

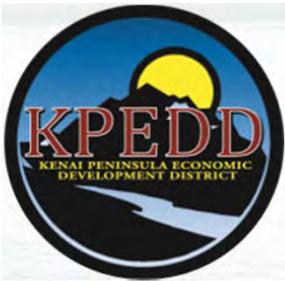
Kenai Peninsula Borough 2017 Back to School Overview

Tim Dillon

Executive Director

Kenai Peninsula Economic Development District

www.kpedd.org (907)283-3335



Kenai Peninsula Economic Development
District

501(C)4

Funding Sources

Kenai Peninsula Borough
US Dept. Commerce – Economic
Development Administration
Community Support for Local Events
Business Incubation Center

Programs & Reports

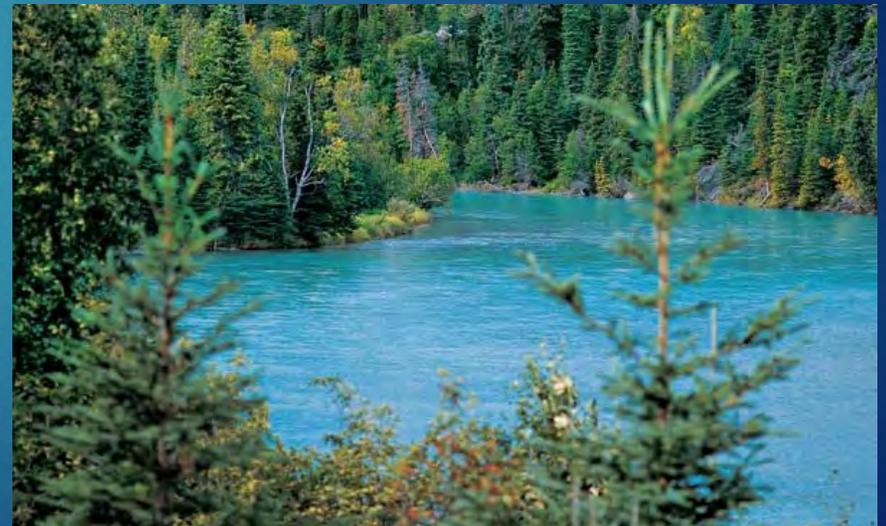
Comprehensive Economic Development
Strategy
Situations & Prospects Report
Quarterly Reports
Business Assistance, Advising & Advocacy
Community Support & Advocacy
Microloan Program
Business Retention & Expansion
Industry Outlook Forum

Kenai Peninsula Opportunities

501(C)3

Grant Support for the Kenai Peninsula
Construction Academy

Community Events





Kenai Peninsula Borough Comprehensive Economic Development Strategy 2016



Kenai Peninsula Economic Development District



Prepared by the University of Alaska Center for Economic Development

Pictures are from Community Photo Library, Division of Community and Regional Affairs

5-Year Plan
July 2016 – June 2021

University of Alaska
Center for Economic Development

CEDS Report
Comprehensive Economic Development Strategy

Annual Update
July 2016 – June 2017

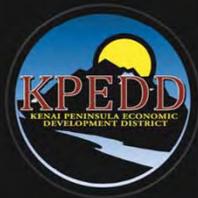


Kenai Peninsula Borough Comprehensive Economic Development Strategy 2017

Kenai Peninsula Economic Development District

In Partnership with the University of Alaska Center for Economic Development





2017 Kenai Peninsula
Situations & Prospects Report

www.kpedd.org

Situations & Prospects Report

August 2017

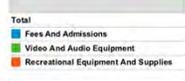
3rd Quarter Report

Kenai Peninsula Borough Consumer Spending

Apparel (2017)



Entertainment (2017)



Education (2017)



Food and Beverages (2017)



Employment Trends

As of 2017Q1, total employment in Kenai Peninsula Borough was 10,170 (average). Over the year ended 2017Q1, total employment increased by 1.7%.



Employment data are derived from the Quarterly Census of Employment and Wages, with preliminary estimates updated to 2017Q1.

Unemployment

The seasonally adjusted unemployment rate in Kenai Peninsula Borough was 10.7% in 2017Q1, up from 10.5% in 2016Q4.

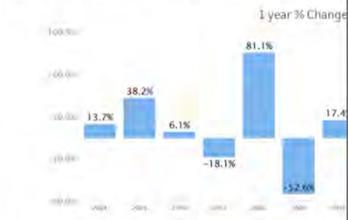


Unemployment rate data are from the Local Area Unemployment Statistics (LAUS).

Source: JobsEQ®, <http://www.cemuraecon.com/jobseq>
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Gross Domestic Product

Gross Domestic Product (GDP) is the total value of goods and services produced in Kenai Peninsula Borough, Alaska. In 2017Q1, total GDP in Kenai Peninsula Borough, Alaska was \$3,482,800,000, up from \$3,428,000,000 in 2016Q4.



Gross Domestic Product data are provided by the Bureau of Economic Analysis, imputed by Chmura Economics & Analytics.

Of the sectors in Kenai Peninsula Borough, Alaska, Mining, Quarrying, and Oil and Gas Extraction (21%) is the largest portion of GDP in 2016, \$912,584,000. The next-largest portion of GDP in 2016, \$464,819,000; Public Administration (\$327,613,000); and Health Care and Social Assistance (\$276,113,000).



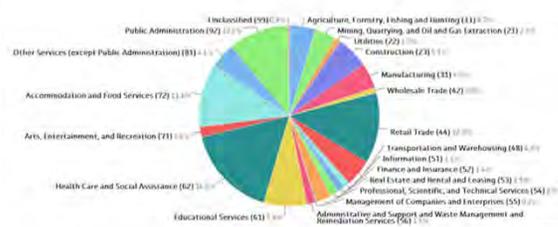
Gross Domestic Product data are provided by the Bureau of Economic Analysis, imputed by Chmura Economics & Analytics.

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Industry Snapshot

The largest sector in Kenai Peninsula Borough, Alaska is Health Care and Social Assistance, employing 3,728 workers. The next-largest sectors in the region are Retail Trade (2,822 workers) and Accommodation and Food Services (2,564). 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 = 9.50), Agriculture, Forestry, Fishing and Hunting (3.28), and Public Administration (2.27).

Total Workers for Kenai Peninsula Borough, Alaska by Industry



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 2016Q3 with preliminary estimates updated to 2017Q1.

Sectors in Kenai Peninsula Borough, Alaska with the highest average wages per worker are Utilities (\$110,855), Mining, Quarrying, and Oil and Gas Extraction (\$103,669), and Management of Companies and Enterprises (\$70,481). Regional sectors with the best job growth (or most moderate job losses) over the last 5 years are Accommodation and Food Services (+307 jobs), Health Care and Social Assistance (+197), and Retail Trade (+98).

Over the next 10 years, employment in Kenai Peninsula Borough, Alaska is projected to expand by 1,563 jobs. The fastest growing sector in the region is expected to be Health Care and Social Assistance with a +1.7% year-over-year rate of growth. The strongest forecast by number of jobs over this period is expected for Health Care and Social Assistance (+703 jobs), Retail Trade (+241), and Construction (+163).

Source: JobsEQ®, <http://www.cemuraecon.com/jobseq>
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Wage Trends

The average wage in Kenai Peninsula Borough, Alaska was \$19,946 in 2017Q1. Average wages in the region are projected to grow at 0.6% per year over the next ten years.



Data are imputed where necessary. Data are updated through 2016Q3 with preliminary estimates updated to 2017Q1.

Wage 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 2016Q3 with preliminary estimates updated to 2017Q1.

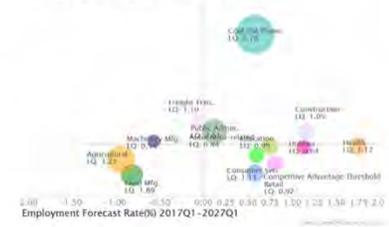
Wage data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics and imputed where necessary. Data are updated through 2016Q3 with preliminary estimates updated to 2017Q1.

Occupation	Wage
Health Care and Social Assistance	\$36,459
Retail Trade	\$41,320
Accommodation and Food Services	\$53,246

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 6.78. Other industry clusters in the region include Agriculture, Forestry, Fishing and Hunting with an average wage of \$119,946. Employment in the region about 0.6% per year over the next ten years.

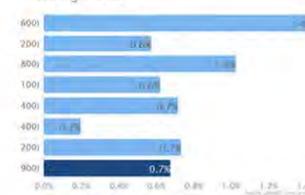
Kenai Peninsula Borough, Alaska as of 2017Q1



Industry cluster data are derived from the Quarterly Census of Employment and Wages, provided by the Bureau of Labor Statistics, imputed where necessary, and updated where necessary. Data are updated through 2016Q3 with preliminary estimates updated to 2017Q1.

The education and training required. While all employment in Kenai Peninsula Borough, Alaska is expected to grow at 0.7% over the next ten years, occupations typically requiring a high school diploma or less are expected to grow at 1.0% per year, those requiring a bachelor's degree are forecast to grow at 0.5% per year, and those requiring a postsecondary certificate or diploma are expected to grow at 0.7% per year.

Growth by Training Required for Kenai Peninsula Borough, Alaska



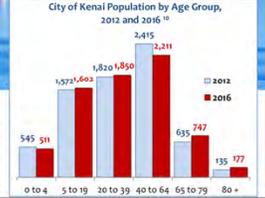
Occupation growth rates are based on BLS assignments. Forecast employment growth uses national projections from the Bureau of Labor Statistics.

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City of Kenai

Population	
2016 Population ¹	7,098
2010 Population ¹	7,112
2016 Permanent Fund Dividends (zip code 99611, which includes Kenai, Nikiski) ²	12,773
2010 Permanent Fund Dividends (zip code 99611) ²	12,480
PK-12 ³ Grade School Enrollment (all city schools) (2016/2017) ³	1,827
Housing ⁴	
Total Housing Units	3,411
Occupied Housing Units	3,041
Median Value of Owner-Occupied Units	\$199,600
Median Monthly Rent (For Renters)	\$900



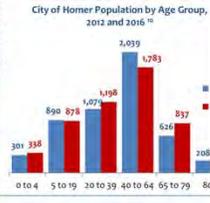
Income ⁵	
Total Households	
Median Household Income	
Mean Household Income	
Total Families	
Median Family Income	
Mean Family Income	
Per Capita Income	



Homer

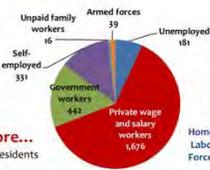
- City of Kenai...**
- Half of all workers in health + education,
 - Among Peninsula cities, 102 homes sold in Kenai,
 - 25 new homes were built in Kenai,
 - Kenai had the highest median family income in the Peninsula,
 - In 2015, Kenai residents earned \$6.2 million⁶
 - At the Kenai Airport

Population	
2016 Population ¹	5,252
2010 Population ¹	5,003
2016 Permanent Fund Dividends (zip code 99603, which includes Homer, Halibut Cove, Kachemak, Fox River, Nanwalek, Port Graham, Fritz Creek, Diamond Ridge, Miller Landing) ²	8,950
PK-12 ³ Grade School Enrollment (all city schools) (2016/2017) ³	1,215
Housing ⁴	
Total Housing Units	2,689
Occupied Housing Units	2,090
Median Value of Owner-Occupied Units	\$264,100
Median Monthly Rent (For Renters)	\$932
Income ⁵	
Total Households	2,090
Median Household Income	\$55,849
Mean Household Income	\$74,523
Total Families	1,254
Median Family Income	\$75,000
Mean Family Income	\$91,996
Per Capita Income	\$30,664



Homer, the Peninsula's fishing capital + more...

- In 2015, 73% of the total commercial catch that Peninsula residents harvested was by Homer fishermen.⁸
- Homer residents actually caught 2% of all commercial fish harvested in the state in 2015, and 1% of the harvest by any Alaskan resident. 485 Homer residents landed 151.5 million pounds of fish in the state and earned an estimated gross of \$69.7 million in 2015.⁹
- Homer was the only place on the Peninsula where gross business sales were higher in 2016 versus 2015.¹¹
- 58 homes sold in Homer in 2016 with an average sales price of \$245,572⁷
- 36 new homes were built in Homer in 2016⁷. Over the last decade Homer led every year in new home construction for all Peninsula cities, except in 2010 when it was 2nd to Soldotna.⁸



2017 Kenai Peninsula Situations & Prospects Report
Kenai Peninsula Economic Development District
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Sources: 1 - ADOLWS Population Estm 2010-2016; 2 - AK Dept of Revenue; 3 - AK Dept of Education; 4 - U.S. Census ACS 2010-2015 5-year estimates; 5 - FMLS via Redburn Realty; 6 - AMFC/ADOLWS Housing Market Indicators; 7 - UFEI; 8 - ADOLWS Pop By Age & Class 100+; 9 - Alaska Teacher Reports; 10 - FRB Finance Dept; 11 - Photo: J. Ennis



Soldotna

Population	
2016 Population ¹	4,376
2010 Population ¹	4,165
2016 Permanent Fund Dividends (zip code 99669, which includes Soldotna, Sterling, Kaslof, Kalifornsky, Funny River, Ridgeway, Cohoe) ²	14,507
2010 Permanent Fund Dividends (zip code 99669) ²	14,321
PK-12 ³ Grade School Enrollment (all city schools) (2016/2017) ³	2,852
Housing ⁴	
Total Housing Units	1,810
Occupied Housing Units	
Median Value of Owner-Occupied Units	
Median Monthly Rent (For Renters)	
Income ⁵	
Total Households	
Median Household Income	
Mean Household Income	
Total Families	
Median Family Income	
Mean Family Income	
Per Capita Income	



Soldotna...

- a Government, Health Care, and Retail
- Home of the 2016-2017 Alaska State
- Almost one-third (31%) of all Peninsula
- 75 homes sold in Soldotna in 2016 with
- 29 new homes were built in Soldotna
- In 2015, Soldotna residents landed 4.4 million⁶

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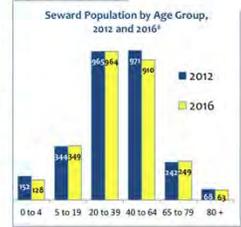


Seward

Seward: a Kenai Peninsula Maritime Powerhouse

- In 2015, Seward⁶:
 - Ranked 12th in US for commercial fish landings
 - Was the Peninsula's top commercial fishery port with 94 Million pounds landed, worth \$280,935 in state fish taxes
 - Had 25% of all Sablefish IFQ Landings in Alaska
 - Had 11% of all Halibut IFQ Landings in Alaska
 - Based on local processing, \$280,935 in state fish taxes was shared with the City (2016)
- In 2015, Seward residents⁷:
 - Landed 12.5 million pounds of fish in Alaska, with estimated gross earnings of \$9 million

Population	
2016 Population ¹	2,663
2010 Population ¹	2,693
2016 Number of Permanent Fund Dividends (zip code 99664, which includes Seward, Lowell Pt., Bear Cr., Primrose) ²	3,904
PK-12 ³ Grade School Enrollment (2016/2017) ³	625
Housing ⁴	
Total Housing Units	1,109
Median Value of Owner-Occupied Units	\$164,300
Median Monthly Rent (For Renters)	\$718
Income ⁵	
Total Households	867
Median Household Income	\$53,750
Mean Household Income	\$67,087
Total Families	453
Median Family Income	\$79,076
Mean Family Income	\$84,965
Per Capita Income	\$24,671



HOUSING: In the Seward-Cooper Landing area, 58 homes sold in 2016 with an average value of \$245,105¹¹ and in Seward, 13 new homes were built⁷

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Sources: 1 - ADOLWS Population Estm 2010-2016; 2 - AK Dept of Revenue; 3 - AK Dept of Education; 4 - U.S. Census ACS 2010-2015 5-year estimates; 5 - FMLS via Redburn Realty; 6 - AMFC/ADOLWS Housing Market Indicators; 7 - UFEI; 8 - ADOLWS Pop By Age & Class 100+; 9 - Alaska Teacher Reports; 10 - FRB Finance Dept; 11 - Photo: J. Ennis



Seldovia

GROSS BUSINESS SALES IN CITY OF SELDOVIA							
Business Type	2012	2015	2016	1-Year Change (2015-2016)	5-Year Change (2012-2016)		
GRAND TOTAL	\$3,614,000	\$4,223,683	\$7,340,762	\$3,117,079	74%	\$3,726,762	103%
Admin, Waste Mgmt	*	*	*	*	*	*	*
Ag, Forestry, Fishing, Hunting	*	*	*	*	*	*	*
Arts + Entertainment	\$58,000	\$15,613	\$42,416	\$26,803	172%	(\$15,584)	-27%
Construction Contracting	\$870,000	\$775,409	\$1,051,236	\$275,827	36%	\$181,236	21%
Educational Svcs	*	*	*	*	*	*	*
Finance + Insurance	*	*	*	*	*	*	*
Guiding Land	*	*	*	*	*	*	*
Guiding Water	\$273,000	\$220,943	\$170,775	(\$50,168)	-23%	(\$102,225)	-37%
Health Care, Social Asst	*	*	*	*	*	*	*
Hotel/Motel/B&B	\$193,000	\$451,997	\$512,023	\$66,026	13%	\$319,023	165%
Information	\$427,000	\$283,848	\$308,242	\$24,394	9%	(\$118,758)	-28%
Manufacturing	*	\$0	\$27,033	*	*	*	*
Prof, Scientific, Technical Svcs	\$325,000	\$448,203	\$237,793	(\$210,410)	-47%	(\$87,207)	-27%
Public Admin	*	\$203,043	*	*	*	*	*
Rental Commercial Prop	*	*	\$5,237	*	*	*	*
Rental Non-Residential Prop	*	*	\$18,530	*	*	*	*
Rental Self-storage + Mini-whs	*	*	*	*	*	*	*
Rental Personal Prop	*	*	\$16,445	*	*	*	*
Rental Residential Prop	\$52,000	\$39,359	\$63,051	\$23,692	60%	\$11,051	21%
Restaurant/Bar	\$735,000	\$322,520	\$482,288	\$159,768	50%	(\$212,712)	-34%
Retail Trade	\$645,000	\$1,026,947	\$1,449,667	\$422,720	41%	\$804,667	125%
Services	\$37,000	\$100,553	\$425,839	\$325,286	323%	\$388,839	1051%
Telecommunications	*	*	\$13,819	*	*	*	*
Transportation, Warehousing	*	*	\$190,114	*	*	*	*
Utilities	*	*	*	*	*	*	*
Wholesale Trade	*	\$332,178	\$1,242,988	*	*	*	*
Other	*	\$0	\$1,143,266	*	*	*	*

Source: Kenai Peninsula Borough Finance Dept. * confidential or N/A

CITY OF SELDOVIA TAX INFORMATION⁸

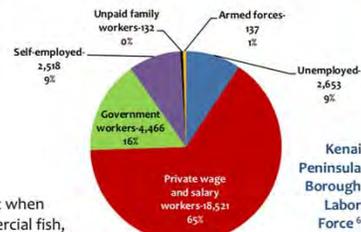
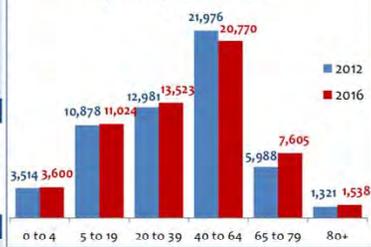
Sales Tax	Year			
	2012	2015	2016	
Rate	N/A	2.57/4.5%	2.57/4.5%	
Revenue	N/A	\$117,065	\$179,068	
Mill Rate	9.85	9.85	12.75	
Property Tax	Assessed Value (real, personal, oil + gas)	\$40,813,743	\$36,760,769	\$34,747,810
Revenue		\$178,411	\$181,013	\$181,892

- City of Seldovia**
- 2016 Population: 206
 - 2010 Population: 355
 - 2016 FFDs: 336 (zip code 99664-Seldovia & Seldovia Village)
 - School Enrollment: 32 (PK-12)

Kenai Peninsula Borough

Population	
2016 Population ¹	58,060
2010 Population ¹	55,400
2016 Permanent Fund Dividends ²	52,418
PK-12 th Grade School Enrollment (all KPB schools) (2016/2017) ³	9,141
Housing ⁴	
Total Housing Units	30,671
Occupied Housing Units	21,485
Median Value of Owner-Occupied Units	\$219,100
Median Monthly Rent (includes utilities) ⁵	\$992
Income ⁶	
Total Households	21,485
Median Household Income	\$63,684
Mean Household Income	\$78,118
Total Families	13,746
Median Family Income	\$78,668
Mean Family Income	\$91,684
Per Capita Income ¹³	\$52,639

Kenai Peninsula Borough Population by Age Group, 2012 and 2016 ¹⁰



Kenai Peninsula Borough (KPB)...

- About 8% of Alaska's population lives on the Peninsula; yet when compared to the number of Alaskan residents that commercial fish, Peninsula residents ⁹:
 - Took home 18% of the gross commercial fish earnings that went to Alaskans
 - Harvested 15% of all commercial fish that Alaskans caught
 - Were 15% of Alaskan commercial permit holders
 - Accounted for 17% of the permits fished by Alaskans
- 1,821 homes sold in KPB in 2016 with an average sales price of \$227,631 ⁷
- 103 new homes were built in KPB in 2016 ⁸. Of the total, 75 were single-family, 16 were in eight duplexes, 6 were in two tri-plexes, 5 were in a multi-family unit, and 1 was a manufactured home.

Sources: 1 - ADOLWD, Population Estm 2010-2016; 2 - AK Dept of Revenue; 3 - AK Dept of Education; 4, 5, 6 - US Census, ACS 2011-2015 5-year estimate; 7 - MLS c/o Redoubt Realty; 8 - AHFC/ADOLWD Housing Market Indicators; 9 - CFCG; 10 - ADOLWD Pop By Age & Class 2010-2016; 11 - Alaska Taxable reports; 12 - KPB Finance Dept; 13 - US BEA 2015; Photo: Grewink Glacier in Kachemak Bay State Park by J. Ennis



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GROSS BUSINESS SALES IN THE KENAI PENINSULA BOROUGH

Business Type	2012	2015	2016	1-Year Change (2015-2016)	5-Year Change (2012-2016)
GRAND TOTAL	\$3,945,183,074	\$3,751,831,463	\$3,365,263,955	(\$386,567,508) -10%	(\$579,919,119) -15%
Admin, Waste Mgmt	\$73,484,901	\$62,472,337	\$58,988,661	(\$3,483,676) -6%	(\$14,496,240) -20%
Ag, Forestry, Fishing, Hunting	\$3,229,852	\$3,417,660	\$3,929,259	\$511,599 15%	\$699,407 22%
Arts + Entertainment	\$16,595,623	\$7,205,880	\$7,495,161	\$289,281 4%	(\$9,100,462) -55%
Construction Contracting	\$911,658,568	\$484,427,149	\$391,597,672	(\$92,829,477) -19%	(\$520,060,896) -57%
Educational Svcs	\$2,725,887	\$3,133,731	\$3,421,231	\$287,500 9%	\$695,345 26%
Finance + Insurance	\$6,000,909	\$15,433,738	\$8,242,551	(\$7,191,187) -47%	\$2,241,642 37%
Guiding Land	\$1,767,489	\$3,382,241	\$3,707,234	\$324,993 10%	\$1,939,745 110%
Guiding Water	\$57,773,657	\$65,036,445	\$67,961,054	\$2,924,609 4%	\$10,187,397 18%
Health Care, Social Asst	\$22,172,947	\$36,509,660	\$34,368,296	(\$2,141,364) -6%	\$12,195,349 55%
Hotel/Motel/B&B	\$85,963,109	\$95,864,781	\$95,409,527	(\$455,254) 0%	\$9,446,418 11%
Information	\$56,433,632	\$47,656,939	\$40,357,914	(\$7,299,025) -15%	(\$16,075,718) -28%
Mgmt of Companies	*	*	*	*	*
Manufacturing	\$151,240,269	\$121,971,981	\$105,130,451	(\$16,841,530) -14%	(\$46,109,818) -30%
Mining/Quarrying	\$476,350,194	\$755,143,915	\$623,592,005	(\$131,551,910) -17%	\$147,241,811 31%
Prof, Scientific, Technical Svcs	\$129,896,082	\$64,027,132	\$74,634,921	\$10,607,789 17%	(\$55,261,161) -43%
Public Admin	\$29,376,966	\$25,245,067	\$26,870,633	\$1,625,566 6%	(\$2,506,333) -9%
Remediation Svcs	\$533,377	\$354,793	\$322,808	(\$31,985) -9%	(\$210,569) -39%
Rental Commercial Prop	\$14,547,574	\$8,428,631	\$9,208,229	\$779,598 9%	(\$5,339,345) -37%
Rental Non-Residential Prop	\$20,674,302	\$35,859,373	\$33,940,204	(\$1,919,169) -5%	\$13,265,902 64%
Rental Self-storage + Mini-warehouses	\$4,007,371	\$4,545,867	\$4,755,034	\$209,167 5%	\$747,663 19%
Rental Personal Prop	\$4,406,314	\$3,723,481	\$3,346,741	(\$376,740) -10%	(\$1,059,573) -24%
Rental Residential Prop	\$57,370,174	\$75,489,680	\$81,576,002	\$6,086,322 8%	\$24,205,828 42%
Restaurant/Bar	\$89,305,206	\$99,698,882	\$101,528,864	\$1,829,982 2%	\$12,223,658 14%
Retail Trade	\$985,526,079	\$973,766,377	\$945,655,655	(\$28,110,722) -3%	(\$39,870,424) -4%
Services	\$155,555,976	\$166,546,039	\$120,144,891	(\$46,401,148) -28%	(\$35,411,085) -23%
Telecommunications	\$10,809,481	\$12,674,475	\$14,333,053	\$1,658,578 13%	\$3,523,572 33%
Timbering	*	*	*	*	*
Trailer Court	\$13,866	*	*	*	*
Transportation, Warehousing	\$127,117,477	\$119,329,396	\$106,416,878	(\$12,912,518) -11%	(\$20,700,599) -16%
Utilities	\$166,669,401	\$158,428,172	\$158,495,022	\$66,850 0%	(\$8,174,379) -5%
Wholesale Trade	\$283,976,391	\$302,057,641	\$239,834,004	(\$62,223,637) -21%	(\$44,142,387) -16%

Source: Kenai Peninsula Borough Finance Dept * confidential or \$0

KENAI PENINSULA BOROUGH TAX INFORMATION ¹¹

Sales Tax	Rate	Year		
		2012	2015	2016
	Revenue	\$28,385,150	\$30,040,682	\$30,103,266
Property Tax	Mill Rate	4.5	4.5	4.5
	Assessed Value (real, personal, oil + gas)	\$6,821,303,558	\$7,272,753,448	\$7,762,527,659
	Revenue	\$54,065,131	\$58,076,883	\$62,078,842

Industry Outlook Forum

January 10th, 2018 - Soldotna Regional Sports Center





Thank you

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