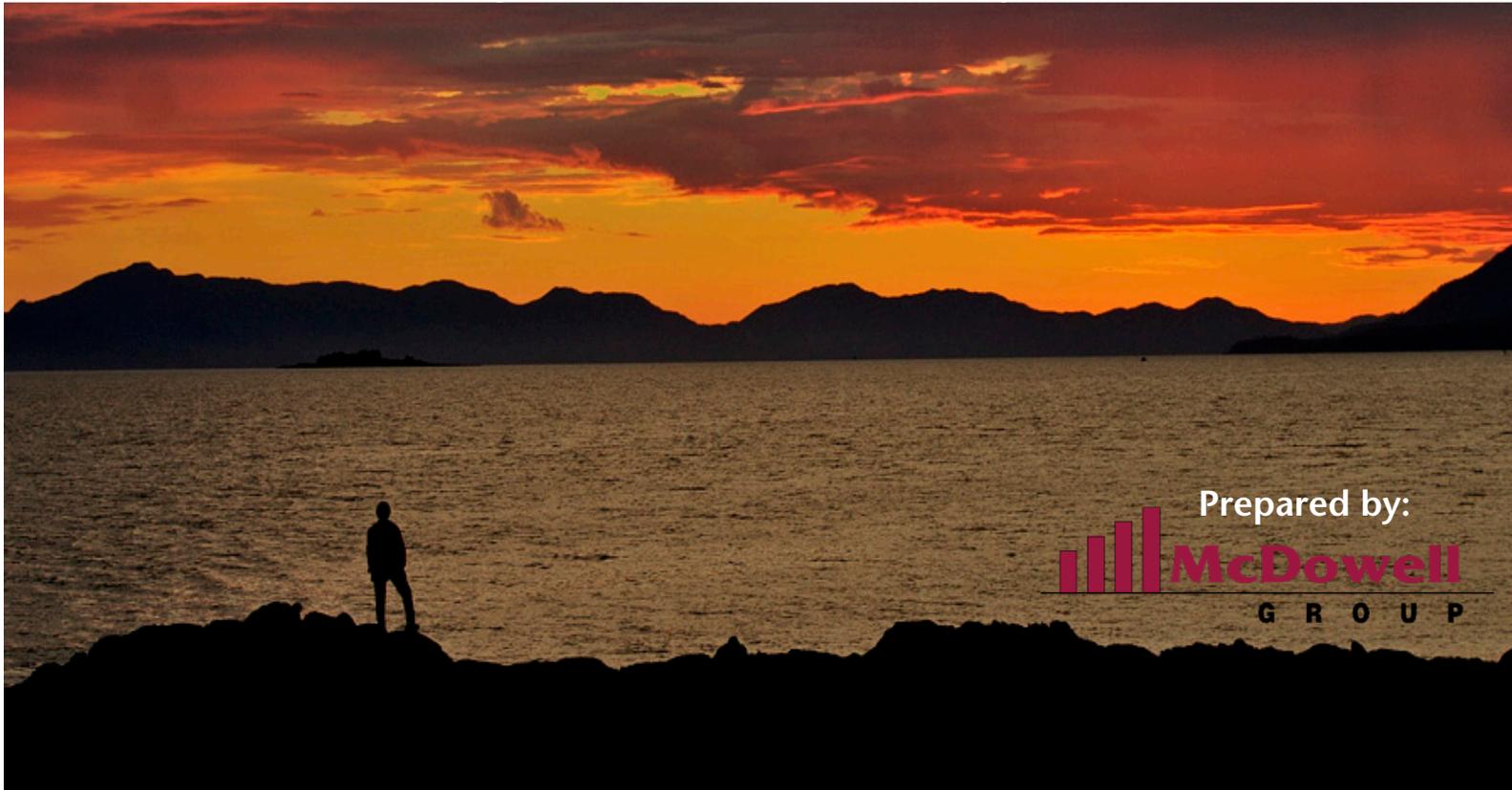


Ketchikan Economic Indicators 2010

Volume I: Economic Indicators Summary



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Introduction

This component of the Ketchikan Economic Indicators Project details Ketchikan's most relevant economic indicators and gives a brief overview of general themes and patterns evident in the data. Starting with population, this document identifies more than two dozen indicators and then puts them into context by identifying trends – is the population growing or shrinking, for example – and in some cases comparing what's happening in Ketchikan to what's happening in the region, state, or nation.

For the most part, the time period examined is from 1995 through 2009 (unless data for 2009 is not yet available). In some cases a longer time period is shown in order to make a specific point or a shorter period is shown because of data availability.

This document is one of four work products developed as part of the Ketchikan Economic Indicators Project. The four work products include:

- Ketchikan Economic Indicators Summary Analysis (this document);
- Ketchikan Economic Indicators Industry Profiles (a brief description of each industry, its current economic impact in terms of jobs and payroll, and a preliminary assessment of opportunities and challenges facing the industry);
- Ketchikan Economic Indicators Electronic Data Base (an Excel data set including historical and current measures of approximately 50 socioeconomic indicators); and
- Ketchikan Economic Indicators PowerPoint Presentation (a very concise summary of the key findings from the other three project components).

Economic indicators for Ketchikan reveal two watershed events and possibly a third over the last fifteen years.

- The first is the closing of the Ketchikan Pulp Mill in 1997 and the related decline in logging employment. For nearly a decade Ketchikan lost population, income, and jobs, among other things as the economy shrunk and adapted to the loss of a major economic driver.
- The second turning point – this one positive but more moderate – was the bottoming out of the fishing industry in 2001 after years of declines in salmon prices and the subsequent bounce in the value of the fisheries over the last several years.
- The third economy-dominating development over the last decade and a half has been the emergence of large-scale tourism – cruise ship tourism, in particular. A long streak of strong, consistent growth in cruise ship passenger visits ended in 2006, however, and it is too early to tell whether a new trend is emerging, especially given recent events involving taxes, ship redeployments, and the global recession.

Other important developments over the period include:

- The development of the Ketchikan Shipyard and the emergence of Alaska Ship and Drydock as the hub of a growing marine industry.
- The dramatic increase in oil prices and oil revenue that turned budget deficits in the early 2000s into huge budget surpluses over the last several years, making more capital budget and revenue sharing money available and providing the means for state government employment to be a stabilizing force on the economy. Alaska was one of only two states not facing budget deficits in fiscal year 2010.
- A deep national recession that shook the country in 2008 and 2009. Midway through 2010 the recovery is shaky and not yet broad-based and there is still a lot of ground to recover. The economy appears to be in a moderate recovery, but significant questions remain about whether the private sector and consumers will sustain the recovery after the massive federal stimulus winds down.

Looking forward, there is less uncertainty about the short-term future of Ketchikan's economy than there was a year ago. One certainty is that the summer of 2010 will bring fewer tourists to Ketchikan as a result of the redeployment of several ships to other markets, but there's optimism that the passengers that do come will spend more than the frugal group that visited in 2009. Several new ships are also expected to visit Ketchikan in 2011.

A little farther out, the state's budget picture is a concern given declining oil production and considerable uncertainty about when and if a natural gas pipeline will be built. Though not always evident, Ketchikan and nearly every other local economy in Alaska have benefitted substantially from the increasing flow of state dollars in the form of capital projects, payroll, education spending, and local government revenue sharing, among other things.

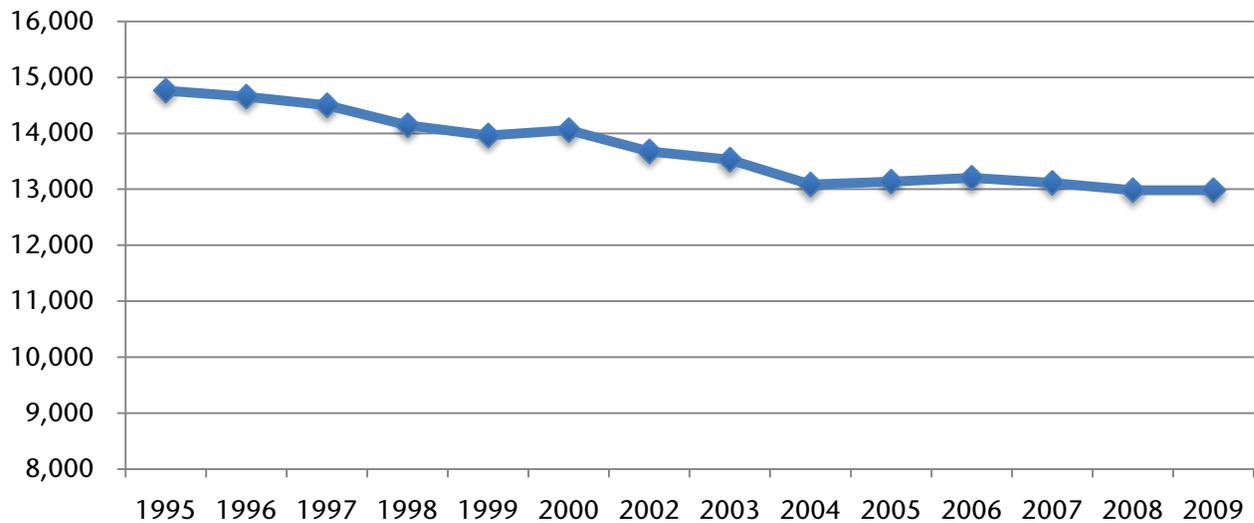
Another major issue on the horizon is the very large segment of Ketchikan's population who are currently in their late 40s to early 60s. Will they stay and spend their retirement income in Ketchikan, not to mention benefit the community with their experience and knowledge, or will they migrate out of the borough in large numbers as they move out of their working years and into their retirement years?

A few points to consider looking forward:

- Shocks of the type Ketchikan experienced with the loss of the pulp mill and logging jobs have been felt in many U.S. communities as resource extraction has become more complicated and controversial, manufacturing jobs have steadily declined, and global trade has expanded. Local economies across the country are coping with these changes and determining how to adapt and benefit.
- Ketchikan has significant economic assets that will help support the local economy well into the foreseeable future. Seafood and tourism, and the many industries and government agencies related to them in one way or the other, are solid foundations on which to build and grow. It is hard to imagine a future in which people don't eat seafood and cruise ships don't sail the Inside Passage and visit Ketchikan and coastal Alaska. On a smaller scale, minerals and timber resources, both plentiful in Southeast Alaska, will continue to play a role in the regional economy.
- As a state extremely rich in natural resources – oil, minerals, seafood, timber, wildlife, and scenic beauty, to name a few – Alaska has a lot to offer the global marketplace. Opportunities abound, but converting opportunities into jobs and income in Southeast Alaska is always a challenge.

Population

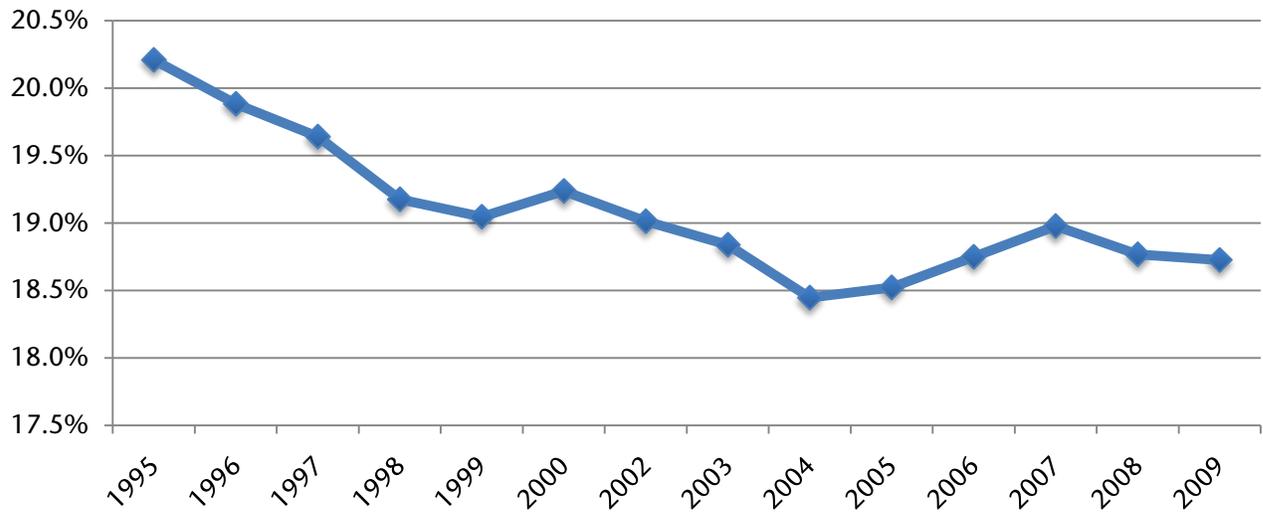
Ketchikan Gateway Borough Population, 1995-2009



Source: Alaska Department of Labor and Workforce Development, and U.S. Census

- From 1995 to 2004, Ketchikan's population declined steeply, falling by a total of 1,700 people.
- Ketchikan's population stabilized from 2004 to 2009, with a net loss of just 100 over that period.
- The official population estimate from the Alaska Department of Labor and Workforce Development for 2009 was 12,984 (all numbers are from the Alaska Department of Labor except 2000, which is from the U.S. Census).
- The Borough's population fell by 12 percent from 1995 to 2004 and then just 0.8 percent from 2004 to 2009.

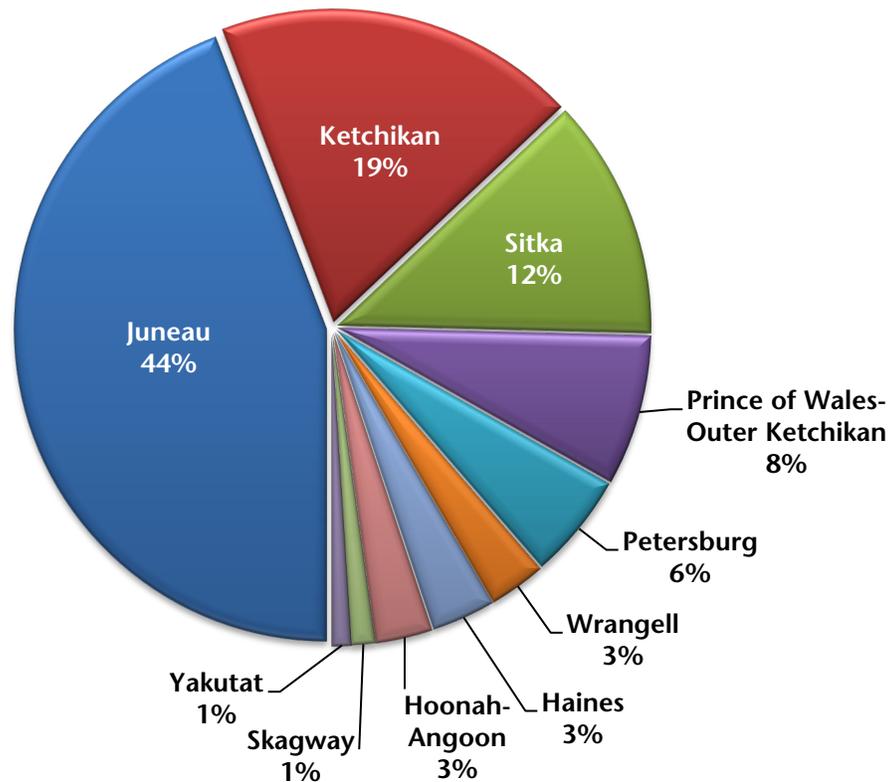
KGB Population as Percentage of Southeast Region, 1995-2009



Source: Alaska Department of Labor and Workforce Development, and U.S. Census

- Although the entire Southeast Region also lost population from 1995 to 2009, Ketchikan's losses were more severe than the region's from 1995 to 2004 and, as a result, Ketchikan's share of the region's population fell from slightly more than 20 percent in 1995 to 18.4 percent in 2004.
- The region's losses were steeper than Ketchikan's over the next several years, however, and Ketchikan regained some of the lost ground over the period from 2004 to 2009.
- One reason for the shifting trend was that Juneau gained about 1,100 people from 2000 to 2006 (a net gain of about 4 percent), but then lost population from 2006 to 2009.

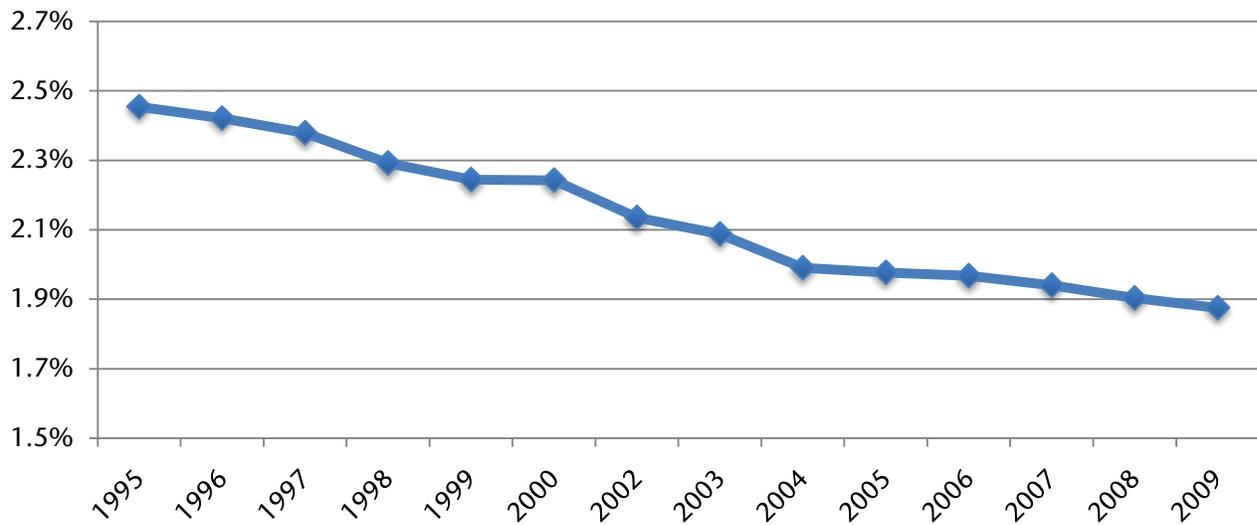
Southeast Region Population by Borough/Census Area, 2009



Source: Alaska Department of Labor and Workforce Development

- The three largest boroughs in Southeast – Juneau, Ketchikan, and Sitka – made up 75 percent of the Region’s population in 2009.
- Juneau’s share of the total has increased over the last decade, but not substantially. In 2000, Juneau had 42 percent of the region’s population, just two percent less than in 2009.
- Sitka’s population has been relatively stable, varying only between 8,600 and 9,000 over the last two decades, although in the most recent three years, Sitka has lost an estimated 400 people (Sitka’s estimated population was 8,627 in 2009).
- Skagway is the only borough or census area in Southeast that did not lose population from 2000 to 2009 (Skagway’s population was 862 in the 2000 Census and an estimated 865 in 2009).

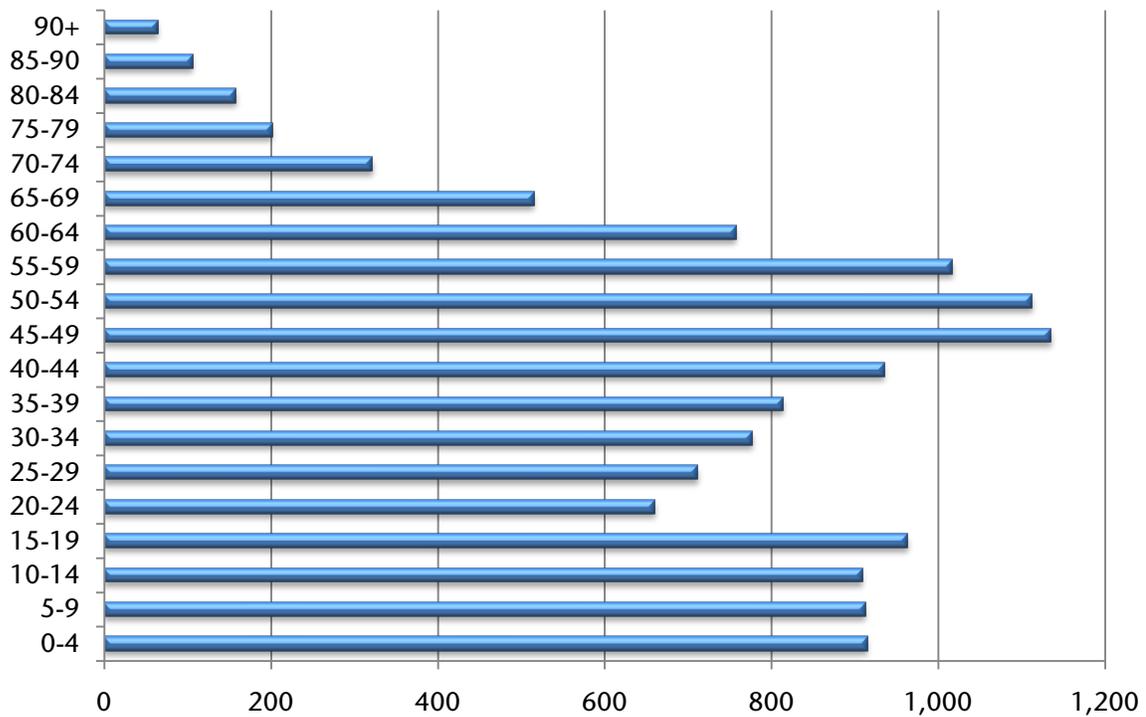
KGB Population as Percentage of State, 1995-2009



Source: Alaska Department of Labor and Workforce Development, and U.S. Census

- Alaska's total population reached 692,314 in 2009, an increase of more than 90,000 from 1995. The combination of steady statewide population gains and Ketchikan's population loss has resulted in a decline in Ketchikan's share of the state's population from 2.5 percent in 2005 to 1.9 percent in 2009.
- One out of every forty Alaskans was a resident of Ketchikan in 1995; by 2009 it was one out of fifty.
- The Anchorage-Mat/Su region and the Mat-Su Borough in particular have seen especially strong growth.
- The Mat-Su Borough's population grew from 10,000 in 1975 to 84,300 in 2009, far outpacing the growth of any other borough or census area in the state over that period.
- Mat-Su's growth from 2000 to 2009 equated to 42 percent compared to 10 percent for the state as a whole.

KGB Population by Age, 2009

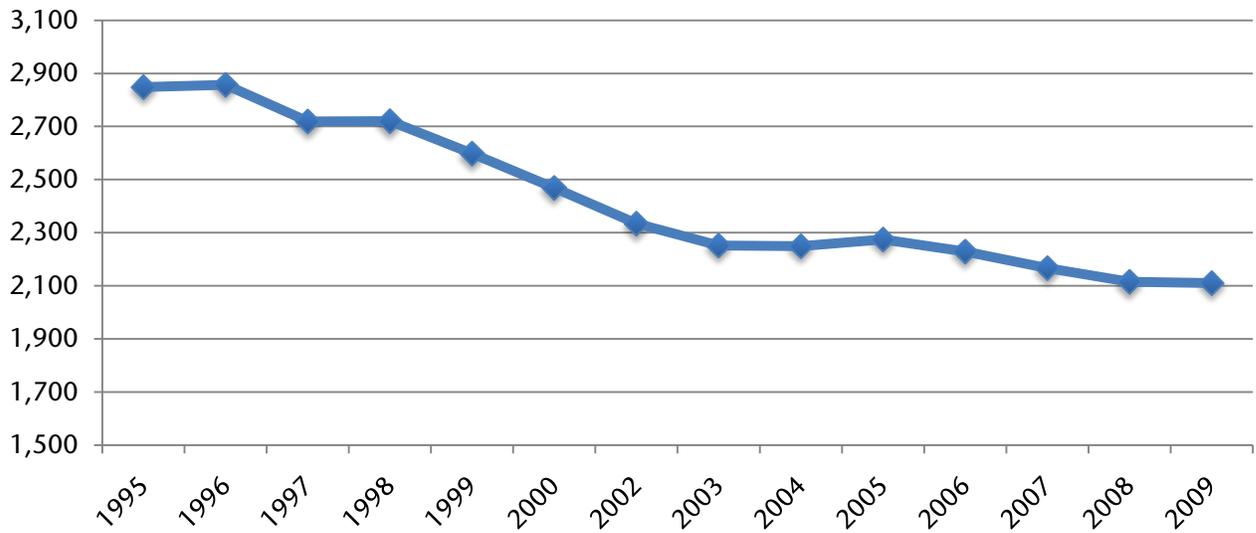


Source: Alaska Department of Labor and Workforce Development

- Ketchikan’s median age in 2009 was 39.0, up from 36.0 in 2000.
- Southeast’s population is very similar to Ketchikan’s with a 2009 median age of 39.3.
- Both Ketchikan and Southeast have older populations than Alaska as a whole: the median age statewide in 2009 was 33.5, up just slightly from 32.4 in 2000.
- The 45-49 population cohort is the largest for both Ketchikan and Southeast; statewide, the cohort from 0-4 is the largest although the groups from 45 to 59 are also larger than average.
- National demographic trends explain some of the patterns seen in Ketchikan’s population. For example, the “baby boom” generation, the especially large generation that was born in the years following World War II, partially accounts for the large cohorts from 45 to 64. The aging baby boomers will be a major economic and social force in the next several decades.
- Alaska attracted a lot of young migrants (mostly domestic) in both the 1970s (pipeline construction) and early 1980s (strong fishing years and oil-money fueled economic boom) and many of them stayed and have remained disproportionately large population cohorts as they’ve aged.

Education

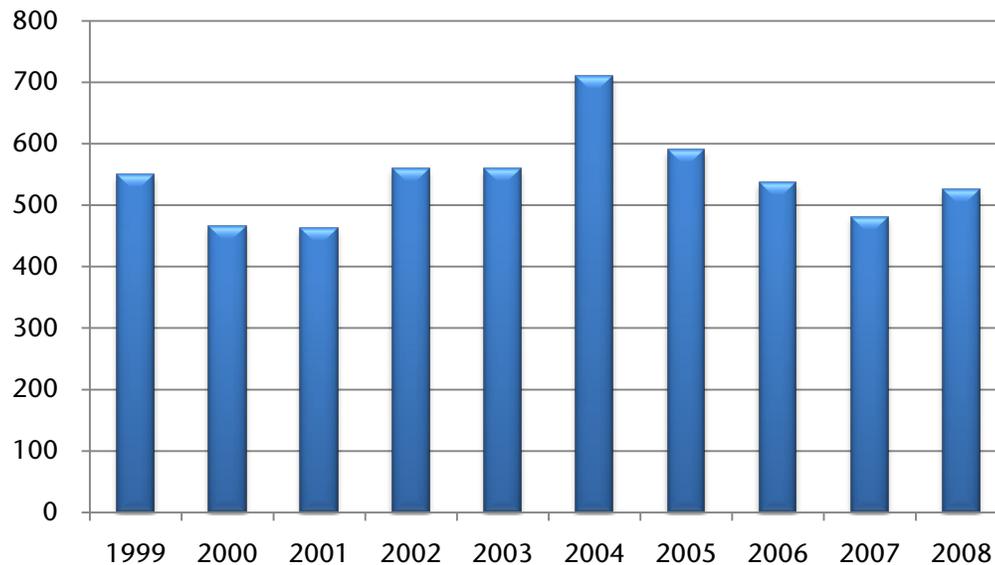
Total KGB K-12 Enrollment, 1995-2009



Source: Alaska Department of Education

- Ketchikan school enrollment fell by 27 percent from 1995 to 2003 (enrollment numbers are taken on October 1 of each year).
- Enrollment fell by a more modest 7 percent over the next six years (2004-2009).
- On a percentage basis, enrollment losses have been more than twice as large as population losses from 1995 to 2009. One likely contributing factor is that the people who left after the pulp mill closed were disproportionately families with children, given that the pulp mill jobs were high-paying and year-round. Another factor is that there were simply fewer people in the school-aged age groups in the generations that followed the “baby boom” generation and preceded the “echo-boom” of the baby boomers’ children.
- Enrollment in 2009 was 2,110, nearly the same as 2008’s 2,115.

UAS Ketchikan Fall Enrollment, 2000-2008

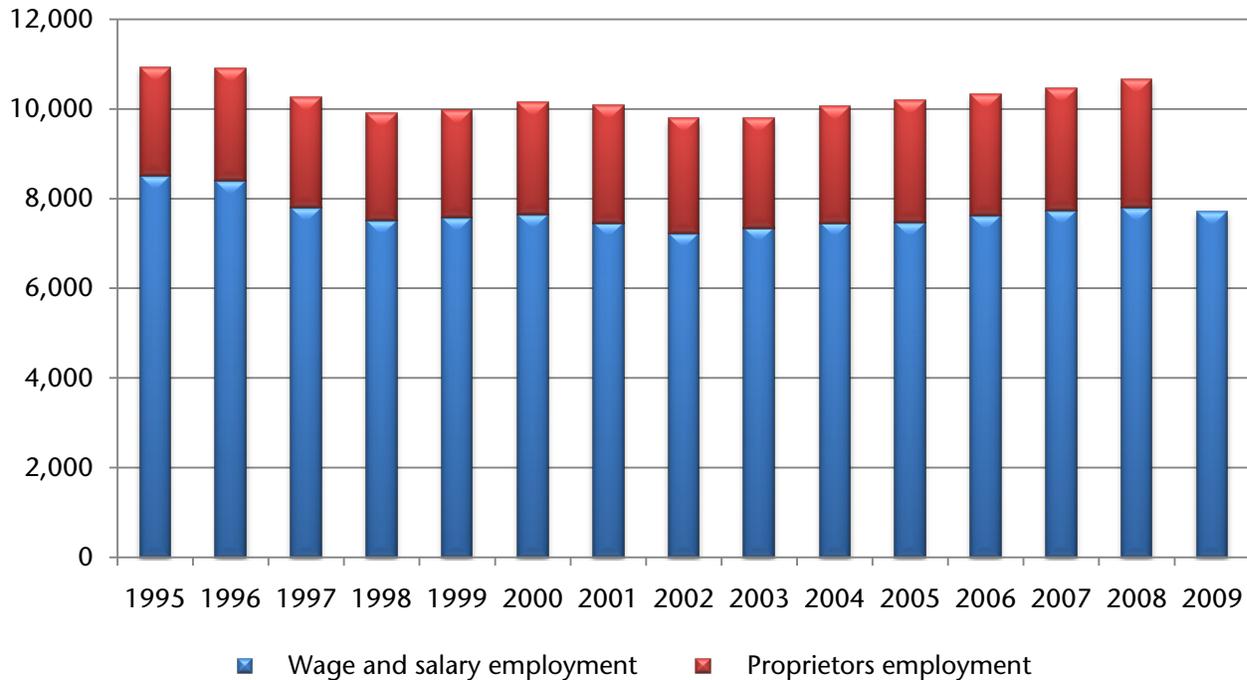


Source: University of Alaska Statewide Planning and Budget

- Student enrollment at the University of Alaska Southeast Ketchikan campus has ranged from 460 to 710 in the 10 years from 1999 to 2008.
- The 2004 spike in enrollment was related to higher levels of grant funding that year for a welding program and also to an increase in demand for Coast Guard License preparation classes.
- Of the 525 students enrolled in 2008, 324 were part-time and 201 were full-time.
- In 2008, 345 of the students enrolled were degree-seeking and 180 were not seeking degrees (as determined by the University of Alaska system at the statewide level).

Employment and Personal Income

KGB Employment 1995-2008



Source: U.S. Bureau of Economic Analysis

- Total employment of 10,900 in 1995 fell to a low point of 9,800 in 2002, a decline of 11 percent.
- From 2002 to 2008, total employment increased by about 900 with wage and salary jobs accounting for 600 of the increase and proprietors employment (primarily self-employed people, including fishermen and crew members) the other 300.
- From 2002 to 2008, employment grew even though population didn't. One reason is that a higher percentage of the population was working in 2008 (slightly above 60 percent) than in 2002 (just below 50 percent). Another possible explanation is that an increased number of Ketchikan residents have become multiple job holders.¹
- Preliminary numbers indicate a small decline in wage and salary employment in 2009 (about one percent) primarily as a consequence of flat tourism visitor numbers and significantly reduced spending as a result of the national recession. National job losses in 2009 were much more severe, however (over four percent).

¹ Regularly produced employment data sets do not provide enough detail to determine whether this is the case. However, an Alaska Department of Labor and Workforce Development study in 2001 of the workers who were laid off from the Ketchikan Pulp Company found that multiple jobholding rose significantly following the loss of the high-wage, year-round pulp mill jobs.

Ketchikan's 20 Largest Employers, 2008

Employer	Avg. Monthly Employment
Ketchikan Gateway Borough School District	300 – 349
Peace Health Ketchikan General Hospital	300 – 349
City of Ketchikan	300 – 349
Alaska Department of Transportation & Public Facilities	300 – 349
Trident Seafoods	150 - 199
Community Connections	150 - 199
Ketchikan Gateway Borough	150 - 199
Alaska Ship & Drydock	100 - 149
Williams	100 - 149
Safeway	100 - 149
Wal-Mart	100 - 149
Ketchikan Indian Corporation	100 - 149
Alaska Department of Health & Social Services	100 - 149
U.S. Department of Agriculture, Forest Service	100 - 149
E.C. Phillips & Son	90 – 99
The Landing	90 – 99
Boyer Towing	70 – 79
Cape Fox	70 – 79
Alaska Airlines	60 – 69
Alaska Rainforest Sanctuary	60 - 69

Source: Alaska Department of Labor and Workforce Development

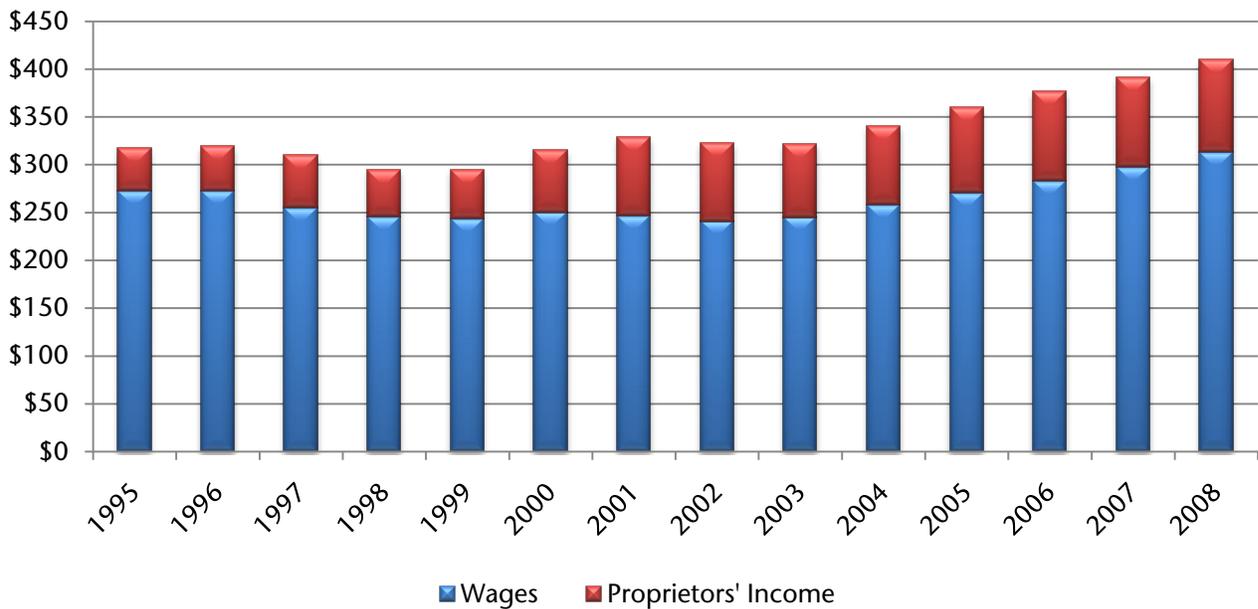
KGB Wage and Salary Employment Change, 2002 to 2008



Source: U.S. Bureau of Economic Analysis

- Most of the wage and salary job growth between 2002 and 2008 can be connected to tourism or government (as a reminder, wage and salary job counts do not include fishermen and crew members and there is less industry detail available for proprietor employment).
- Ketchikan's manufacturing sector is mostly seafood processing; despite improvement in the state and regional fisheries, there have been moderate job losses in seafood processing related to processor consolidation.
- Ketchikan's construction job losses also partly reflect statewide trends. Alaska's construction industry grew strongly until about 2005 and has lost jobs every year since. Federal stimulus money and large capital budgets will likely reverse those losses in the near future if they didn't already in 2009.

KGB Wages and Proprietors' Income (\$ millions)



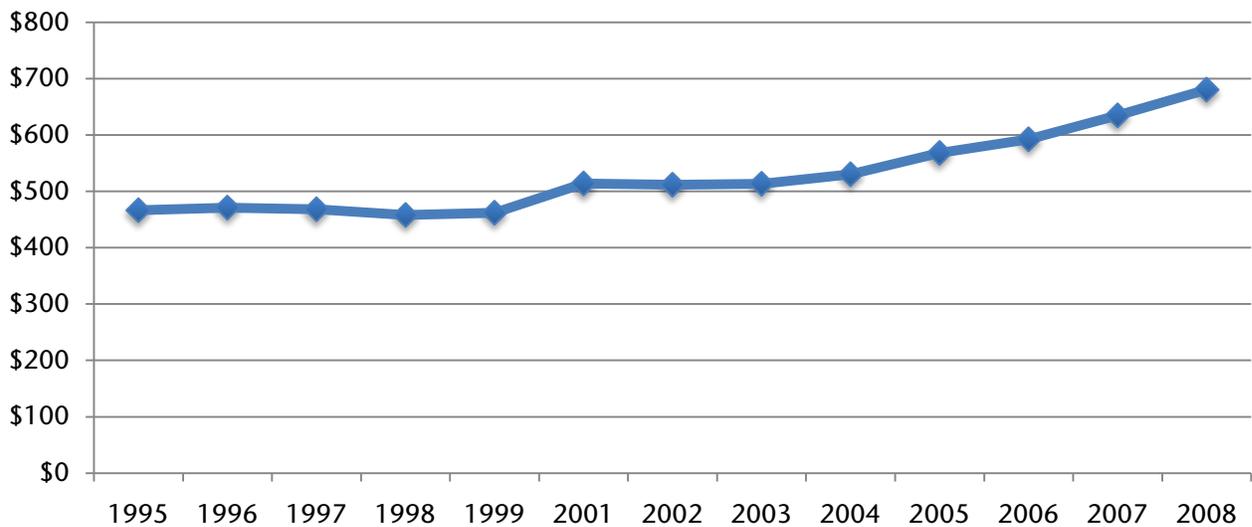
Source: U.S. Bureau of Economic Analysis

- Total wages paid by Ketchikan employers² have steadily grown in recent years and reached \$313 million in 2008.
- Proprietors (primarily self-employed workers including fishermen and crewmembers) earned an additional \$97 million.
- Wages and proprietors' income growth from 2003 to 2008 equaled 27 percent, comfortably more than the 17 percent inflation rate over that time.
- Wages fell from \$272 million in 1996 to \$240 million in 2002; over that same period proprietors' income grew from \$44 million to \$82 million, partly offsetting the loss in wages.
- A mild national recession in 2001 and 2002 contributed to a two-year decline of \$10 million from 2000 to 2002 after a year of healthy growth (\$7 million) from 1999 to 2000.
- Proprietors' income fell in 2003 then has grown every year since.
- Detailed information on proprietors' income is not available from the Bureau of Economic Analysis, but a related data set³ indicates that the major categories for which Ketchikan residents earn income as proprietors of their own businesses are: fishing, real estate and property management, construction, retail trade, transportation, and health care.

² As measured by place of work (includes wages paid to nonresidents).

³ The U.S. Census Bureau, Nonemployer Statistics

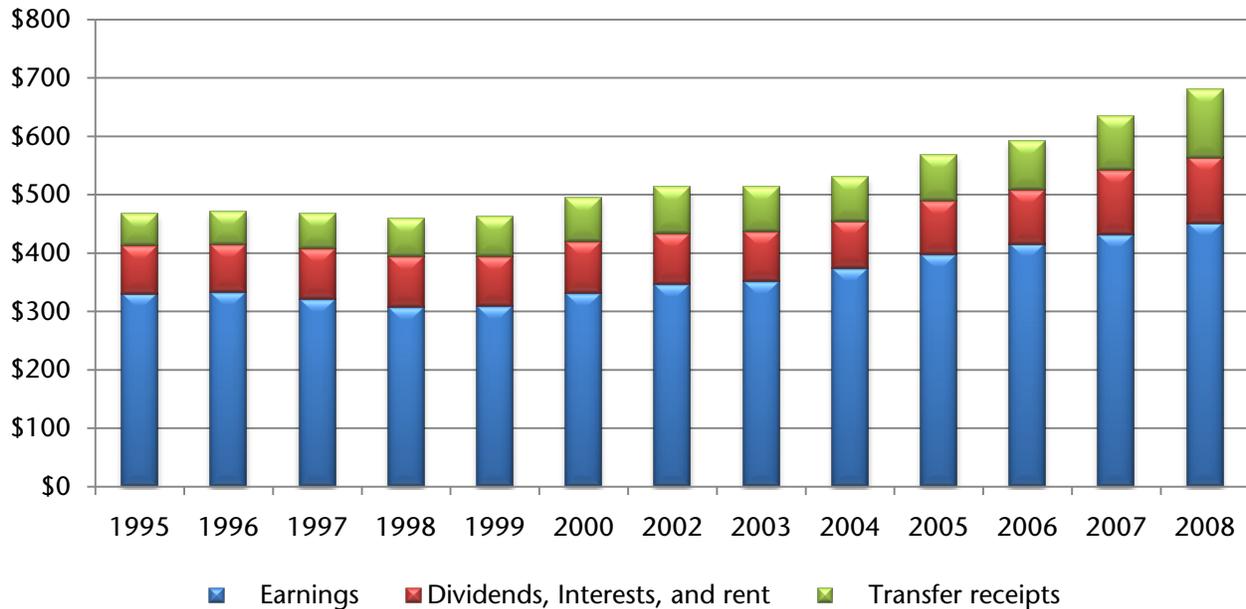
KGB Total Personal Income (\$ millions), 1995-2008



Source: U.S. Bureau of Economic Analysis

- Ketchikan's total personal income – which includes government payments, Permanent Fund Dividends, and investment earnings, among other things – registered strong growth over the 2001 to 2008 period.
- Total personal income in 2008 was \$680 million.
- From 2001 to 2008, personal income increased by 32 percent, well above the 22 percent inflation rate over those seven years.
- Adjusted for inflation, Ketchikan's total personal income fell significantly over the 1995 to 1999 period.

KGB Personal Income by Type (\$ millions), 1995-2008

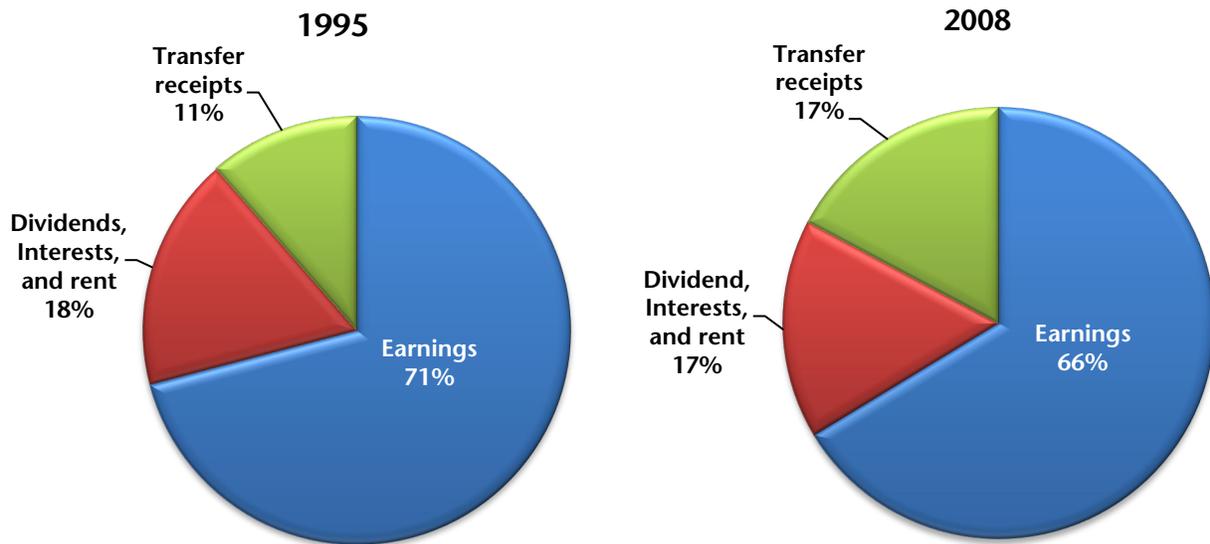


Source: U.S. Bureau of Economic Analysis

- The three major components of personal income – earnings;⁴ dividends, interests, and rent; and transfer receipts – have all contributed to recent years’ growth in total personal income.
- Dividends, interests, and rent (a category that does not include Alaska’s Permanent Fund Dividend but does include Native corporation dividends) increased 30 percent from 2003 to 2008. This category can be thought of broadly as individual investment earnings.
- Transfer payments – the category that includes the Alaska Permanent Fund Dividend and other government payments such as Social Security, Medicare and Medicaid, Unemployment Insurance benefits, and a variety of other payments to individuals – increased 52 percent from 2003 to 2008, with much of the increase coming in 2008.
- The increase in transfer payments came from a combination of factors including noticeable jumps in Social Security payments and medical payments (Medicaid and Medicare).
- A \$20 million increase in transfer payments in 2008 was largely due to an especially large Permanent Fund Dividend that year that included a \$1,200 “resource rebate” and a regular PFD of about \$2,000.

⁴ In addition to actual wage and salary payments, “earnings” includes the amounts employers contribute to health care insurance, pensions, and government social insurance programs including Social Security and unemployment insurance. Earnings are also adjusted by place of residence so only Ketchikan residents’ earnings are included.

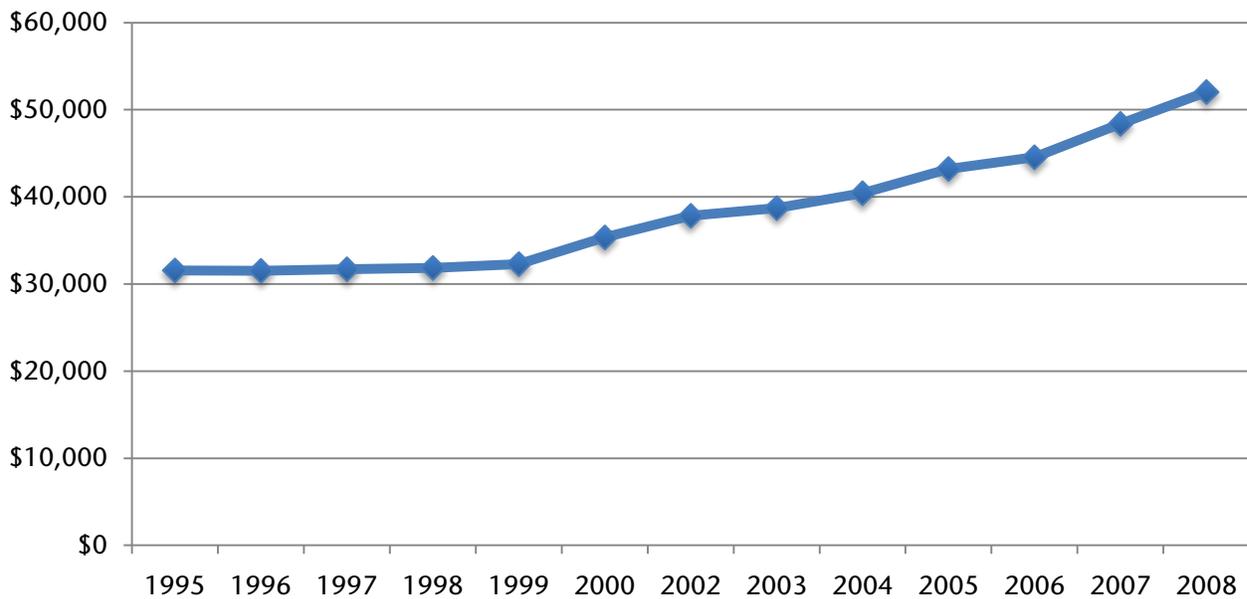
KGB Personal Income by Type, 1995 and 2008



Source: U.S. Bureau of Economic Analysis

- Earnings (wages and self-employment income in addition to employer contributions to insurance and retirement) are the dominant share of total personal income, but transfer receipts played an expanded role in 2008.
- In addition to what's happening with employers locally, state factors (Permanent Fund Dividends, earnings of Native corporations, etc.) have a direct and sizeable effect on Ketchikan's economy.
- National factors also play an important role in personal income: strong stock market performance and increasing property values contributed to significant personal income growth in 2007 and 2008.
- In 2009, transfer receipts and dividends, interests, and rents will shrink as a result of a smaller Permanent Fund Dividend and big losses in national and international stock markets and other investments such as residential and commercial property.

KGB Per Capita Personal Income, 1995-2008

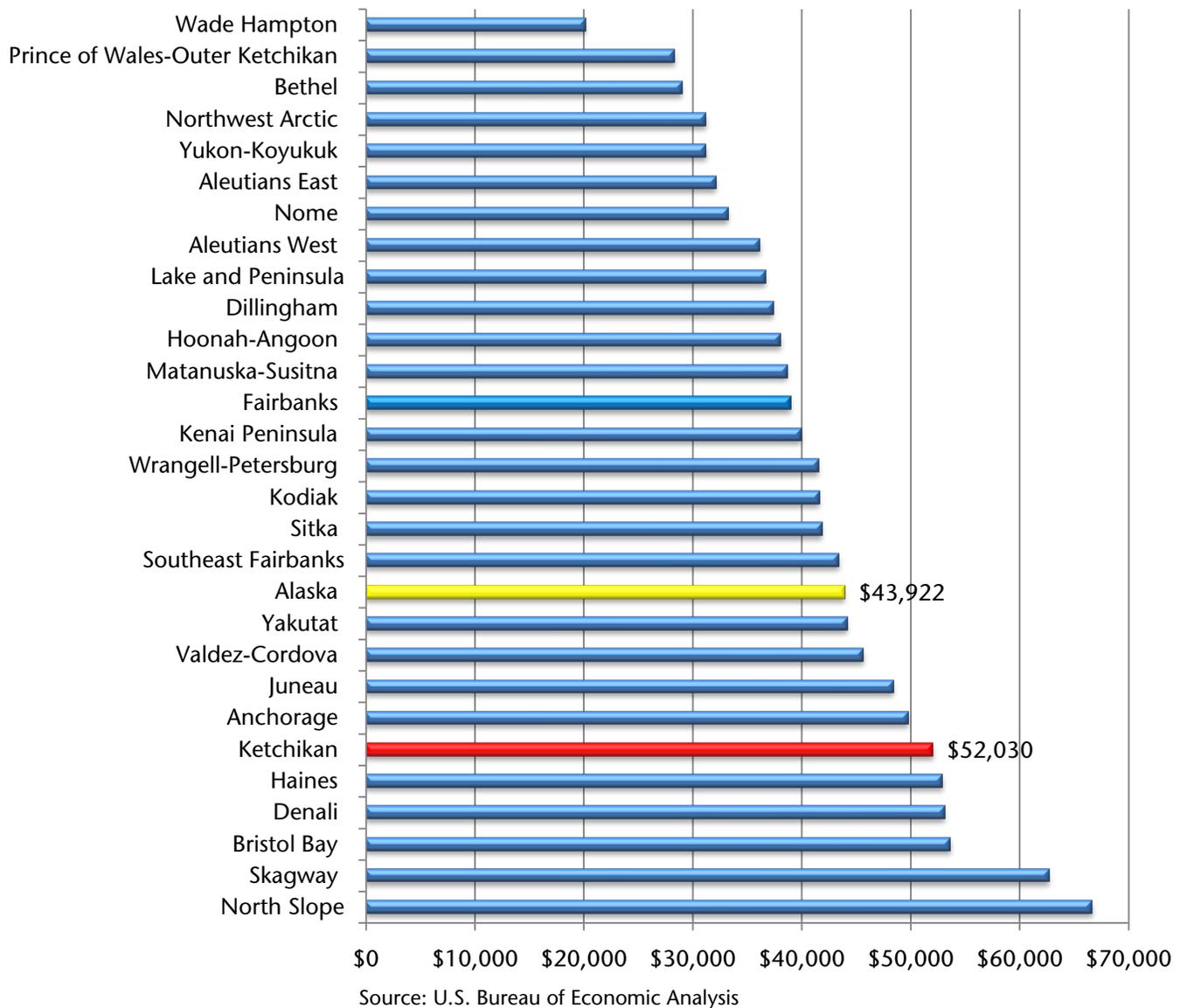


Source: U.S. Bureau of Economic Analysis

- From 1998 to 2008, per capita personal income⁵ increased from \$31,852 to \$52,030, a 63 percent increase (the inflation rate over that same period was 29 percent).
- Part of the explanation for the dramatic growth in per capita personal income was that a growing percentage of Ketchikan's population entered the workforce. In 1998, slightly less than 50 percent of Ketchikan's population was working (either in a wage and salary job or self-employed); by 2008, more than 60 percent of the population was working.
- Ketchikan's employment-to-population ratio of 61 percent in 2008 was substantially higher than the statewide employment-to-population ratio of 49 percent. As noted in the population section, one reason for the difference is that Ketchikan's largest population cohorts are in their 40s and 50s and the state's largest population cohorts are children not yet of working age.

⁵ The Bureau of Economic Analysis calculates per capita personal income by dividing total income by population. U.S. Census per capita income figures are lower because the Census only includes income for residents 15 or older.

Per Capita Income by Alaska Boroughs/Census Areas, 2008

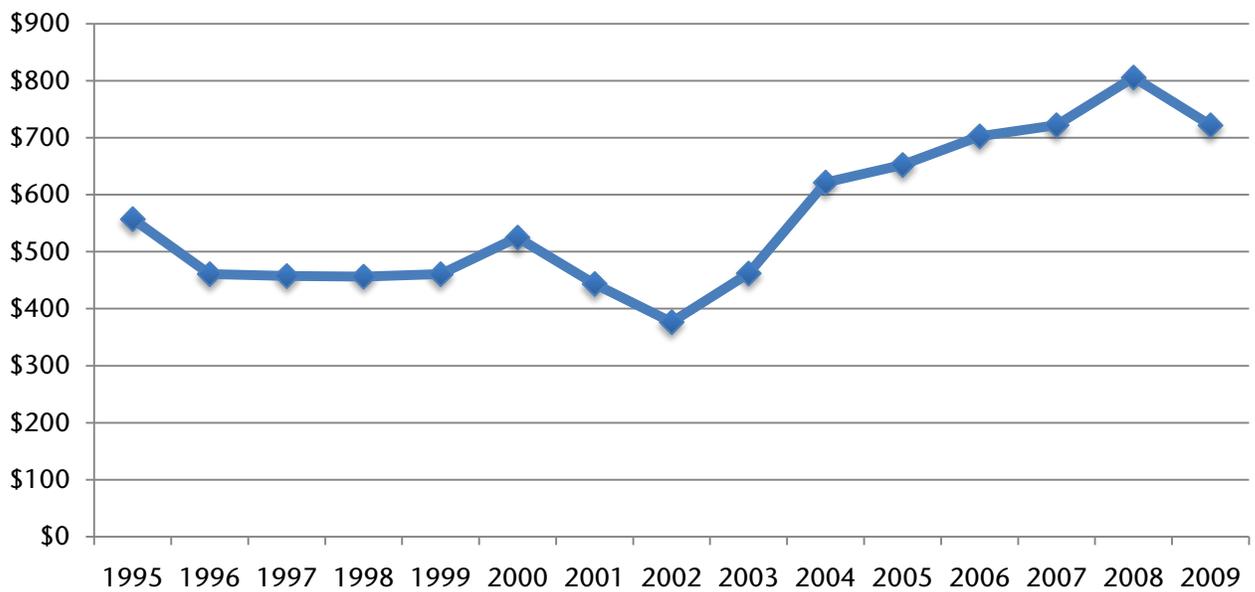


- Ketchikan had the sixth highest per capita income⁶ among the states boroughs/census areas in 2008.
- The borough's per capita income was more than \$8,000 higher than the state's overall.

⁶ These comparisons should be made with caution because BEA has a difficult time accounting for all of Alaska's nonresident employment. It is probably not a coincidence that the boroughs with the four highest per capita incomes all have very high nonresident employment and three of the four are extremely seasonal (all but the North Slope).

Local Economic Data

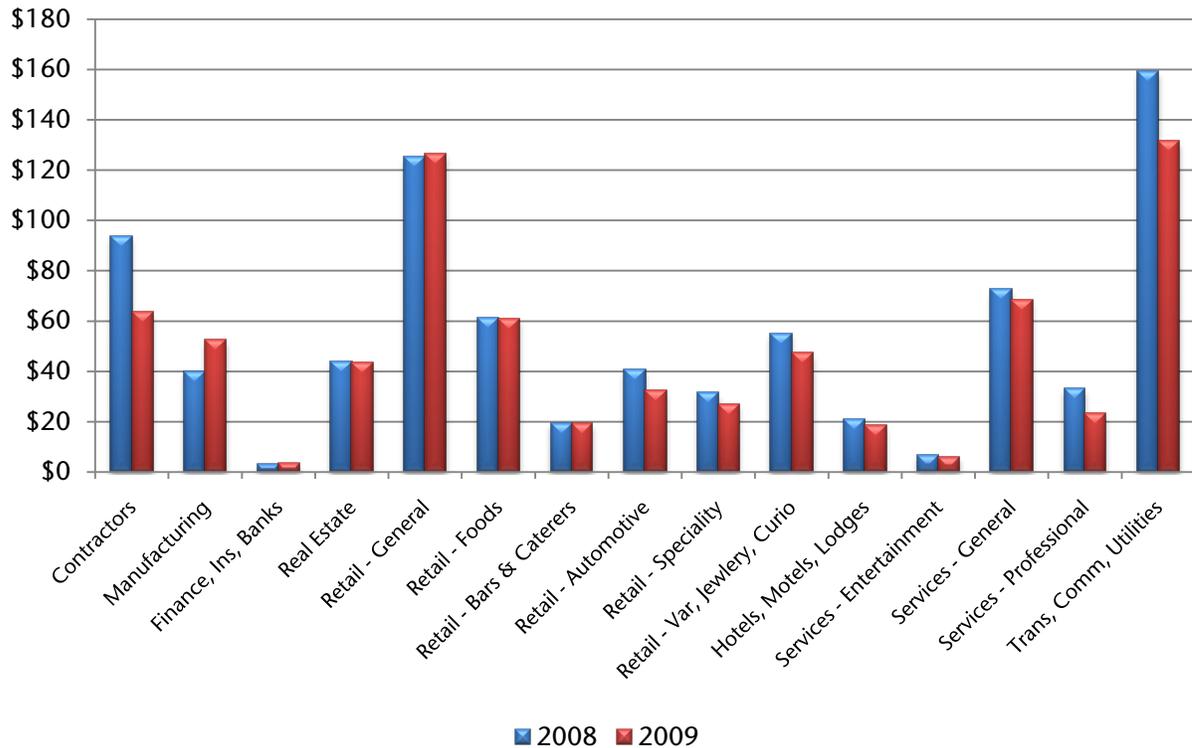
KGB Gross Business Sales (\$ millions), 1995-2009



Source: Ketchikan Gateway Borough

- Gross business sales fell in 2009, dropping 12 percent from \$806 million to \$722 million. Other Southeast communities experienced similar declines as both locals and visitors reduced their spending.
- Sales climbed from \$377 million in 2002 to \$806 million in 2008, an increase of 113 percent (the inflation rate over that period was 20 percent).
- The last time business sales fell – in 2001 and 2002 – was also during a national recession.
- From 1995 to 2002, business sales fell 32 percent (the inflation rate over that period was 36 percent).

KGB Gross Business Sales by Industry (\$ millions), 2008 and 2009

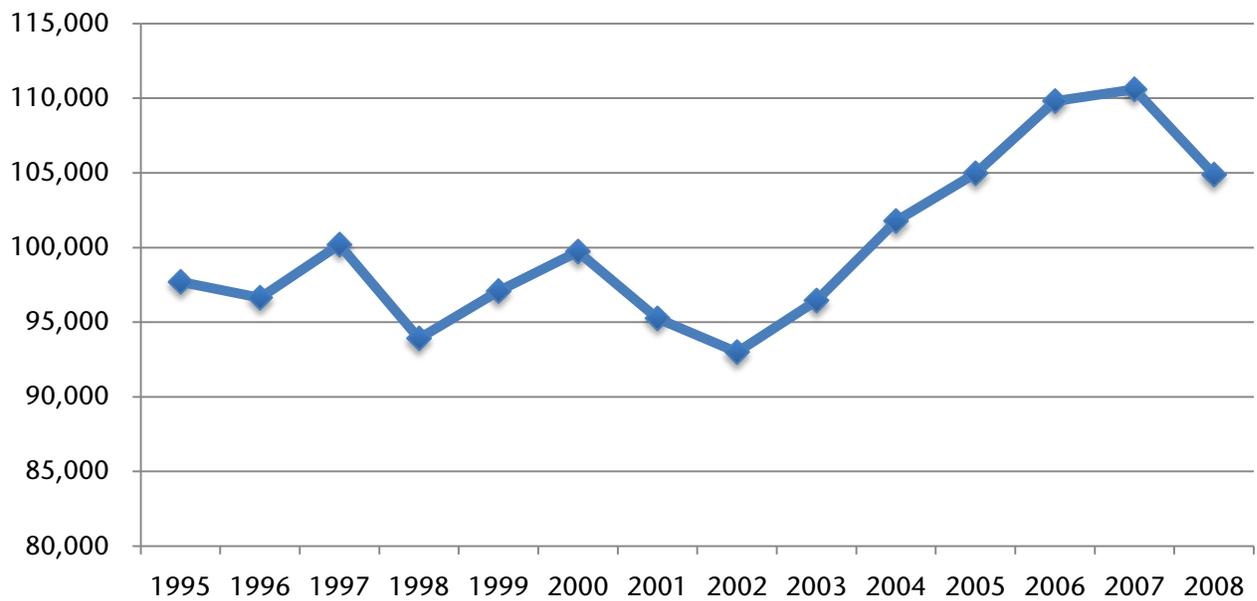


Source: Ketchikan Gateway Borough

- Declines in gross business sales from 2008 to 2009 affected most industries with the most notable exception being manufacturing, which saw a 31 percent increase.
- The largest declines were in contractor sales (-32 percent) professional services (-30 percent), and automotive retailers (-21 percent).
- General retail spending was up slightly, but two of the most tourist-related retail categories, specialty stores and jewelry and curio shops, both registered 15 percent declines.
- Another category closely tied to tourism, hotels, motels, and lodges, was down 13 percent.

Transportation

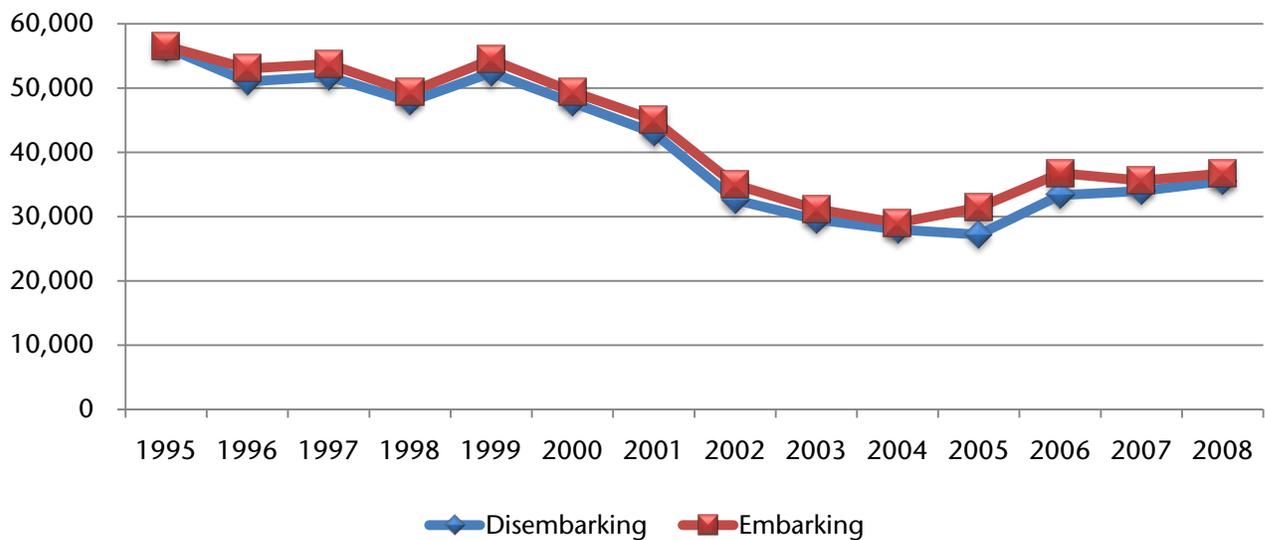
KGB Passenger Enplanements (large planes), 1995-2008



Source: Ketchikan International Airport

- Air traffic, measured in terms of passenger enplanements, fell 5 percent in 2008.
- Traffic had steadily increased over the 2002 to 2007 period.
- Traffic changed only by small amounts from 1995 to 2002, although the overall trend was slightly downwards.

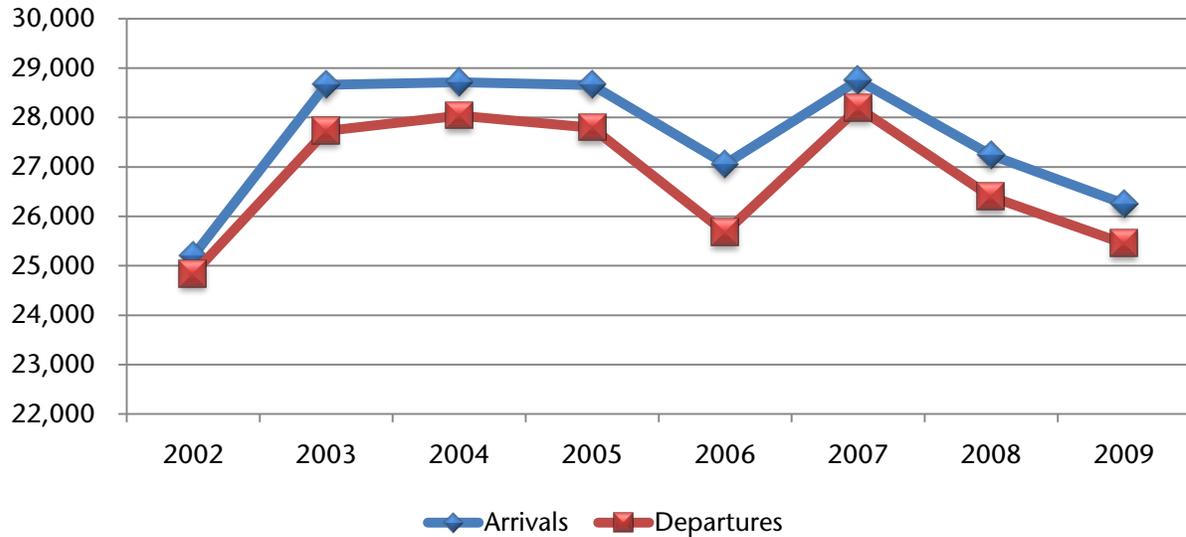
KGB Alaska Marine Highway Passenger Traffic, 1995-2008



Source: Alaska Marine Highway System

- Total Alaska Marine Highway traffic both to and from Ketchikan fell steadily from 1999 to 2004.
- From 2004 to 2008, the numbers rebounded modestly, with the number of disembarking passengers increasing from 27,976 to 35,506, and the number of embarking passengers increasing from 29,006 to 36,695.
- Local passengers (those traveling to and from Ketchikan and Hollis, Metlakatla, and Hyder) account for the increase over the 2004 to 2008 period. Local disembarking passengers increased from 6,905 in 2004 to 15,655 in 2008 and embarking passengers from 7,557 to 16,419.
- Mainline passenger (all others) traffic has continued to decline.

IFA Ferry Traffic, 2002-2009



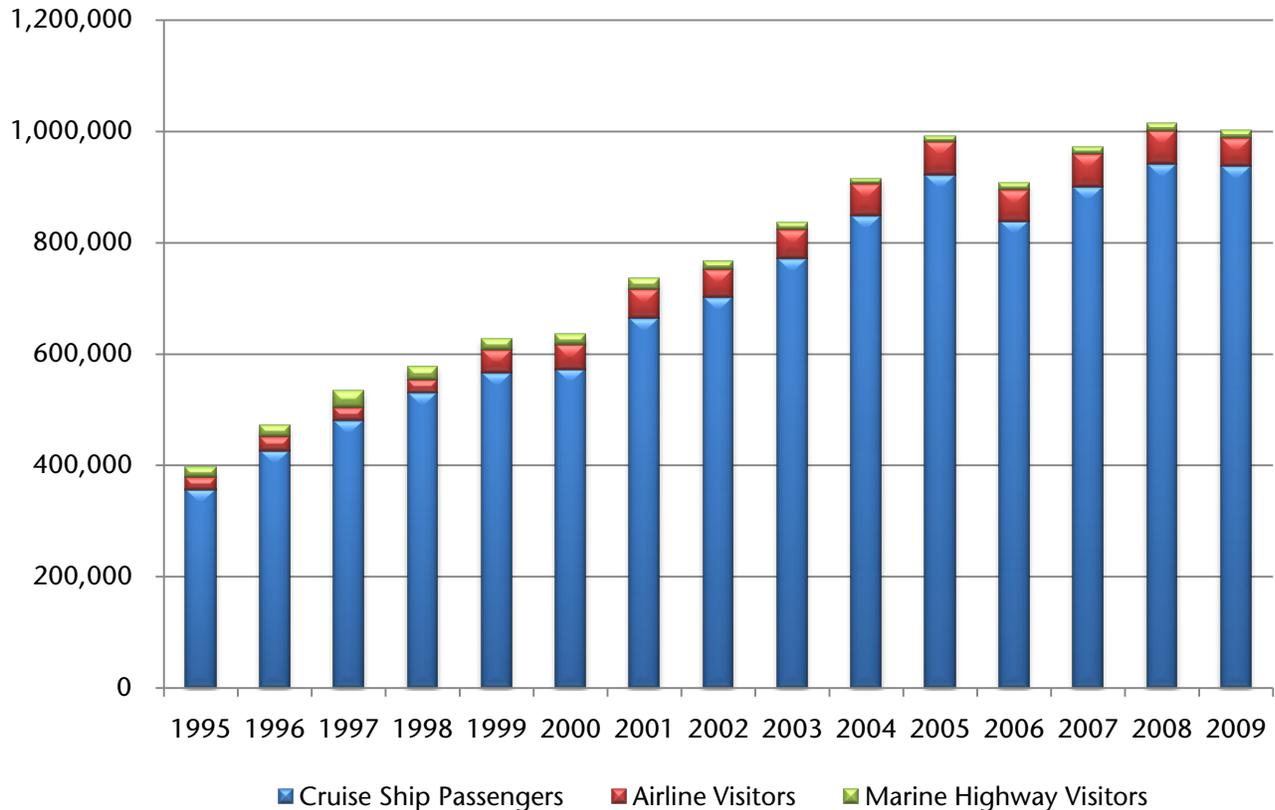
Source: Inter-Island Ferry Authority

- The Inter-Island Ferry Authority, which began services in 2002 has consistently carried between 25,000 and 29,000 passengers.
- Current service is between Hollis and Ketchikan.
- Service has also included Wrangell, Petersburg, and Coffman Cove, but does not currently.⁷

⁷ The IFA has had two basic routes, the northern route, which includes Coffman Cove, Wrangell, and Petersburg, and the southern route, which consists of daily service between Hollis and Ketchikan. The northern route was at least temporarily canceled in 2009 because of low ridership.

Visitors

Ketchikan Visitors by Mode of Arrival, 1995-2009

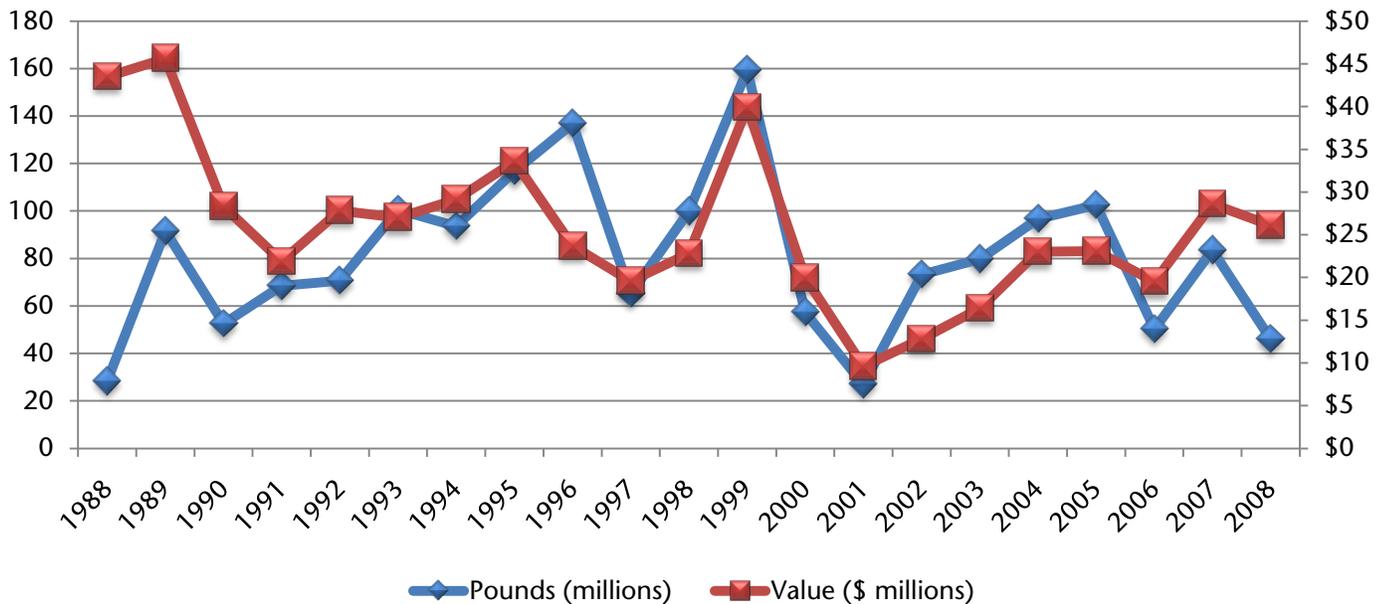


Source: Ketchikan Visitors Bureau

- Cruise ship visitors to Ketchikan increased by nearly 570,000 from 1995 to 2005 (an increase of 159 percent).
- Airline visitors increased by 173 percent over that same period.
- Marine Highway visitors declined over the 1995 to 2005 period by 46 percent (from 18,019 in 1995 to 9,722 in 2005), but have increased since 2005. In 2009, marine highway visitors totaled 11,978.
- In 2009, total visitors to Ketchikan equaled slightly more than 1 million, a decline of about 13,000 from 2008.
- In 2009, 94 percent of all visitors to Ketchikan came on cruise ships.
- Chart is quantitative only rather than qualitative; air and marine highway visitors provide more per-visitor benefit to Ketchikan because they can stay longer, need lodging, etc.

Fisheries

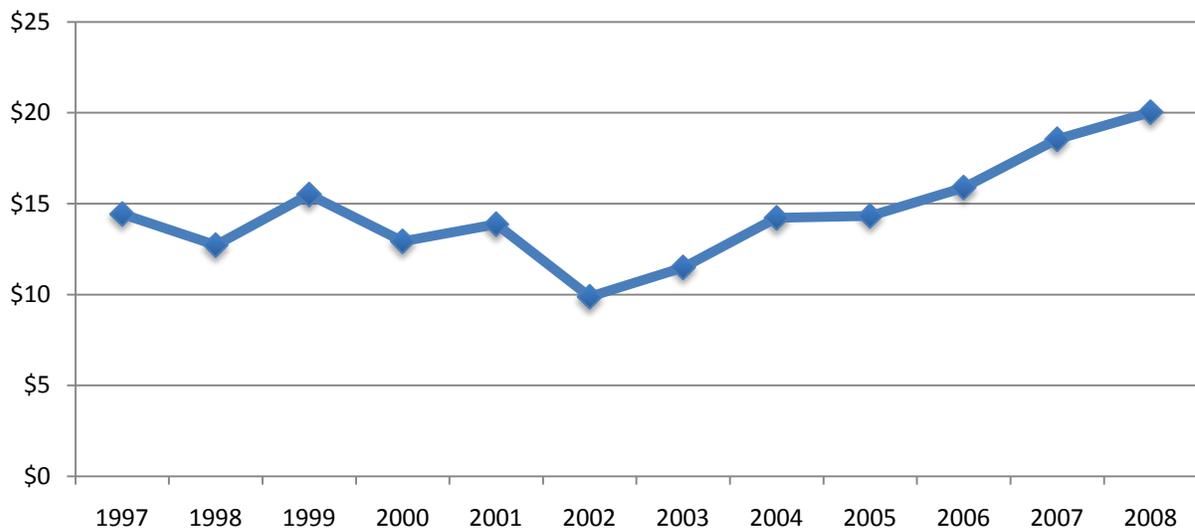
Ketchikan Fish Landed in Pounds and Ex-Vessel Value (millions), 1988-2008



Source: Alaska Commercial Fisheries Entry Commission

- In 2008, 46 million pounds of fish were landed in Ketchikan, the 6th highest amount in Alaska and 20th highest for the entire United States.
- The total value of fish landed in Ketchikan in 2008 (ex-vessel value, which is the price paid to the fishermen) was \$26.1 million.
- In terms of value, the more important of the two measures economically, the historical high point for Ketchikan (and Alaska) fisheries was in the late 1980s when ex-vessel value reached \$45.6 million (which would equal \$77.4 million in 2008 dollars). A variety of factors not likely to be repeated led to those very high numbers.
- Dramatic fluctuations in salmon prices related to competition from farmed salmon account for much of the volatility in value.
- After hitting a low point in 2001, fisheries value has improved significantly in recent years. The 2008 value of \$26.1 million was 170 percent higher than 2001's \$9.6 million (inflation was 22 percent over that period).
- Preliminary data shows a small decline in value for 2009 although the medium-term outlook is for generally stable value (rather than a return to either late 1980s highs or early 2000s lows).

Gross Earnings of KGB Resident Fishermen (\$ millions)

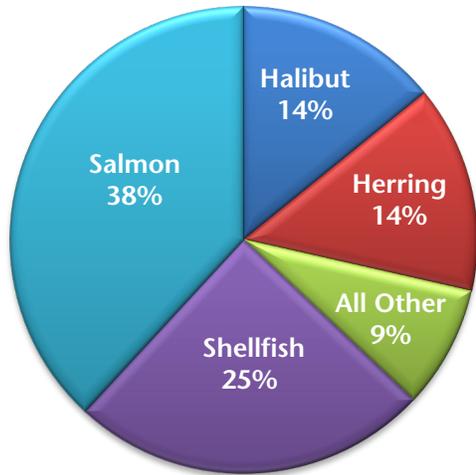


Source: Alaska Commercial Fisheries Entry Commission

- This graph shows earnings for permit holders who live in Ketchikan irrespective of where they actually fish (the previous graph shows the value of fish landed at Ketchikan area processing facilities).
- Ketchikan fishermen received slightly more than \$20 million for their catch in 2008.
- Gross earnings for Ketchikan fishermen more than doubled from 2002's \$9.8 million to 2008's \$20 million.
- Fuel costs also increased significantly over the 2002 to 2008 period, however, so while gross earnings increased dramatically, increases in costs reduced the amount of the increase that actually went to the permit holders and their crew members as net earnings.

Number of Permits Fished, 2008

Permits held by Ketchikan residents in any fishery statewide

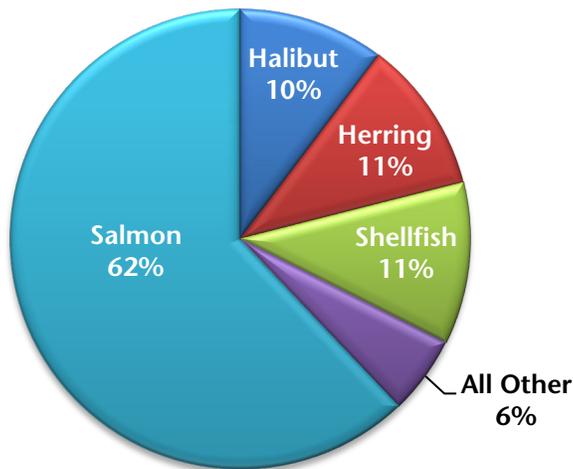


Source: Alaska Commercial Fisheries Entry Commission

- Salmon permits made up the largest share of permits held by Ketchikan fishermen in 2008
- A significant number of permits were also fished in shellfish (which includes crab, geoducks, clams, shrimp, sea cucumbers, and sea urchins), halibut, and herring fisheries, providing important diversity to the industry.

Estimated Gross Earnings, 2008

Permits held by Ketchikan residents in any fishery statewide

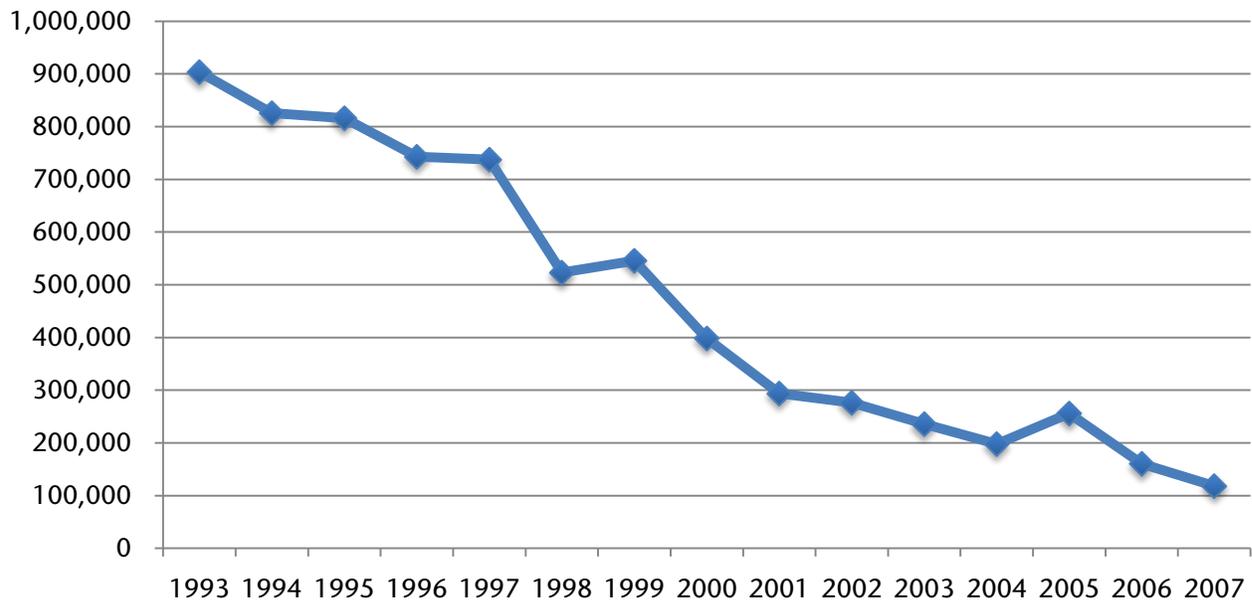


Source: Alaska Commercial Fisheries Entry Commission

- In terms of value, salmon made up the dominant share of total gross earnings for Ketchikan fishermen.
- Area fishermen also earn significant money from shellfish, halibut, herring, and sablefish fisheries (either near Ketchikan or elsewhere in the state).

Timber

Alaska Timber Harvest (thousands of board feet)

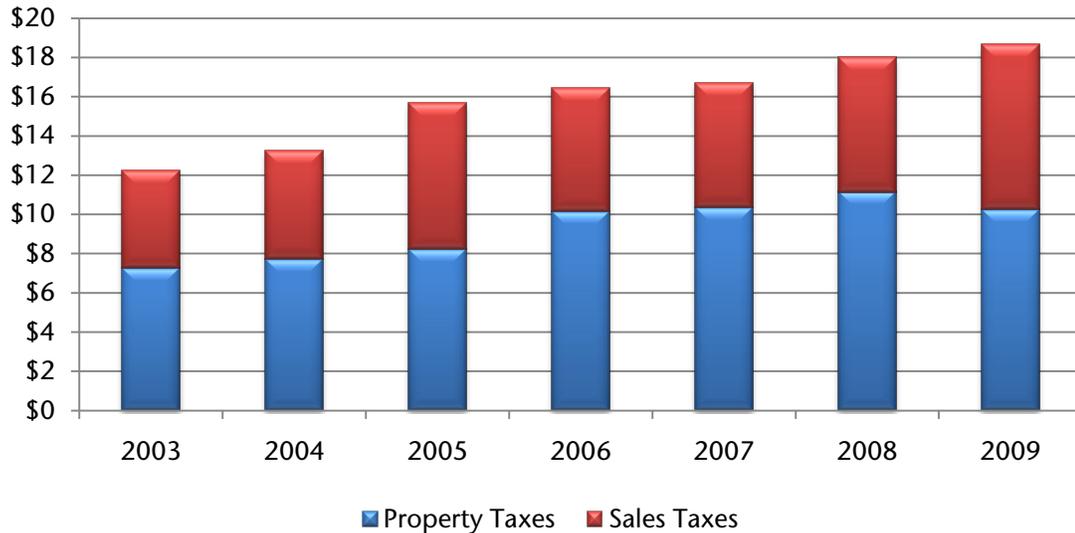


Source: U.S. Forest Service

- Alaska timber harvests are roughly one-ninth what they were in 1993 when both the Sitka and Ketchikan pulp mills were operating. Timber harvests are currently at their lowest level in over 50 years.
- The 2007 harvest of 118 million board feet consisted of 50.1 harvested from private land, 44.6 harvested from state land, and just 22.5 million harvested from the Tongass National Forest (and a very small amount from the Chugach National Forest).
- In 1993, 565 million board feet were harvested on private land (almost exclusively Native corporation lands) and 317 million board feet were harvested in the Tongass.

Municipal Data

KGB Property and Sales Taxes (\$ millions), Fiscal Years⁸ 2003-2009



Source: Ketchikan Gateway Borough, Comprehensive Annual Financial Report

- Property taxes fell from \$11.1 million in fiscal year 2008 to \$10.2 million in fiscal year 2009.
- Sales taxes grew steadily through fiscal year 2009, but are expected to fall steeply in fiscal year 2010 based on calendar year gross business sales data, which shows a large drop (since July and August are the peak months for summer tourism, the bulk of the decline in sales will be captured in fiscal year 2010).
- Property tax revenue grew by 53 percent from fiscal year 2003 to fiscal year 2008, before falling 8 percent in 2009.
- Sales tax revenue increased 70 percent from fiscal year 2003 to fiscal year 2009, corresponding generally to the strong growth in tourism.
- In fiscal year 2009, sales taxes made up 45 percent of the combined total of sales and property taxes, up from 41 percent in fiscal year 2003.
- The two largest property tax payers in fiscal year 2009 were Ketchikan Dock Co, LLC and Cape Fox Corporation (both of which had assessed taxable value of \$12.4 million).

⁸ July 1 through June 30 (fiscal year 2009 began on July 1, 2008).