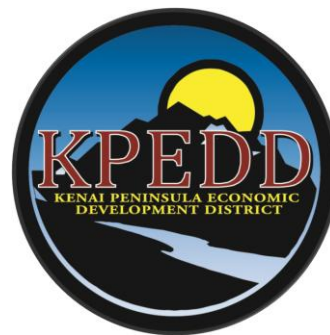




Kenai Peninsula Borough Comprehensive Economic Development Strategy 2017

Kenai Peninsula Economic
Development District

In Partnership with the University of
Alaska Center for Economic
Development



Executive Summary

This Comprehensive Economic Development Strategy (CEDS) for the Kenai Peninsula Borough is the result of a region-wide, public planning effort led by the Kenai Peninsula Economic Development District (KPEDD). It sets a vision for the economic growth of the region from 2016 to 2021, and serves as the action plan for KPEDD as the primary entity responsible for economic development initiatives for the Borough as a whole. The CEDS is updated annually to reflect measurable progress and evolving directions.

The CEDS provides an overview of the economic, demographic, and employment trends of the region, places its unique geography in context, and reviews the strengths, weaknesses, opportunities, and threats. Using this background information collected from public datasets and extensive public outreach, the document then lays out the goals, objectives, and strategies for the five-year period, with an eye toward the resiliency of the region as it faces downturns in the oil and gas industry along with declining state funds.

The Kenai Peninsula Borough is in some respects a microcosm of Alaska as a whole. Its landmass hosts glacial rivers, mountain ranges, spruce forests, and coastal fjords—a sampling of the state’s varied geography. The region’s economy is likewise home to a large resource sector (fisheries, oil, and gas mostly) and a substantial visitor industry built around access to wilderness amenities. Peninsula communities range from rural and remote to urban and well-connected with highways and broadband internet. Statewide concerns like the potential liquefied natural gas (LNG) pipeline and 2014-15 decline in oil prices loom large in the Borough. However, the region is unique in several respects, including a rapidly aging population and relatively low public sector employment with no military bases and few state employees. In both its challenges and opportunities, the Kenai Peninsula Borough exhibits both strong resemblances and notable contrasts to Alaska as a whole. The CEDS attempts to capture these unique conditions and incorporate them into a comprehensive plan for future growth.

The Kenai Peninsula Economic Development District

“To attract, grow, and retain business and industry on the Kenai Peninsula that will enhance the vitality and quality of life in our communities.” –KPEDD Mission Statement

KPEDD is a 501C(4) non-profit regional economic development organization. Established in 1988, KPEDD serves the residents and communities of the Kenai Peninsula Borough in Southcentral Alaska.

As the first federal Economic Development District designated in Alaska, as well as the first Alaska Regional Development Organization or ARDOR, KPEDD has actively pursued development opportunities for the region. Over its lifetime, KPEDD has been involved in a variety of projects including public works advocacy, shellfish industry development, international trade, promotion of a North Slope Natural Gas Pipeline to Cook Inlet, building infrastructure, industry recruitment, and business retention and expansion (BR&E).

KPEDD, with funding provided by the Kenai Peninsula Borough, US Economic Development Administration, compiles and publishes the Kenai Peninsula Borough CEDS. This document represents the most recent update, annually updating and revising the 2016 document.



CEDS Strategy Committee

The KPEDD staff and the University of Alaska Center conducted the CEDS process for Economic Development (UACED), under the general direction and guidance of the KPEDD Board of Directors. The Board also formed the core of the CEDS Strategy Committee, which convened bi-monthly from July 2016 until June 2017, along with a full-day strategy session on March 15, 2016. The Board consisted of the following individuals:

Current KPEDD Board Members:

- Brendyn Shiflea (President) ConocoPhillips
- Deborah Altermatt, City of Seward
- Stephanie Queen, City of Soldotna
- Karin Marks, Homer, Private Industry
- Todd Smith, Kenai, Business Owner
- Jill Schaefer, Kenai Peninsula Borough Assembly
- Matt Kelley, City of Kenai
- Bryan Zak, Alaska Small Business Development Center
- Wayne Wilson, Kenaitze Indian Tribe
- Bruce Richards, Soldotna, Central Peninsula General Hospital
- Rachel O'Brien, State of Alaska
- Tod Larson, City of Seldovia
- Julie Woodworth, Homer, Banking
- Chris Hough, Private Industry

Former Board Members (engaged during 2016-2017 update process):

- Dale Bagley, Kenai Peninsula Borough Assembly
- Rick Koch, City of Kenai
- Katie Koester, City of Homer
- Stan Mishin, Kenaitze Indian Tribe
- Brandii Holmdahl, Kenai Peninsula Borough Assembly

KPEDD Staff:

- Tim Dillon, Executive Director (907)283-3335 Ext. 2 tim@kpedd.org
- Caitlin Coreson, Programs Manager (907)283-3335 Ext. 1 caitlin@kpedd.org

Process

The Kenai Peninsula Borough CEDS was developed in accordance with the U.S. Economic Development Administration's guidelines, with KPEDD Executive Director Tim Dillon overseeing its completion. UACED conducted the background research, coordinated the public process, facilitated the creation of the action plan, and drafted the original 5-year planning document, with annual updates drafted by KPEDD staff. Wherever possible and practical, the Executive Director and Board members participated in



community forums and industry focus groups. They also provided extensive feedback and input on various drafts of the document.

CEDS update development presentations and listening sessions include:

- October 10, 2016 – Homer City Council
- October 11, 2016 - Kenai Peninsula Borough Assembly
- October 12, 2016 – Soldotna City Council
- October 18, 2016 – Soldotna Chamber of Commerce
- December 7, 2016 – Kenai Chamber of Commerce
- December 12, 2017 – Seward City Council
- January 11, 2017 – Industry Outlook Forum
- February 5, 2016—Senate Labor and Commerce Committee
- March 29, 2017 – Kenai Chamber of Commerce
- April 11, 2017 – Soldotna Chamber of Commerce
- April 19, 2017—Kenai City Council
- April 24, 2017 - Seward City Council
- May 8, 2017 – Wells Fargo
- May 30, 2017 – Homer City Council
- July, 2017 – Tyonek Community

Action Plan Summary

Regional Partnerships

- Build ties to industry associations and communities
- Coordinate region-wide economic development with communities

Infrastructure and Technology

- Industry focused infrastructure
- Transportation infrastructure
- Expanded broadband access

Workforce and Human Capital

- Industry partnerships and voc-tech
- Workforce attraction and retention

Business Climate and Entrepreneurship

- Strengthen existing businesses through business retention and expansion
- Promote responsible development
- Develop entrepreneurial ecosystem

Quality of Place

- Develop Kenai Peninsula "brand" for residents, visitors, and businesses
- Promote expansion of recreational amenities and public access

Knowledge Creation and Dissemination

- Track and report economic and demographic trends
- Seek new venues to publicize findings



SWOT Analysis

Internal	<p style="text-align: center;">Strengths</p> <ol style="list-style-type: none"> 1. Increasing graduation rate combined with decrease in dropout rates. 2. Kenai Peninsula College and AVTEC’s ability to prepare professional workforce. 3. Housing prices are lower than in Anchorage and the Mat-Su. 4. Third lowest crime rate per capita in Alaska (among 20 tracked Boroughs and census areas). 6. Large communities are accessible by road. 7. The region is accessible by road, air, and water transportation as well as rail service in Seward. 8. Diverse economic base spans tourism, oil and gas, fisheries, healthcare, and construction. 9. Two Alaska Small Business Development Center offices: Homer and Kenai. 10. Two large ice-free ports with Coast Guard presence, Homer and Seward. 11. Natural gas expanded in 2015 to additional communities. 	<p style="text-align: center;">Weaknesses</p> <ol style="list-style-type: none"> 1. Aging population. 2. Economically active population (potential workforce) is shrinking. 3. Low in-migration. 4. Decreasing public school enrollment. 5. Higher prices than Anchorage and Mat-Su for groceries and gasoline. 6. In most communities in the region, the share of cost-burdened houses is about 29 %. 7. Tourism sector’s dependence on the Lower 48 / International economic situation. 8. Fishing sector’s dependence on harvest quota and fluctuation in the number of fish. 9. Decrease in oil production resulting from low prices/supply.
External	<p style="text-align: center;">Opportunities</p> <ol style="list-style-type: none"> 1. Increase in employment in oil and gas, construction, and healthcare sectors associated with Alaska LNG. 2. Infrastructure to be built for Alaska LNG in Nikiski. 3. The oil and gas industry has a higher than average income in the region, so with an increase in employment in this sector, average income in the region will increase as well. 4. There are several opportunity industries that show high growth rates in comparison with the state: professional and technical services, telecommunications, administrative and support services, and information services. 	<p style="text-align: center;">Threats</p> <ol style="list-style-type: none"> 1. Lost opportunities if Alaska LNG is not implemented. 2. Possible economic downturn in the Lower 48 / Internationally affecting tourism. 3. Further decrease in oil prices. 4. Uncertain economics of Alaska LNG. 5. Increase in salmon harvest limit in the region. 6. Seafood harvest subject to natural fluctuations. 7. There are several industries that are at risk: trucking, educational services, merchant wholesales (nondurable goods,) food manufacturing (including fish processing), general merchandise stores, arts, entertainment and recreation (part of tourism), heavy and civil engineering construction. 8. State funding for education, a key employer, is subject to cuts in coming years.



Resiliency Framework

A critical consideration for a statewide Comprehensive Economic Development Strategy is planning for the mitigation of unforeseen negative effects. These could potentially include natural disasters, effects from funding cutbacks, or downturns affecting particular sectors or the whole economy. Like any state or region, the Kenai Peninsula Borough has its own set of potentially negative events that could occur in the future. The goals of KPEDD's Comprehensive Economic Development Strategy have been developed with these in mind.

Type of Event	Likely Economic Effects	Support Structure
Natural Disasters: Earthquakes, Tsunamis, Floods, Storms, Wildfires, Volcanoes	<ul style="list-style-type: none"> • Damage or inoperability of critical infrastructure • Inadequate local funds to rebuild • Dislocation of workforce • Temporary or permanent closure of business • Inability to deliver critical supplies to affected areas 	<ul style="list-style-type: none"> • Emergency preparedness Addition on Sports Complex to provide shelter to affected families • Distribute BR&E disaster survey to assess damage to businesses and determine best assistance approach
Commodity Price Collapses: Fisheries, Oil and Gas, Minerals, Timber	<ul style="list-style-type: none"> • Loss of jobs and income in affected industry • Ripple effects to other businesses • Decline in local or State revenue, resulting in difficulty sustaining core services • Loss of population (Statewide or local areas) 	<ul style="list-style-type: none"> • Work with workforce panel to retrain labor for available jobs • Support and promote other key industries which provide revenue for the region and State
Static or Failed Large Scale Projects: Loss of opportunity if LNG is not implemented	<ul style="list-style-type: none"> • Closing of support companies due to lack of opportunity from low oil prices • Job loss in Oil and Gas and support industries 	<ul style="list-style-type: none"> • Discuss alternative plan for purchased land
Education Funding Cuts: Loss of programs for students in traditional degrees and skilled trades	<ul style="list-style-type: none"> • Further reduction of prepared workforce • Job loss in education sector 	<ul style="list-style-type: none"> • Work with Workforce Panel to streamline training opportunities • Work with Kenai Young Professionals to educate and prepare student to enter the workforce
Subsistence Threats: Declines in fish or game populations, migratory changes, regulatory changes	<ul style="list-style-type: none"> • Loss of food source • Loss of cultural relevant livelihood 	<ul style="list-style-type: none"> • Tribal Foods System Assessment and Plan: reduce food insecurity, improve access to traditional foods and create economic opportunities



Action Plan

Goal 1.0 Regional Partnerships: <i>Foster renewed collaboration between municipalities, tribes, chambers, and industry groups across the Kenai Peninsula Borough to build on the region's comparative economic advantages, especially for its key current and emerging industries.</i>			
Objective	Strategies and Actions 2017 Priorities	Metrics/Impacts	Key Partners
1.1. Coordinate economic development activities with industry associations such as those representing fisheries, tourism, oil and gas, as well as chambers of commerce at the community level.	<ul style="list-style-type: none"> • Sign memoranda of understanding (MOU's) with industry groups and chambers of commerce • Assist in hosting industry appreciation days - \$7,000 • Organize and host Industry Outlook Forum - \$10,000 • Combat duplication of community efforts from one community to the next 	<ul style="list-style-type: none"> • MOU's negotiated and signed • Industry appreciation events held • Industry Outlook Forum delivered – 150+ in attendance • Disseminate data highlighting benefits of local key employers • New data reports produced 	<ul style="list-style-type: none"> • Kenai Peninsula Tourism Marketing Committee (KPTMC) • Cook Inlet Aquaculture Association (CIAA) • Other fisheries groups • Oil and gas representatives • Chambers • Tribes • Kenai Peninsula Borough • Kenai Peninsula Municipalities • Kenai Peninsula Lending Institutions • Alaska Small Business Development Center
1.2 Improve and coordinate economic development planning efforts among municipalities and communities.	<ul style="list-style-type: none"> • Initiate forum for communities to better communicate, ensuring inclusion of unincorporated communities • Promote collaboration of regional organizations by providing relevant information to each • Ensure board representation from all sub-regions of Borough 	<ul style="list-style-type: none"> • Number of municipal meetings held • Dollar value of public and private investment, including in-kind 	<ul style="list-style-type: none"> • Community subsidized associations • Municipalities • Borough • Unincorporated Areas • Alaska Small Business Development Center



Goal 2.0 Infrastructure and Technology: *Actively promote infrastructure and technology development to lay a foundation for economic growth within the Kenai Peninsula Borough.*

Objective	Strategies and Actions 2017 Priorities	Metrics/Impacts	Key Partners
<p>2.1 Advance infrastructure development projects (airport, harbors, roads, etc.) targeted towards improving efficiencies for specific industries, including tourism, fisheries, and maritime.</p>	<ul style="list-style-type: none"> • Assess industry needs by hosting listening sessions and community dialogs - \$10,000 • Develop inventory of maritime, tourism, and fisheries-related infrastructure projects • Locate public and private investment to support development • Advocate for new recreational areas and trails • Create airport authority 	<ul style="list-style-type: none"> • Dollar value of public and private investment • New jobs created 	<ul style="list-style-type: none"> • Kenai Peninsula Borough • Municipalities • Fisheries groups • Tribes • Airport and Harbor Commissions • Alaska Railroad, • U.S. Coast Guard, • State of Alaska, • Commercial air carriers
<p>2.2 Seek improvements to transportation infrastructure.</p>	<ul style="list-style-type: none"> • Assess economic impacts of planned highway improvements • Assess impacts of changes in Alaska Marine Highway service • Educate policymakers and the public on traffic and transportation needs associated with large-scale development (i.e. LNG) 	<ul style="list-style-type: none"> • Traffic counts • Accident data • Strategic plan agreed upon by local transportation committee 	<ul style="list-style-type: none"> • Alaska Department of Transportation and Public Facilities • Kenai Peninsula Borough • Local Transportation Committee
<p>2.3 Expand access to broadband for schools, colleges, and commercial enterprises.</p>	<ul style="list-style-type: none"> • Work with funding agencies and service providers to increase awareness of benefits • Make broadband data map available to the public • Host discussions with providers addressing community needs 	<ul style="list-style-type: none"> • Dollar value of public and private investment • Average broadband speed • Percentage of households with access to broadband • Percentage of customer related businesses providing WIFI 	<ul style="list-style-type: none"> • Telecom and internet service providers • Federal and state funders • Kenai Peninsula Tourism Marketing Council



Goal 3.0 Workforce and Human Capital: <i>Expand the skillsets of Borough residents to fill high-demand jobs and retain talent in the region.</i>			
Objective	Strategies and Actions 2017 Priorities	Metrics/Impacts	Key Partners
3.1 Facilitate cooperation between major employers and vocational-technical programs to improve the job-readiness of the Borough's labor force.	<ul style="list-style-type: none"> Identify gaps in the labor market using data from <i>Situations and Prospects</i> and BR&E surveys Partner with AVTEC, Kenai Peninsula College, Kenai Peninsula Construction Academy and the Alaska Dept. of Labor to host industry conversations Educate policymakers and the public on workforce needs 	<ul style="list-style-type: none"> Number of improved or new degree or certificate programs developed Number of recent graduates employed Consolidation and alignment of similar programs 	<ul style="list-style-type: none"> Post-Secondary and Industry Association (i.e. the Alliance) AVTEC Kenai Peninsula College Alaska Workforce Investment Board Alaska Department of Labor and Workforce Development
3.2 Support programming to attract and retain a professional workforce.	<ul style="list-style-type: none"> Continue to partner with Kenai Future Professionals in educating students of etiquette and labor needs Expand professional networking opportunities by hosting outreach events Retraining programs for workers dislocated by layoffs in oil and gas, government, construction etc. 	<ul style="list-style-type: none"> Number of events held Number of participants 	<ul style="list-style-type: none"> Chambers Central Peninsula General Hospital Peninsula Community Health Services Seward Hospital South Peninsula Hospital Kenai Future Professionals Job Shadow Alaska Dept. of Labor



Goal 4.0 Business Climate and Entrepreneurship: <i>Enhance Borough-wide entrepreneurship ecosystem and business climate.</i>			
Objective	Strategies and Actions 2017 Priorities	Metrics/Impacts	Key Partners
4.1 Support health and resiliency of regional businesses through business retention and expansion initiative.	<ul style="list-style-type: none"> • Use BR&E data to assess needs of business community • Distribute BR&E disaster survey to assess damage and shock to businesses and determine best assistance approach • Act as broker between businesses and services, such as voc-tech and Small Business Development Center 	<ul style="list-style-type: none"> • Number of surveys completed • Number of businesses provided with assistance • Number of businesses reporting favorable views of business climate • Number of jobs created 	<ul style="list-style-type: none"> • Municipalities • Chambers • Small Business Development Center • AVTEC • Kenai Peninsula College • Alaska Workforce Investment Board • Alaska Department of Labor and Workforce Development
4.2 Promote economic opportunities resulting from responsible development of natural resources.	<ul style="list-style-type: none"> • Continue engagement of oil and gas sector • Educate public on economic benefits of oil, gas, mining, fishing and timber 	<ul style="list-style-type: none"> • Value of new private investment • Hosted discussions to encourage growth and partnership 	<ul style="list-style-type: none"> • Oil and gas industry • Mining • Fishing • Farming
4.3 Develop new, and strengthen existing, services and support systems for entrepreneurs.	<ul style="list-style-type: none"> • Evaluate role of legacy programs such as KPEDD microloan and incubator • Assess new programming such as business plan competitions, angel investment, technical assistance • Develop networking events for entrepreneurs • Share funding opportunities provided by State and Federal agencies • Educate young entrepreneurs 	<ul style="list-style-type: none"> • New programs launched • Number of events held • Number of start-ups • Amount of funding received 	<ul style="list-style-type: none"> • Small Business Development Center • Center for Economic Development • US Department of Agriculture • Kenai Young Professionals • Job Shadow



Goal 5.0 Quality of Place: <i>Enhance the quality of life and recreational opportunities in the Kenai Peninsula Borough to retain and attract residents and visitors.</i>			
Objective	Strategies and Actions 2017 Priorities	Metrics/Impacts	Key Partners
5.1 Development of a strong Kenai Peninsula “brand” as a quality place to live and visit. Strategies build on the comparative advantages of accessibility, cultural, and natural resources.	<ul style="list-style-type: none"> • Link and align community-level branding efforts into a stronger brand, & cohesive message • Partner with KPTMC to amplify tourism marketing efforts • Build up marketing platforms such as social media and newsletters • Develop promotional video and collateral • Publicize quality of life factors like low cost of living, low crime rate, good schools 	<ul style="list-style-type: none"> • Number of new visitors • Number of new residents • Sales tax revenue 	<ul style="list-style-type: none"> • Kenai Peninsula Tourism Marketing Council • Chambers • Municipalities
5.2 Promote expansion of recreational trails, facilities and public access.	<ul style="list-style-type: none"> • Educate the public and policymakers on the benefits of new recreational trails, facilities, public access, and public lands • Improve quality of life through access to traditional Alaska Native foods including wild game, fruits, vegetables, herbs and spices. • Increase food security for Alaska Natives and Native Americans by creating a local foods cache 	<ul style="list-style-type: none"> • New recreation development initiated • Community participation 	<ul style="list-style-type: none"> • Kenai Peninsula Tourism Marketing Council • Chambers • Parks and Rec. Commission • Kenaitze Indian Tribe



Goal 6.0 Knowledge Creation and Dissemination: Lead the region in the analysis, and dissemination of economic and demographic data to educate the public and policymakers.			
Objective	Strategies and Actions	Metrics/Impacts	Key Partners
6.1 Generate and disseminate economic and demographic data geared towards businesses, decision makers, and communities.	<ul style="list-style-type: none"> • Provide un-biased, objective data to policy makers, industries, and interested parties • Listen to needs of communities to identify data and information gaps • Field requests to engage in industry-based information dissemination 	<ul style="list-style-type: none"> • Number of new reports • Supply data focused on benefits of big players in community 	<ul style="list-style-type: none"> • Kenai Peninsula Borough • Chambers • Municipalities • Lending firms
6.2 Develop and strengthen avenues for sharing and disseminating data and analysis.	<ul style="list-style-type: none"> • Continue annual publication of <i>Situation and Prospects</i> report - \$22,000 • Publicize findings from BR&E surveys • Provide info on major economic indicators annually via the Industry Outlook Forum • Continue to develop and refine website as data sharing portal - \$4,000 • Media releases • Share quarterly reports on changes in demographics, employment trends, wages and industry snapshots 	<ul style="list-style-type: none"> • Number of web hits /downloads of reports • Number of attendees at Industry Outlook Forum • Number of hard copies disbursed • Number of communities visited 	<ul style="list-style-type: none"> • Kenai Peninsula Borough • Chambers • Municipalities • Anchorage Economic Development Council • JobsEQ • Census • State of Alaska



Industry Snapshots

Demographic Profile

In 2015, the population in Kenai Peninsula Borough, Alaska was 58,506. Between 2005 and 2015, the region's population grew at an annual average rate of 1.1%. The region has a civilian labor force of 28,290 with a participation rate of 62.1%. Of individuals 25 to 64 in Kenai Peninsula Borough, Alaska, 21.6% have a bachelor's degree or higher which compares with 31.3% in the nation. The median household income in Kenai Peninsula Borough, Alaska is \$63,684 and the median house value is \$219,100.

Demographics	Kenai Peninsula Borough %	Alaska %	United States %	Kenai Peninsula Borough	Alaska	United States
Population	-	-	-	58,506	741,894	323,127,513
Annual Average Growth	1.1%	0.9%	0.8%	625	6,659	2,474,760
Median Age	-	-	-	40.6	33.8	37.2
Under 18	23.7%	26.4%	24.0%	13,111	187,378	74,181,467
18-24 Years of Age	8.3%	10.5%	9.9%	4,574	74,881	30,672,088
25-34 Years of Age	11.4%	14.5%	13.3%	6,290	103,125	41,063,948
35-44 Years of Age	12.4%	13.1%	13.3%	6,855	92,974	41,070,606
45-54 Years of Age	17.2%	15.6%	14.6%	9,527	111,026	45,006,716
55-64 Years of Age	15.8%	12.1%	11.8%	8,767	85,909	36,482,729
65-74 Years of Age	7.3%	5.0%	7.0%	4,064	35,350	21,713,429
75 Years and Over	4.0%	2.8%	6.0%	2,212	19,588	18,554,555
Race: White	84.6%	66.7%	72.4%	46,857	473,576	223,553,265
Race: Black or African American	0.5%	3.3%	12.6%	269	23,263	38,929,319
Race: American Indian & Alaska Native	7.4%	14.8%	0.9%	4,081	104,871	2,932,248
Race: Asian	1.1%	5.4%	4.8%	631	38,135	14,674,252
Race: Native Hawaiian & Other Pacific Islander	0.2%	1.0%	0.2%	119	7,409	540,013
Race: Some Other Race	0.6%	1.6%	6.2%	336	11,102	19,107,368
Race: Two or More Races	5.6%	7.3%	2.9%	3,107	51,875	9,009,073
Hispanic or Latino (of any race)	3.0%	5.5%	16.3%	1,641	39,249	50,477,594



Economic	Kenai Peninsula Borough %	Alaska %	United States %	Kenai Peninsula Borough	Alaska	United States
Labor Force Participation (Civilians 16 yrs & over)	62.1%	67.7%	63.3%	28,290	382,393	158,897,824
Armed Forces Labor Force	0.3%	3.0%	0.4%	137	16,684	1,015,464
Veterans, Age 18-64	9.1%	10.8%	5.5%	3,303	50,194	10,750,884
Median Household Income	-	-	-	\$63,685	\$72,515	\$53,889
Per Capita Income	-	-	-	\$31,537	\$33,413	\$28,930
Poverty Level (of all people)	10.0%	10.2%	15.5%	5,558	72,957	47,749,043
Households Receiving Food Stamps	9.0%	10.5%	13.2%	1,938	26,466	15,399,651
Mean Commute Time (minutes)	-	-	-	19.7	19.0	25.9
Commute via Public Transportation	0.7%	1.6%	5.1%	178	5,849	7,362,038
Union Membership	23.0%	22.4%	11.1%	-	-	-

Educational Attainment Age 25-64	Kenai Peninsula Borough %	Alaska %	United States %	Kenai Peninsula Borough	Alaska	United States
No High School Diploma	6.1%	6.6%	11.8%	1,908	26,191	19,736,243
High School Graduate	34.2%	28.2%	26.4%	10,727	112,476	43,982,863
Some College, No Degree	29.5%	28.7%	21.7%	9,244	114,483	36,178,232
Associate's Degree	8.7%	8.6%	8.8%	2,730	34,333	14,742,654
Bachelor's Degree	14.2%	18.3%	19.9%	4,470	72,819	33,245,950
Post Graduate Degree	7.4%	9.6%	11.4%	2,307	38,432	18,952,103



Housing	Kenai Peninsula Borough %	Alaska %	United States %	Kenai Peninsula Borough	Alaska	United States
Total Housing Units	-	-	-	30,671	308,261	133,351,840
Mean House Value (owner of occupied units)	-	-	-	\$219,100	\$250,000	\$178,600
Homeowner Vacancy	2.6%	1.7%	1.9%	425	2,817	1,492,691
Rental Vacancy	9.1%	6.2%	6.4%	598	6,207	2,949,366
Renter-Occupied Housing Units (% of occupied units)	27.5%	36.6%	36.1%	5,919	91,913	42,214,214
Occupied Housing Units with No Vehicle Available (% of occupied units)	6.3%	9.6%	9.1%	1,363	23,982	10,628,474

Social	Kenai Peninsula Borough %	Alaska %	United States %	Kenai Peninsula Borough	Alaska	United States
Enrolled in Grade 12 (% of total population)	1.5%	1.6%	1.4%	880	11,844	4,451,334
Disconnected Youth	4.0%	3.6%	3.0%	117	1,412	518,859
Children in Single Parent Families (% of all children)	26.4%	32.6%	34.8%	3,350	58,377	24,408,909
Disabled, Age 18-64	12.3%	10.0%	10.3%	4,336	45,917	19,985,588
Disabled, Age 18-64, Labor Force Participation Rate & Size	40.6%	50.4%	41.0%	1,762	23,163	8,185,456
Foreign Born	2.8%	7.4%	13.2%	1,597	54,047	41,717,420
Speak English Less Than Very Well (Population 5yrs and over)	2.0%	4.9%	8.6%	1,067	33,509	25,410,756

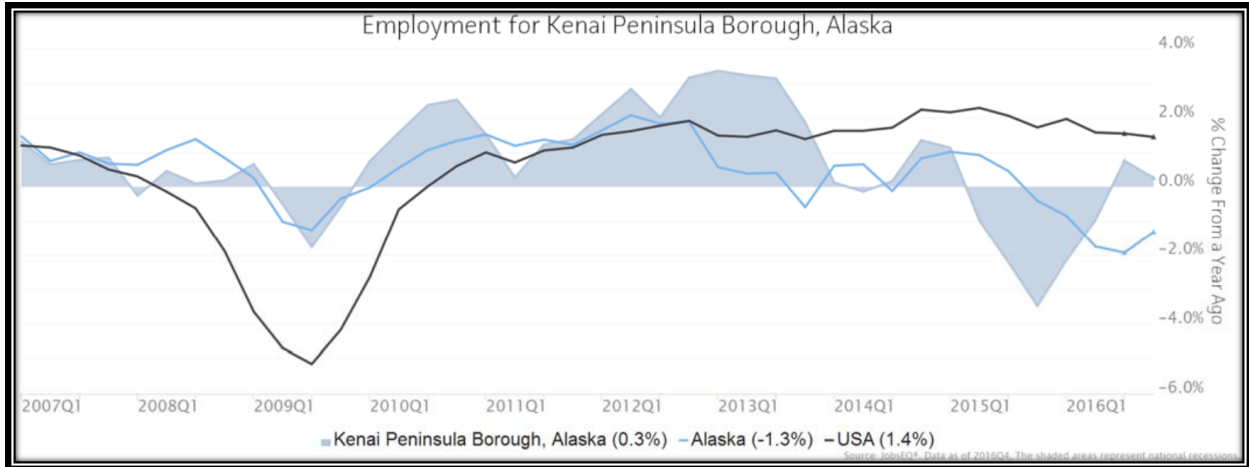
Source: [JobsEQ®](#)

1. ACS 2011-2015, unless noted otherwise 2. Median values for certain aggregate regions (such as MSAs) may be estimated as the weighted averages of the median values from the composing counties. 3. 2014; Current Population Survey, unionstats.com, and Chmura; county- and zip-level data are best estimates based upon industry-, MSA-, and state-level data 4. Census 2010
5. Disconnected Youth are 16-19 year olds who are (1) not in school, (2) not high school graduates, and (3) either unemployed or not in the labor force. 6. Census 2016, annual average growth rate since 2006



Employment Trends

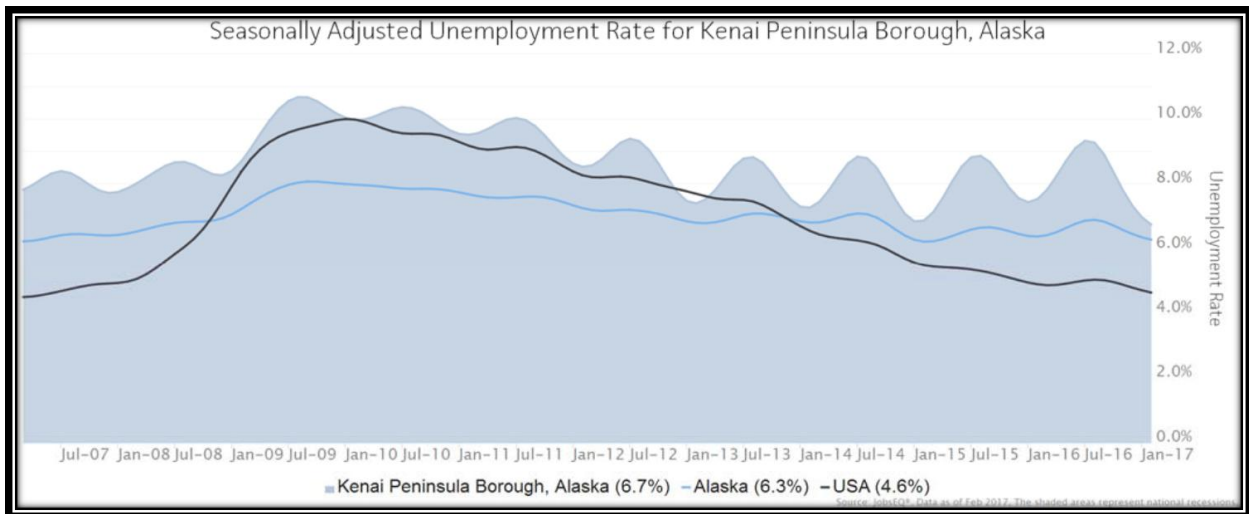
As of 2016Q4, total employment for Kenai Peninsula Borough, Alaska was 22,845 (based on a four-quarter moving average). Over the year ending 2016Q4, employment increased 0.3% in the region.



Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2016Q2 with preliminary estimates updated to 2016Q4.

Unemployment Rate

The seasonally adjusted unemployment rate for Kenai Peninsula Borough, Alaska was 6.7% as of February 2017. The regional unemployment rate was higher than the national rate of 4.6%. One year earlier, in February 2016, the unemployment rate in Kenai Peninsula Borough, Alaska was 7.5%.

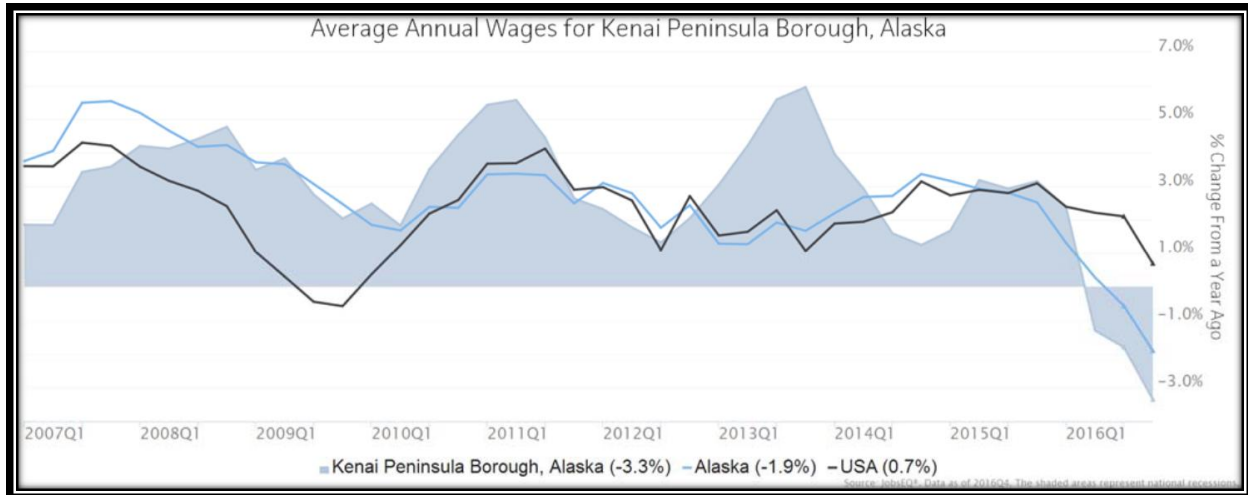


Unemployment rate data are from the Local Area Unemployment Statistics, provided by the Bureau of Labor Statistics and updated through February 2017.



Wage Trends

The average worker in Kenai Peninsula Borough, Alaska earned annual wages of \$45,339 as of 2016Q4. Average annual wages per worker decreased 3.3% in the region during the preceding four quarters. For comparison purposes, annual average wages were \$52,285 in the nation as of 2016Q4.



Annual average wages per worker data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2016Q2 with preliminary estimates updated to 2016Q4.

Cost of Living Index

The Cost of Living Index estimates the relative price levels for consumer goods and services. When applied to wages and salaries, the result is a measure of relative purchasing power. The cost of living is 25.4% higher in Kenai Peninsula Borough, Alaska than the U.S. average.

Cost of Living Index	Annual Average Salary	Cost of Living Index (Base US)	US Purchasing Power
Kenai Peninsula Borough	\$45,339	125.4	\$36,143
Alaska	\$52,708	129.2	\$40,799
USA	\$52,285	100.0	\$52,285

Source: [JobsEQ®](#)

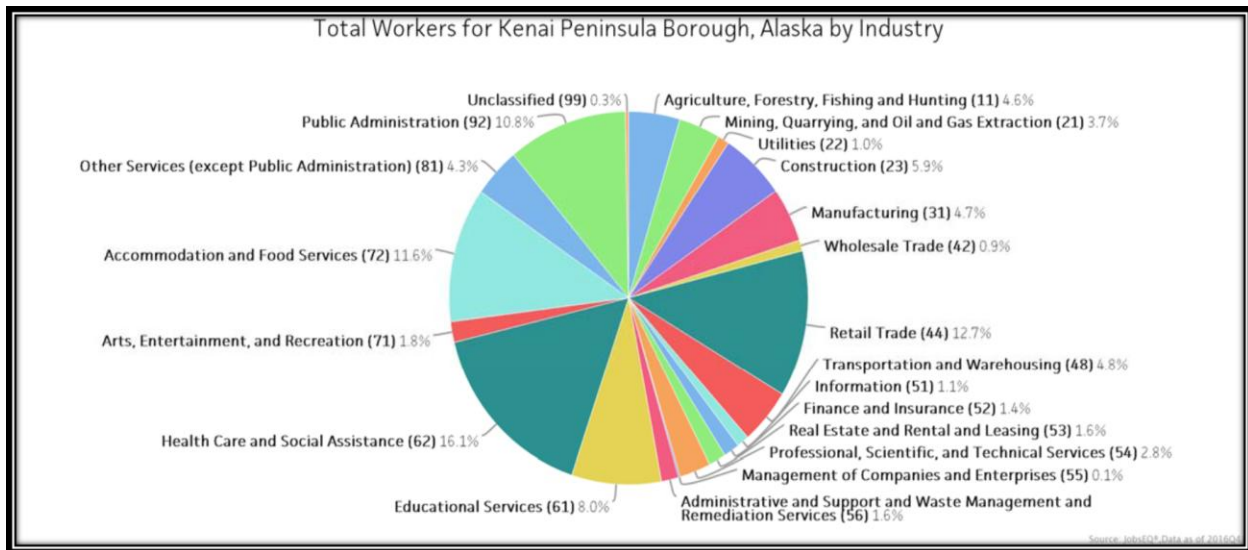
Data as of 2016Q4

Cost of Living per C2ER, data as of 2016q4, imputed by Chmura where necessary.



Industry Snapshot

The largest sector in Kenai Peninsula Borough, Alaska is Health Care and Social Assistance, employing 3,671 workers. The next-largest sectors in the region are Retail Trade (2,896 workers) and Accommodation and Food Services (2,656). High location quotients (LQs) indicate sectors in which a region has high concentrations of employment compared to the national average. The sectors with the largest LQs in the region are Mining, Quarrying, and Oil and Gas Extraction (LQ = 9.10), Agriculture, Forestry, Fishing and Hunting (3.17), and Public Administration (2.26).

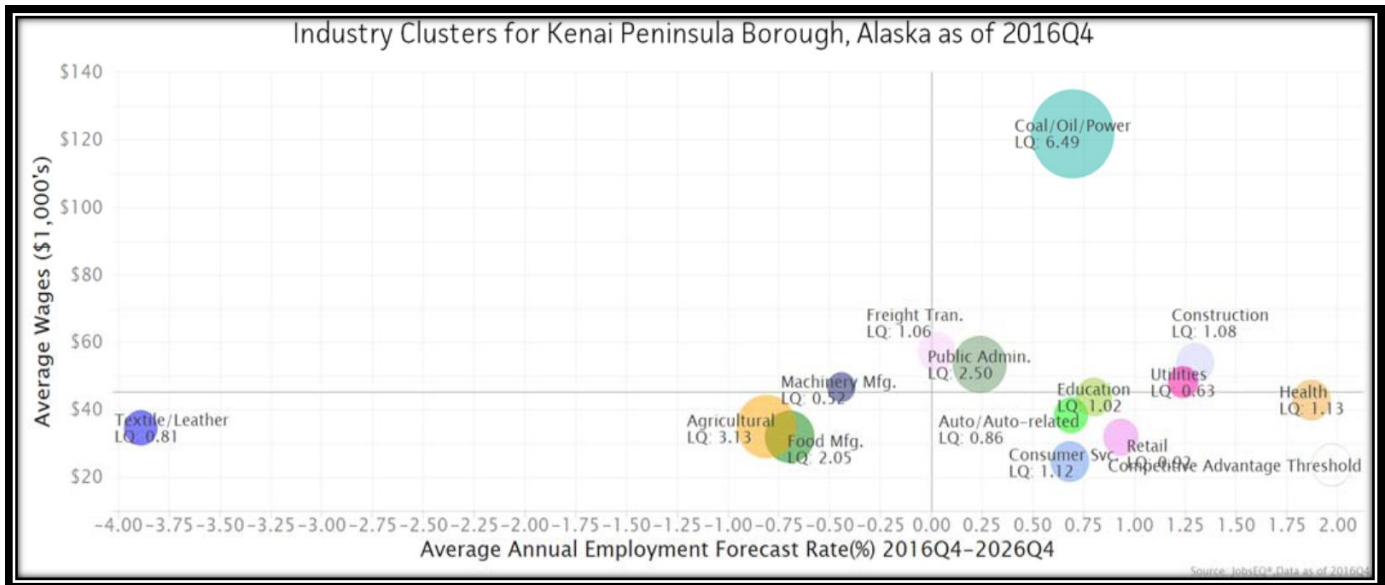


Employment data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2016Q2 with preliminary estimates updated to 2016Q4.



Industry Clusters

A cluster is a geographic concentration of interrelated industries or occupations. The industry cluster in Kenai Peninsula Borough, Alaska with the highest relative concentration is Coal/Oil/Power with a location quotient of 6.49. This cluster employs 1,268 workers in the region with an average wage of \$121,786. Employment in the Coal/Oil/Power cluster is projected to expand in the region about 0.7% per year over the next ten years.



Location quotient and average wage data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics, imputed where necessary, and updated through 2016Q2 with preliminary estimates updated to 2016Q4. Forecast employment growth uses national projections from the Bureau of Labor Statistics adapted for regional growth patterns.



2017 Comprehensive Economic Development Strategy Partners



State of Alaska, Dept. Commerce, Community & Economic Development
State of Alaska, Dept. of Labor & Workforce Development
Anchorage Economic Development Corporation & JobsEQ
United States Department of Agriculture
Kenai Peninsula Borough
The Chambers of Commerce of Kenai, Soldotna, Homer & Seward
The Cities of Kenai, Soldotna, Homer, Seward & Seldovia
Sheinberg Associates
Kenaitze Indian Tribe
Kenai Peninsula Tourism Marketing Council
Small Business Development Center
Kenai Peninsula Construction Academy
Photography by Jonathan Irish <http://greatestroadtrip.com>

Kenai Peninsula Economic Development District, Inc.

14896 Kenai Spur Hwy – Kenai, AK 99611

tim@kpedd.org caitlin@kpedd.org

www.kpedd.org

(907) 283-3335