportunity for future growth in Southwest Alaska. The stranded wind, geothermal, hydraulic and tidal energy resources in the region contain immense energy potential. Business leaders interested in currently inaccessible arctic resources and other deep-sea minerals will likely utilize Southwest Alaska’s infrastructure as a launching point for future resource development. The institutional strengths of the region’s CDQs and Alaska Native Corporations, and their ability to access new partners, resources, and economic development opportunities, is a promising starting point for increasing the region’s wealth.



“Southwest Alaska has tremendous potential to grow and ultimately, looking out 50 to 100 years become a key area globally for arctic development and transportation.”

The region is virtually unexplored for hard rock mineral resources. It’s a real frontier where we may find a mineral deposit ultimately worth billions.”

- *SWAMC Business Council*

WORKFORCE DEVELOPMENT

While there are extensive workforce development needs in the region there are many efforts underway to address the issue and find solutions, including increased partnerships between regional entities and public and private partners outside of the region. These efforts are bringing together businesses, governments, Alaska Native Corporations and educational institutions.

- **Public and Private Investment in a Skilled, Trained Workforce** – As described earlier in “Strengths”, existing and potentially increased investment by the region’s Alaska Native Corporations and CDQ groups, as well as continued investment by the University of Alaska, in providing scholarships, training opportunities, comprehensive programming, learning facilities, and multiple modes for taking coursework, is key to providing the necessary and appropriate education and training for Southwest Alaska’s future workforce. In May 2014, the University of Alaska’s Fisheries, Seafood and Maritime Initiative (FSMI)’s multidisciplinary team released the Alaska Maritime Workforce Development Plan. This plan contains actionable directions and strategies to strengthen Alaska’s maritime sector.⁵⁶ The Alaska Commission on Post-Secondary Education is also training local educational groups on using the new workforce development tool Alaska Career Information System (AKCIS) effectively.
- Maturation of the Cluster Model of Economic Development, and success in similar markets, such as recent successes in Iceland, provide a future model that Alaska may follow to coordinate workforce and economic development.

RESOURCES

Increased local resource ownership, value-added activity, Arctic expansion and expanding tourism activities are the best opportunities to contribute to the long-term health of the regional economy. Specific examples include:

- **Resource Ownership** – Regional proximity and associated knowledge with coastal marine resources provides local populations with a competitive advantage for utilizing marine

⁵⁶ University of Alaska. (May 2014). *Alaska Maritime Workforce Development Plan*. Retrieved May 22, 2014 from http://www.alaska.edu/files/fsmi/AK-Maritime-Workforce-Dev-Plan_Low-Res_5-6-14.pdf

resources. While outside populations may consider spending a disproportionate time in Southwest Alaska an inconvenience, the local population may be more willing to commit to long-term execution of fisheries in the region. Given the special knowledge and lower costs, local residents are well positioned to become resource owners over time. Limited access to capital, the largest barrier to becoming permit holders or owners, could be overcome through management and financial policies. For example, Bristol Bay Economic Development Corporation currently offers a permit buy-back program to increase the number of locally owned permits.⁵⁷

- **Increased Demand for Seafood Products** – According to a presentation on Alaska Salmon Market trends, ex-vessel value for salmon has seen a dramatic increase in the last decade. World demand for salmon has increased, and Alaska salmon is growing in popularity in Europe.⁵⁸
- **More Processing in the Region** – Only a proportion of seafood processing happens in the region. Typically the first round of processing (initial filleting and freezing) doubles the value of the resource, while the second round (preparation, packaging) doubles it again. If more of this value-added processing is done in Southwest Alaska, more money will come back into the region as a result of the raw resource; moving up the value-chain.
- **A Place for Eco and Adventure Tourism** – The vast and dramatic landscape that creates difficulties for transportation linkages, add to the region’s remoteness, mystique, abundant natural wildlife and overall natural beauty and are a tourism draw, especially for recreational fishermen, adventurers and travelers looking for ecotourism opportunities. Growing classes of newly wealthy are looking for new and exciting adventures, and may be willing to spend extra money for a unique experience.⁵⁹ Adventure tourism is growing as well – the market rose 65 percent between 2009 and 2012.⁶⁰ Southwest Alaska’s abundance of public lands and proximity to national and state parks also make it a desirable location for U.S. and international travelers.
- **Increase in Mining Activity** – The region has seen an increase in mining exploration as multiple mine sites in Southwest Alaska are considered. The mining exploration process brings employment and investment to the region; in 2010, \$137 million was spent on mining expenditures in Southwest Alaska.⁶¹ Future mining development would employ residents and bring in new energy and infrastructure investments to the region.
- **Arctic and OCS Resources** – Nearly all year-round, deep-sea ports available for accessing arctic and Outer Continental Shelf (OCS) resources in the Arctic and North Pacific Ocean are found in the Aleutians and Southern Gulf of Alaska. The Arctic and OCS represent some of the least understood environments on earth, and thus a great opportunity for new resources

⁵⁷ Bristol Bay Economic Development Corporation. (n.d.). *Permit Loan Program*. Retrieved May 22, 2014 from http://www.bbedc.com/?page_id=187

⁵⁸ Knapp, Gunnar. (April 2012). *Trends in Alaska Salmon Markets*. University of Alaska’s Institute of Social and Economic Research. Retrieved April 28, 2014 from http://www.iser.uaa.alaska.edu/Publications/presentations/2012_04_12-TrendsInAKSalmonMarkets.pdf

⁵⁹ Rising Global Per Capita Wealth, 2013 Global Wealth Report by Credit Suisse Research Institute: *Global Wealth Reaches New All-Time High* retrieved from: <https://www.credit-suisse.com/us/en/news-and-expertise/research/credit-suisse-research-institute/news-and-videos.article.html/article/pwp/news-and-expertise/2013/10/en/global-wealth-reaches-new-all-time-high.html>

Note particular surge of growth in Chinese tourism, Presidential support noted on May 23, 2014 at: <http://www.forbes.com/sites/kenrapoza/2014/05/23/obama-opens-floodgates-to-chinese-tourists/>

⁶⁰ Concurrent growth occurring in adventure tourism, retrieved from: <http://www.adventuretravelnews.com/new-adventure-tourism-report-reveals-263b-market-up-65-per-annum-since-2009>

⁶¹ Alaska Miner’s Association. (January 2012). *The Economic Impacts of Alaska’s Mining Industry*. Retrieved May 22, 2014 from http://www.alaska.edu/files/bor/120412Ref04_AK_Mining_Industry_Economic_Impacts.pdf

and exploratory possibility. The impetus for this development will be driven by private organizations and federal interest with capabilities and incentive to invest in regional communities.

ENERGY

Southwest Alaska has an abundance of renewable energy options that have the potential to offset the current high costs of energy. Recent efforts to coordinate energy planning have been successful; further expanding these efforts could greatly benefit communities experiencing high energy costs.

- **Stranded Energy Potential and Supporting New Models**– Improving renewable energy technology means that energy investments are becoming more feasible. The success of pilot projects from around the world can offer additional information to guide future investments. As described earlier, regional examples of emerging energy projects are the ocean tidal power project in False Pass, in-river hydrokinetic in Igiugig and waste-to-heat/power incinerators in Dillingham and Egegik.
- **Bulk Fuel Programs** – Bulk fuel purchases are the opportunity to be an effective means of lowering energy costs. The formation of regional purchasing groups can increase purchasing power and help lower fuel prices.
- **Energy Efficiency Programs** – There are a number of statewide energy efficiency programs available in Alaska, including Alaska Housing and Finance Corporation (AHFC)'s Weatherization Assistance Program and the Home Energy Rebate Program. As a whole, these funds have historically been underutilized. This is likely due to a combination of a lack of access to capital for upfront improvement costs, potential tax liability, limited program outreach and limited availability of vendors to conduct assessments. While most of Southwest Alaska has seen high participation rates in these programs, some areas have low homeowner participation rates such as Aleutians West Census Area and Kodiak Island Borough (four percent and 16 percent, respectively).⁶² Homeowners in these areas could benefit from the cost savings of these energy programs. Low participation rates in Aleutians West Census Area and Kodiak Island Borough represent an opportunity for SWAMC to work with AHFC to do direct outreach to homeowners and business facility owners that could benefit from these and other energy efficiency programs.
- Alaska natural gas development has the potential to bring lower cost energy to rural Alaska.⁶³ Unalaska is investigating a LNG through a pilot project to begin next year.

INFRASTRUCTURE

The opportunities to expand and improve Southwest Alaska's communication, housing, transportation and other infrastructure are dependent on the willingness to invest by both regional and external partners. In some cases, the return on investment is years off, as may be the case with arctic development and transport. In other instances, such as the housing and water/sewer projects described below, the direct benefits of cash investment are or will be realized by improved community

⁶² Wiltse, N., Madden, D., Valentine, B., Stevens, V. (2014). 2013 Alaska Housing Assessment. Cold Climate Housing Research Center. Prepared for: Alaska Housing Finance Corporation. Retrieved April 18, 2014 from <http://www.cchrc.org/2013-alaska-housing-assessment>.

⁶³ White, Bill. (March 2014). *Guide to Alaska Natural Gas Projects*. Office of the Federal Coordinator: Alaska Natural Gas Transportation Projects. Retrieved May 28, 2014 from <http://www.arcticgas.gov/guide-alaska-natural-gas-projects>.

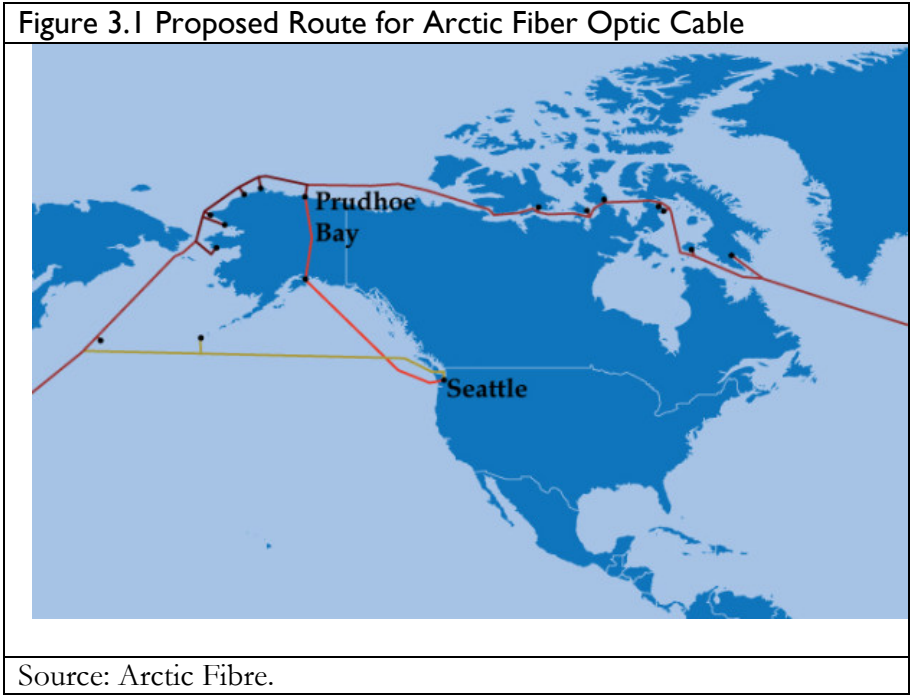
infrastructure and lower costs of living in rural communities. In all cases, SWAMC plays a key role in bringing together creative, innovative groups that can brainstorm, research, invest, and potentially implement new infrastructure in Southwest Alaska. These innovative projects and investments have the potential to create new jobs, businesses and overall regional wealth. Specific examples include:

- **Arctic Transport** – A new book released by the University of Calgary Press addresses the recent increase in activity in the Arctic and discusses potential opportunities.⁶⁴ The book concludes three emerging opportunities: resources, security and science. While Arctic shipping has long been a topic of discussion, the book concludes that Arctic shipping is unlikely to become a widely used transportation medium over the next few decades due to seasonal restrictions, lack of infrastructure and the need for expensive ice-breaking cargo carriers. However, the region is seeing slight increases in traffic. For example, a Norwegian Carrier is planning to stop in Dutch Harbor on its way back to South Korea this July to pick up seafood and carry it over the pole for delivery.
- **Arctic and OCS Infrastructure Support** – Infrastructure for early exploration of potential resource development of the Arctic and Outer Continental Shelf (OCS) is currently available in the Southwest Region. Future well development and/or production will require specialized equipment and the construction of shore-side support infrastructure. The impetus for this development will likely be driven by private organizations and federal interest with capabilities and incentive to invest in regional communities.
- **Housing and other Community Infrastructure** – Research groups around the world are engaged in helping populations in remote, rural communities identify new technologies and systems for driving down the cost of living and improving quality of life. Two recent efforts include the Aleutian Housing Authority’s “Living Aleutian Home Design” competition and the State of Alaska’s Department of Environmental Conservation’s Water and Sewer Challenge.⁶⁵ In both cases, consultants, including architects, housing experts, engineers, and planners from around the globe have been invited to submit and test their best ideas for designing, creating and constructing creative, affordable housing and community water and sewer systems for Alaska’s most remote communities.

⁶⁴ Zellen, Barry Scott. (June 2013). *The Fast-Changing Arctic: Rethinking Arctic Security for a Warmer World*. University of Calgary Press. Accessed May 16, 2014 from <http://uofcpress.com/books/9781552386460>

⁶⁵ Living Aleutian Home Design announcement, <http://www.akbizmag.com/Alaska-Business-Monthly/May-2012/Spanish-Team-Wins-Living-Aleutian-Home-Design-Competition/>; and, the State of Alaska Water and Sewer Challenge website, <http://watersewerchallenge.alaska.gov/>.

- Expanding Communication Infrastructure** – Recent investments in microwave and fiber optic networks are slowly bringing increasing levels of network service to Southwest Alaska. A particularly large project, the Quintillion Arctic Fibre cable, plans to link Anchorage and Seattle to a cable extending up to Alaska’s North Slope. As seen in a preliminary map of the project, the proposed cable will pass by the tip of the Aleutian Islands. There is no current plan for a spur cable to service Southwest Alaska, although the cable may



provide opportunities for expanding service in the future. Marine surveys for the project began the summer of 2014.⁶⁶ Phase one connecting Nome, Kotzebue, and four North Slope communities is expected to come online in early 2017. In the meantime, Quintillion is currently evaluating Unalaska and Dutch Harbor as a possible landing site for future construction.⁶⁷ If the zone is selected as a landing site, fiber optic internet connections would be available within the next few years.

PARTNERSHIPS

Southwest Alaska is comprised of many partners working together toward shared goals. Many of these partnerships, especially the newly-formed partnerships, have potential to grow and expand.

- ANCs and CDQs** – The region’s three Community Development Quota (CDQ) organizations and three Alaska Native Corporations (ANCs) are well funded, organizationally sound and committed to developing regional capacity. Leaders from all six groups sit on the SWAMC Business Council.
- Southwest AKs Geostrategic Location** – Over the past five years there has been a national geopolitical shift with an increased interest in strategy and security to the Asia-Pacific region. Southwest Alaska is strategically positioned and may benefit from increased federal infrastructure, investment and resources as a result of its strategic position.

⁶⁶ Smith, Matthew F. (May 30, 2014). *Arctic Subsea Fiber Optic Cable Project Begins Summer Marine Surveys*. KNOM Radio Mission. Accessed June 16, 2014 from <http://www.knom.org/wp/blog/2014/05/30/subsea-arctic-fiber-optic-cable-project-to-begin-summer-marine-surveys/>

⁶⁷ Quintillion Networks, personal communication, May 7, 2015.

- **Fisheries Workforce Development** – FSMI’s collaborative mix of public and private sector participants continue to facilitate conversations and move forward on workforce development strategies that address fishery, seafood and maritime industry needs.
- **SWAMCs Increased Role as Convener/Networker/Liaison** – SWAMC recently compiled a regional map and associated database that includes contact information for members and nonmembers, organized by region and by sector. This interactive tool will be available on SWAMC’s website as a resource. The networking map can be used to chart out the areas SWAMC is involved in. Additionally it can be used to see the connections between private and municipal entities. The newly-formed SWAMC Business Council also brings together business leaders for meetings and conversations that encourage cooperation and coordination between Southwest Alaska private, public and non-profit partners. Council and other SWAMC members have stated that these networking opportunities have been helpful and worthwhile; reaping rewards in the form of new partnerships, strategies, and economic development projects.

THREATS

Conditions and trends occurring outside the region pose challenges to the economic viability of Southwest Alaska. Increased cost of living due to increased energy and transportation costs, could limit economic opportunities for business expansion and retention, making it more difficult for the region’s young people to secure career-oriented jobs. A warming climate is also predicted to shift fisheries resources north, threatening the region’s fisheries-dependent coastal communities. Public budgets that have historically supported the bulk of community and regional infrastructure projects may no longer be available. Long-term economic planning for resilient communities, a resilient region, can be challenging with this uncertain future. Understanding threats to the region’s economic viability is one step toward anticipating issues and developing strategies that can buffer and mitigate the harmful effects of potential threats. Specific threats by focus areas are outlined below.



“The cost of living negatively impacts all business as it contributes to not being able to put a competitive product on the market whether that is healthcare, fish or financing.”

“As a region we’re still seeing outmigration so the business climate is getting worse.”

“The two biggest problems we face stem from substance abuse and awful transportation.”

- *SWAMC Business Council*

WORKFORCE DEVELOPMENT

Effective workforce development is dependent on the stability of the market to provide people with opportunity to find gainful employment and employers some ability to employ productive members of the team that contribute to the overall good of the organization. Outward migration and high costs of living threaten to undermine recent efforts to support workforce development in Southwest Alaska.

- **Net Outward Migration** – A globally connected world provides greater exposure to outside opportunities. Outward migration and high costs of living threaten to undermine recent efforts to support workforce development in Southwest Alaska. The effect of an outward draw from rural communities can be very damaging to their competitiveness and ability to meet future workforce needs. While total population is holding steady due to a higher number of births than deaths, the region is experiencing a net outward migration. Between 2011 and 2012, there was a net migration loss of 300 individuals; Aleutians West Census Area was the only region that saw a net gain, with a net gain of 41 individuals.⁶⁸ Anecdotal evidence suggests that some tribal offices are relocating out of rural communities to Anchorage. If the costs of living continue to rise, it will become even more difficult to attract and retain a qualified workforce, and increase the cost of doing business in the region. Additionally, most organizations have offices and conduct business in Anchorage, making it challenging for local businesses who do not have a presence outside of Southwest Alaska.
- **Changing Resource Base** – When a particular resource base shifts the opportunities arising from that resource base will change, and a new dynamic will be required to train and mobilize the workforce. Changing climatic conditions may already be forcing fish population biomass north.⁶⁹ In order to meet these changing conditions, employers may ultimately shift their workforces to new locations, thus threatening employment in communities where the availability of seafood resources are decreasing.
- **Reduction in Public Training Funds** – Many workforce development and training workshops are covered through a mix of fee for service, but also offset by public funds to make the courses affordable.

RESOURCES

Resources form the economic base for Southwest Alaska, and are subject to changes in behavior, stock distribution and overall abundance. These changes are based on the complex interaction of environmental factors.

- **Impact of Climate Change on Southwest Alaska Fisheries** – A 2013 Ocean Acidification Risk Assessment by the Alaska Center for Climate Assessment and Policy, UAF, NOAA and other partners concluded that out of the entire state, the Southwest Alaska region is at the most risk for negative impacts of ocean acidification due to the region's high levels of subsistence and commercial fishing, combined with the region's heightened socioeconomic vulnerability (based on economic stability, food accessibility, job diversity, educational attainment).⁷⁰ For a

⁶⁸ Alaska Department of Labor and Workforce Development. (August 2013). *Alaska Local and Regional Information*. Retrieved May 27, 2014 from <http://live.laborstats.alaska.gov/alari/>

⁶⁹ National Oceanic and Atmospheric Administration. (July 2012). *Climate & Fish Sticks*. Retrieved May 23, 2014 from <http://www.climate.gov/news-features/climate-and/climate-fish-sticks>

⁷⁰ Alaska Center for Climate Assessment + Policy, University of Alaska Fairbanks, National Oceanic + Atmospheric Administration et al. (December 2013). *Ocean Acidification Risk Assessment for Alaska's Fishery Sector*. Retrieved May 20, 2014 from <https://accap.uaf.edu/?q=project/ocean-acidification-sensitivity-index-oasi>

map showing the scores and ranking by region, see the Appendices. A 2015 published study revealed that it is the region's commercial dependency on salmon, king crab, and tanner crab that pose risk to the economic well-being of Southwest Alaska. The study determined that salmon and crustacean species will most immediately be negatively affected by ocean acidification, impacting profits for fisheries in the region. The study urged communities in the region to increase their adaptive capacity to respond to a potential decline in fish stocks⁷¹. No current measures to respond to ocean acidification in Southwest Alaska are underway at this time.

- **Competing Producers** – Farmed salmon competes with wild salmon in the world market.⁷² Demand for salmon has been increasing and many consumers are willing to pay a premium for the cost of wild salmon.⁷³ However, continued expansion of salmon farming has the potential to reduce the overall market value of salmon.
- **Environmental Protections Limit Resources Development** – While often necessary, efforts to protect the natural environment and the region's flora and fauna can put additional burdens on local industry. For example, the Steller sea lion was listed as an endangered species in 1990 under the Endangered Species Act. Since its listing, various restrictions and regulations on fishing have had a negative impact on the region's fishing industry.⁷⁴
- **Bycatch** - Ineffective use of resources leads to lost economic potential. While very few stocks in Alaska are classified as overfished, and the general consensus is that Alaska manages stocks for long-term sustainability, resource conflicts still arise as is evidenced in periods of low abundance, and further conflicted by the presence of bycatch. Continued conflict over best use of the resource will perpetuate ineffective use of the resources.⁷⁵
- **Impacts of Mining on Fisheries Unknown** – Existing and potential mining projects have the potential for large-scale spills or accidents, with the potential to affect natural resources such as fish supply.
- **Increased Competition for Adventure and Eco-Tourism** – Southwest Alaska is contending in what is becoming an increasingly competitive international market for adventure travel and outdoor activities. Simultaneously, other adventure destinations in locations such as Chile, Ecuador, Japan and Iceland are growing in popularity.⁷⁶

ENERGY

Energy prices in rural Alaska are volatile and continue to rise. High energy costs result in higher costs of doing business and increase outward migration as residents leave due to increases in the cost of living. Many residents of Southwest Alaska identify the price of energy as the single greatest risk to the long-term sustainability of communities in the region.

⁷¹ Ocean acidification risk assessment for Alaska's fishery sector. Prog. Oceanogr. (2015). Mathis, J.T., et al., <http://dx.doi.org/10.1016/j.pocean.2014.07.001>

⁷² Trends in Alaska and World Salmon Market. (2013). Knapp, Gunnar. Retrieved May 27, 2014 from http://www.iser.uaa.alaska.edu/Publications/presentations/2013_02_07-GK_TrendsInAlaskaSalmonMarkets-

⁷³ Trends in Alaska and World Salmon Market. (2013). Knapp, Gunnar. Retrieved May 27, 2014 from http://www.iser.uaa.alaska.edu/Publications/presentations/2013_02_07-GK_TrendsInAlaskaSalmonMarkets-

⁷⁴ Hui, T.C.Y. (2011). *Stellar sea lions and fisheries: competition at sea?* University of British Columbia, Vancouver.

⁷⁵ Food and Agriculture Organizations of the United Nations. (2011). *Review of the State of World Marine Fishery Resources*. Retrieved May 23, 2014 from <http://www.fao.org/docrep/015/i2389e/i2389e.pdf>

⁷⁶ George Washington University and the Adventure Travel Trade Association. (December 2012). *Adventure Tourism Development Index: 2011 Report*. Retrieved May 27, 2014 from http://cdn.adventuretravel.biz/wp-content/uploads/2012/11/atdi_2011_report.pdf

- **No Cheap Alternatives** – Current technology is generally not able to provide the energy needs of Southwest Alaska at a cheaper delivered cost of power than existing energy systems. If no alternative energy system replaces existing non-renewable supplies of energy, prices will likely rise further, potentially to the point that the viability of some communities are compromised.
- **Reduced Public Investment** – To date a great deal of public expenditure has been diverted to investments in solving regional energy needs, which may not be the case if public budgets tighten.

INFRASTRUCTURE

The infrastructure in Southwest Alaska is vulnerable to a number of environmental and political factors. Climate change is already affecting coastal communities, and the region experiences frequent earthquakes and occasional volcanic eruptions. The region’s heavy reliance on federal and state funds for the construction and maintenance of infrastructure leaves communities particularly vulnerable to reductions in the availability of public funds.

- **Natural Environmental Changes** – Southwest Alaska’s location along the Pacific Ring of Fire means the region is subject to relatively frequent earthquakes and occasional volcanic eruptions. According to the U.S. Geological Survey and the Alaska Volcano Observatory, 36 of the 41 active volcanoes in Alaska are in Southwest Alaska.⁷⁷ According to the Alaska Earthquake Information Center (AEIC) there are over 200 earthquakes with magnitude 4 and greater per year in the region from Kodiak Island westward through Attu Island.⁷⁸ There were about 60 earthquakes with magnitude seven and greater in that region in the past 100 years. While eruptions and earthquakes with magnitudes large enough to cause damage are infrequent, large events do have the potential to negatively impact the region’s economy.
- **Climate Change Impact on Existing Infrastructure** – Climate change threatens many coastal communities in Southwest Alaska. Some communities are already struggling with erosion, melting permafrost and flooding as a result of climate change.
- **Decline in Private Investment** – Diminishing federal and state investments in public infrastructure may reduce private investment in the region.
- **Postal Services** - Potential cuts to postal services and rural mail delivery would be catastrophic to the region’s economy.
- **Alaska Marine Highway System** - Reduced funding for the Alaska Marine Highway will mean less revenue from tourism for cities usually visited frequently over the summer. Maintenance on the M/V Tustumena in the summer of 2013 caused a dramatic drop in visits to Southwest Alaska towns (see figure 2.16). Reduced service has been already scheduled for 2015, due to State budget shortfalls. The Tustumena was out of service most of the summer in 2017 due to extensive corrosion repairs.

⁷⁷ U.S. Geological Survey. (September 2000). *Historically Active Volcanoes in Alaska – A Quick Reference*. Retrieved May 22, 2014 from <http://www.avo.alaska.edu/pdfs/usgsfs118-00.pdf>

⁷⁸ Natalia Ratchkovski, Ph.D., Seismologist, Alaska Earthquake Information Center, Personal communication, June 19, 2003

PARTNERSHIPS

Currently, the only real threats to Southwest Alaska's growing regional, state, federal partnerships are recent and anticipated budget cuts and increased federal regulation and oversight. SWAMC, in partnership with regional, state and federal partners must strategize how to effectively grow, diversify and sustain the region's economy, as well as be an effective advocate for effective regulations that protect resources without financially burdening local and regional businesses.

- **Overbearing Government Regulation** – As described by the SWAMC Business Council, government regulations are overbearing and cost private business money and difficulty of doing business, which translates into lower regional economic potential. Rural Alaska generally has increased costs of doing business, and the effect of onerous regulations may create an outsized burden for industry in the Southwest Region.
- **Reliance on Public Funding** – Currently, the region is heavily reliant on public funds for employment and infrastructure; Southwest Alaska's economy is vulnerable to federal and state funding cuts. As competition increases for a limited and dwindling pool of federal and state resources, SWAMC's role as convener, coordinator and regional advocate will become increasingly vital to the long-term success of the region.

CHAPTER 4: SWAMC WORK PLAN

SWAMC VISION

Vibrant and livable communities for Southwest Alaska.

SWAMC MISSION

Support the collective interests of Southwest Alaskans, businesses, and communities and promote long-term economic opportunities through improved quality of life and responsible development.

I) Goal: Support Regional WORKFORCE DEVELOPMENT Initiatives

Objective 1: Training and Education – Promote professional development that prepares Southwest Alaska residents to contribute to the region's economic development potential.

Objective 2: Applicable Training – Promote workforce training that is closely aligned with needed skills.

Strategies – Programs, Projects, Activities

- Coordinate shared interests and concerns across the region through active engagement with SWAMC membership to align private sector goals with institutional training curriculum.
- Weigh in on Workforce Innovation and Opportunity Act as it is implemented across Alaska.
- Coordinate business needs with learning institutions to align goals and facilitate communication, relevant to job training, job seeking and skills for the types of work that are available in the region.

- Maintain SWAMC's Workforce Development programs and facilitate awareness of meaningful and available local employment opportunities.
- Partner with the Alaska Process Industry Career Consortium (APICC) to document and come up with strategies to address workforce issues in maritime trades.

2) Goal: Support Access to and Development of RESOURCES

Objective 1: Fisheries Development – Promote fisheries that provide a sustainable income base to the communities, businesses, and residents of Southwest Alaska.

Objective 2: Tourism Development – Promote awareness and opportunity of the region’s intrinsic natural value, access to unique experiences and abundant wildlife.

Objective 3: New Resource Development – Promote new resource development activities that do not threaten other renewable resources vital to the region.

Strategies – Programs, Projects, Activities

- Collect and analyze baseline data to maintain a regional data library to better understand the economic development trends and needs of the region.
- Attend regulatory and policy meetings and monitor their effects on the regional resources.
- Advocate for policies, management, and environmental initiatives that promote a healthy business environment and community livability.
- Advocate public investments that facilitate private sector resource activity.
- Investigate regionally competitive valued added economic development activities.
- Research marketing activities that increase the value of resources.
- Maintain a strategic plan for access and development of resources.

3) Goal: Support INFRASTRUCTURE Improvements

Objective 1: Strategic Infrastructure Investments – Promote infrastructure that facilitates and supports the region’s social, cultural, and economic development needs.

Objective 2: Community Planning – Promote long-term visions, goals, and plans for sustainable community development.

Strategies – Programs, Projects, Activities

- Advocate for regional transportation projects and vital transportation links, including runway and harbor investments that ensure vital air and marine transportation linkages.
- Advocate for improved communication infrastructure and research opportunity for commercial and community usability of available technology.
- Research information infrastructure solutions that meet national standards and offer applications which improve the utility of new communication infrastructure for businesses and communities.
- Assist communities with programs, grants and loans to help expand their infrastructure.

- Manage EDA EAA grant to develop strategy for public/private partnership to bring broadband to the Alaska Peninsula and Aleutian/Pribilof Islands.
- Represent Southwest Alaska interests in the Southwest Alaska Transportation Plan.
- Advocate services that reduce transportation costs and improve community livability and economic development opportunities.
- Maintain an economic geography dataset for Southwest Alaska that recognizes Southwest Alaska's contribution to statewide economic wealth and identifies key capital investments for improving regional competitiveness.
- Participate and assist in development of reforms to the Alaska Marine Highway System to reduce the level of State support and subsidy for this vital transportation service.
- **Advocate for construction of vessel (funding has already been secured) to replace the obsolete M/V Tustumena.**

4) Goal: Support ENERGY Infrastructure that Reduces the Delivered Cost of Power and Increases Regional Efficiency

Objective 1: Energy Efficiency – Promote energy systems that stabilize or reduce the long-term cost of power, by increasing the efficiency of every unit used.

Objective 2: Ownership of Energy Systems– Promote local ownership of energy planning, decision-making, and projects.

Objective 3: Supply of Low-Cost Power – Promote projects that supply low-cost power.

Strategies – Programs, Projects, Activities

- Research cost competitive, renewable, and local sources of energy that increase livability and economic development activity in the region.
- Investigate new sources of cheap energy.
- Advocate emerging energy prototype systems in regions where existing high prices offer a price advantage capable of offsetting initial development costs.
- Coordinate stakeholder feedback to aggregate best practices, local priorities, and other local knowledge to improve energy systems.
- Collect and distribute energy data to better inform energy system decisions.
- Assist communities with technical and economic analysis of energy projects.
- Continue with strategic energy planning, including direct assistance to communities.
- Encourage the development of a statewide energy plan through incorporation of the Alaska Energy Authority's Regional Energy Planning process.
- Investigate co-op development and other organizational means of achieving economies of scale for providing cheaper power.
- Encourage and facilitate a plan, with technical feedback from program providers, with direction from community stakeholders to improve efficiency of buildings and infrastructure.
- Manage Department of Energy. Office of Indian Energy grant to build capacity and plan for alternatives that may stabilize or reduce long term energy costs in SWAMC communities.

- **Manage USDA Rural Energy for America Program to improve energy efficiency and bring down energy costs for small businesses and fishing vessels**

5) Goal: Support REGIONAL PARTNERSHIPS

Objective 1: Regional Economic Planning – Promote a regional Comprehensive Economic Development Strategy, with sub-regional and local planning efforts.

Objective 2: Communications – Promote partner networks and activities of the organization, region, state, and federal interests.

Objective 3: Advocacy – Promote local, regional, state and federal policies that benefit the region, its communities, businesses, members and key partners.

Objective 4: Organizational Effectiveness – Maintain leadership from a Board of Directors, representative of regional interests, who guide activities of a productive staff, manage a financially secure organization, and pursue regionally collective interests.

Strategies – Programs, Projects, Activities

- Continue to offer forums and events that bring stakeholders together, especially SWAMC's Economic Summit and Membership Meeting, which assembles regional stakeholders together for face-to-face discussion and exchange.
- Expand networking opportunities to reach more stakeholders.
- Continue engagement with local, state and federal institutions.
- Advocate for Southwest Alaska interests to Alaska's Legislature in Juneau and congressional delegates in Washington, D.C.
- Advocate for more local decision-making.
- Maintain a Comprehensive Economic Development Strategy that is updated annually and rewritten every five years.
- Coordinate regional economic planning efforts and research the economic needs and challenges of Southwest Alaska.
- Maintain and distribute an organizational map of partners pursuing similar development and community goals, complete with partners' contact information.
- Collect and maintain an Asset Map of new and existing development activity.
- Identify and encourage areas of regional competitiveness which could lead to new business opportunities.
- Conduct strategic planning efforts to coordinate multiple partners pursuing similar objectives.
- Maintain personal communication between communities, businesses, members, partner organizations, and the general public to build understanding about the region, its economy, and the needs of its residents.
- Engage municipal and associate members in leadership assignments to help guide policies.
- Increase membership investments and participation in SWAMC.
- Follow-up on insights gained from BRE interviews to advocate for businesses.
- **Continue Manufacture Alaska Extension (MAKE) partnership through December 31, 2018 and assist in its transition to new provider for State of Alaska.**

- Explore and pursue, if feasible, funding from MEP program for manufacturing assistance in Southwest Alaska.
- Manage Department of Energy grant by collaborating with regional nonprofit organizations to provide services to build capacity and plan for reducing energy costs.
- Manage USDA Rural Energy for America Program in concert with contractors and Native nonprofit organizations to improve energy efficiency and bring down energy costs for small businesses and fishing vessels.

PRIORITY STRATEGIES (PROGRAMS, PROJECTS, ACTIVITIES)

- Support Youth Mentorship and Skills-Gap Training Programs
- Strengthen and Diversify Alaskan Manufacturing
- Understand Operating Environment and Resource Needs of Business
- Promote Energy Planning and Infrastructure Development
- Maintain a Data Library and Publish Economic Trends
- Host SWAMC Economic Summit and Membership Meeting
- **Produce and distribute monthly newsletter to share economic development information affecting the SWAMC region.**

CHAPTER 5: SWAMC ACTION PLAN

Focus Area	What - Action Item and Steps	Why	Estimated Impact	Who (Potential Partners)	FTE Jobs Creation
<i>SWAMC Workshops and Services</i>	<p>Develop Services and Workshops Promoting Economic Growth</p> <ul style="list-style-type: none"> Develop workshops that aim at filling identified skills gaps and bring industry experts to clients who ordinarily have no access Survey SWAMC membership and client base to determine community and industry needs Develop marketing strategy to raise awareness of SWAMC services and the benefits of working with SWAMC Offer services that align with regional needs and further grow SWAMC region capacity. 	SWAMC has grown its capacity as an organization to the point where new services are essential for the organization's next step	\$75,000	Industry partners; Foundations (Alaska Community Foundation); SWAMC membership; SW MAKE membership; SW Alaska Communities; Manufacturers	2
<i>Manufacturing In Alaska</i>	<p>Strengthen and Diversify Alaskan Manufacturing</p> <ul style="list-style-type: none"> Develop statewide MAKE services for manufacturers through December 31, 2018 Reach out to local manufacturers and manufacturing project supporters to encourage project development Connect Alaskan manufacturers with resources and funding to strengthen their business Continue working with Alaska Fisheries Development Foundation and other partners to investigate mariculture industry in Alaska 	MAKE is Alaska's Manufacturing Extension Partnership and will build out an offering of services	\$300,000	Marine Advisory Program, Southeast Conference, Industry Partners; SWAMC Membership; Alaska Fisheries Development Foundation; JA Center for Economic Development, Anchorage Economic Development Corp	8
<i>Business Support</i>	<p>Understand Operating Environment and Resource Needs of Business</p> <ul style="list-style-type: none"> Manage Aleutian Broadband Grant (see Infrastructure Support) Manage USDA Commercial Building Energy Audit Program to help reduce energy costs Actively support and contribute to the Alaska Ocean Cluster Initiative Incorporate BRE interviews into MAKE process of surveying business needs to determine applicable services Connect businesses with appropriate initiatives and resources determined from interview 	Regional Businesses support a diversified and dynamic economy, strengthen the quality of life and career opportunities	\$75,000	Business; Communities; SWAMC Membership; State of Alaska, Department of Commerce; United States Department of Agriculture	2

Focus Area	What - Action Item and Steps	Why	Estimated Impact	Who (Potential Partners)	FTE Jobs Creation
<i>Infrastructure Support</i>	<p>Promote Energy Planning and Infrastructure Development</p> <ul style="list-style-type: none"> Manage DOE capacity building grant and seek grants for energy projects Advocate for priority infrastructure in the Southwest Alaska Transportation Improvement Plan critical to minimizing cost to communities Advocate infrastructure that maximizes the value of marine and coastal resources abundant in the region Advocate for communication technology that are a necessity for modern business and communities Manage EDA EAA grant to develop strategy to bring broadband to Alaska Peninsula and Aleutian/Pribilof Islands 	Expensive energy, lack of broadband , and transportation increase the cost of living and create barriers to expanding business, including the fisheries cluster	\$450,000	Communities; Alaska Energy Authority; Alaska Department of Transportation; US Department of Energy	5
<i>Southwest Alaska Economic Geography Update</i>	<p>Distribute Economic Geography Report & Utilize Findings</p> <ul style="list-style-type: none"> Distribute official report Grow awareness for key trends and analyze how those trends affect business and communities Advocate the Statewide and National positive economic impact of Southwest Alaska utilizing report findings Market the intrinsic value of Southwest Alaska as a tourist and business opportunity 	Good data drives good decision making, particularly the importance of Southwest Alaska to the overall wellbeing of the State	\$50,000	Public data providers, Alaska Legislature, Communities, Businesses, Northern Economics	1
<i>Economic Summit and Membership Meeting</i>	<p>Host SWAMC Economic Summit and Membership Meeting</p> <ul style="list-style-type: none"> Seek to grow private participation among members to balance waning public funds for participation Conduct workshops to incorporate attendee feedback into strategic operations and draw focus to active projects 	Meeting regional representatives is important, and the annual conference is the largest gathering of Southwest Alaskans, and best opportunity to network	\$200,000	SWAMC Supporters & Members	4
Total Estimated Impact			\$1,350,000		22

APPENDICES

APPENDIX A: ENERGY

APPENDIX B: GEOGRAPHIC DATA

APPENDIX C: WORKFORCE DEVELOPMENT

APPENDIX D: INFRASTRUCTURE

APPENDIX E: OTHER ECONOMIC INDICATORS