

# Haines Economic Development Plan: *Economic Baseline Report*



Prepared for:



Prepared by:



# Presentation

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- Project overview
- Economic baseline data
  - Population and demographics
  - Income and employment
  - Transportation and housing
  - Key industry sectors
- Initial survey results
- Discussion



# Project Purpose

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*Create a community driven 5-year economic development plan that articulates goals, objectives, strategies, lead entities, timing, performance metrics, and other elements to facilitate successful implementation*



# Project Tasks

- February kick-off
- Data collection and analysis
- Community outreach
  - HEDC website
  - Community surveys
  - Interviews
  - Public meetings
  - Discussion groups
- Strategy and plan development



# Economic Baseline

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- Serve as a foundation for an actionable economic development strategy
- Provide a baseline against which to measure progress towards economic goals
- Stand-alone resource document for program and policy development and business planning

# Development Plan

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- Create a 5-year economic development plan that identifies goals, objectives, and strategies
- Plan will:
  - Identify who will be responsible for action steps
  - When each step will be accomplished
  - Identify metrics for measuring success

# Keys to Developing a Meaningful Plan

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- Understanding the economy
- Community engagement
- Long-term commitment
- Leadership
- Partnerships

Source: John Hagen



# Economic Baseline Report

April 2018

## Economic Baseline Report

Haines Economic Development Plan



PREPARED FOR

Haines Economic  
Development Corporation



PREPARED BY

McDowell  
GROUP

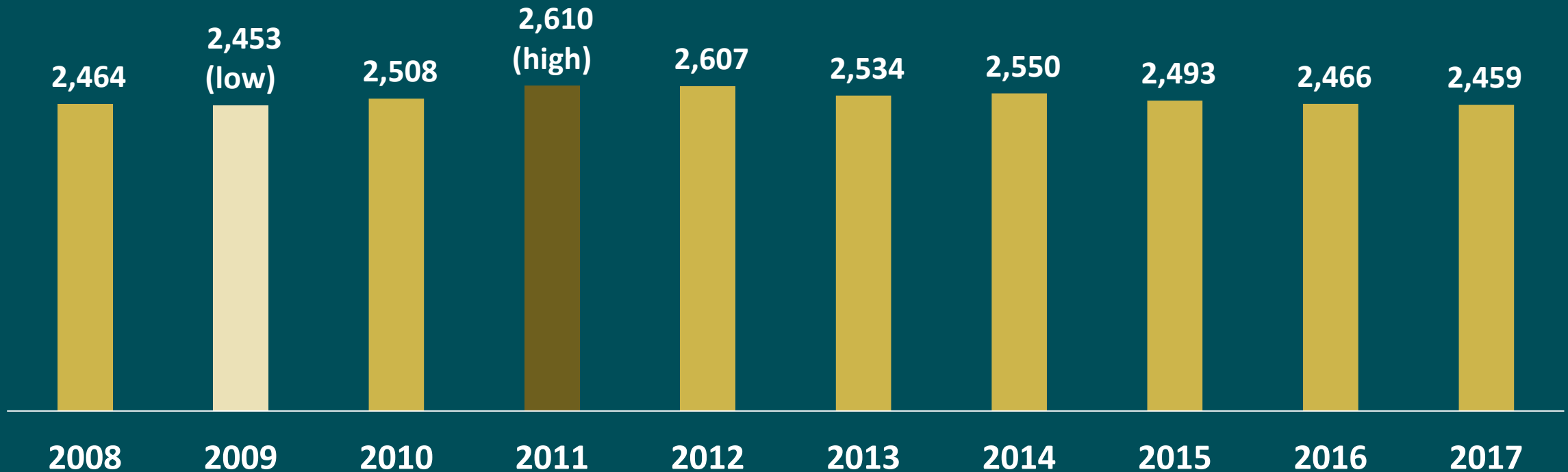


# Economic Indicators and Data Sources

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- Demographics
  - Income
  - Employment
  - Traffic
    - Highway
    - Ferry
    - Air
- Sources
- Bureau of Economic Analysis (BEA)
  - U.S. Census Bureau (USCB)
  - State of Alaska (DOLWD, DEED, ADF&G, AMHS)
  - Bureau of Transportation Statistics (BTS)
  - Cruise Line Agencies of Alaska (CLAA)
  - Dept. of Homeland Security (DHS)
  - Alaska Visitor Statistics Program (AVSP)
  - More...

# Haines Borough Population, 2008-17



**Change 2008 - 2017:**

**-Less than 1% (-5 residents)**

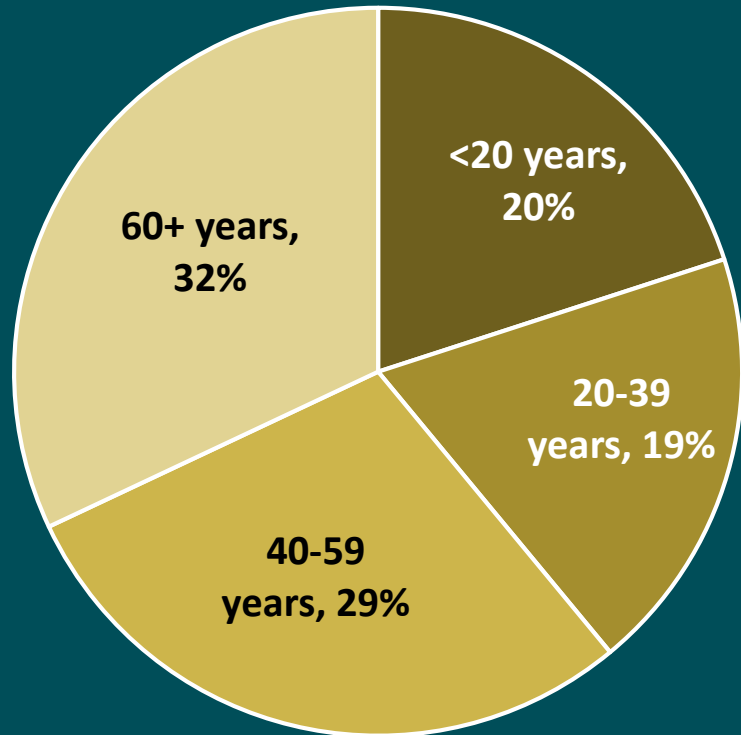
**Change 2011 (peak) - 2017:**

**-6% (-151 residents)**

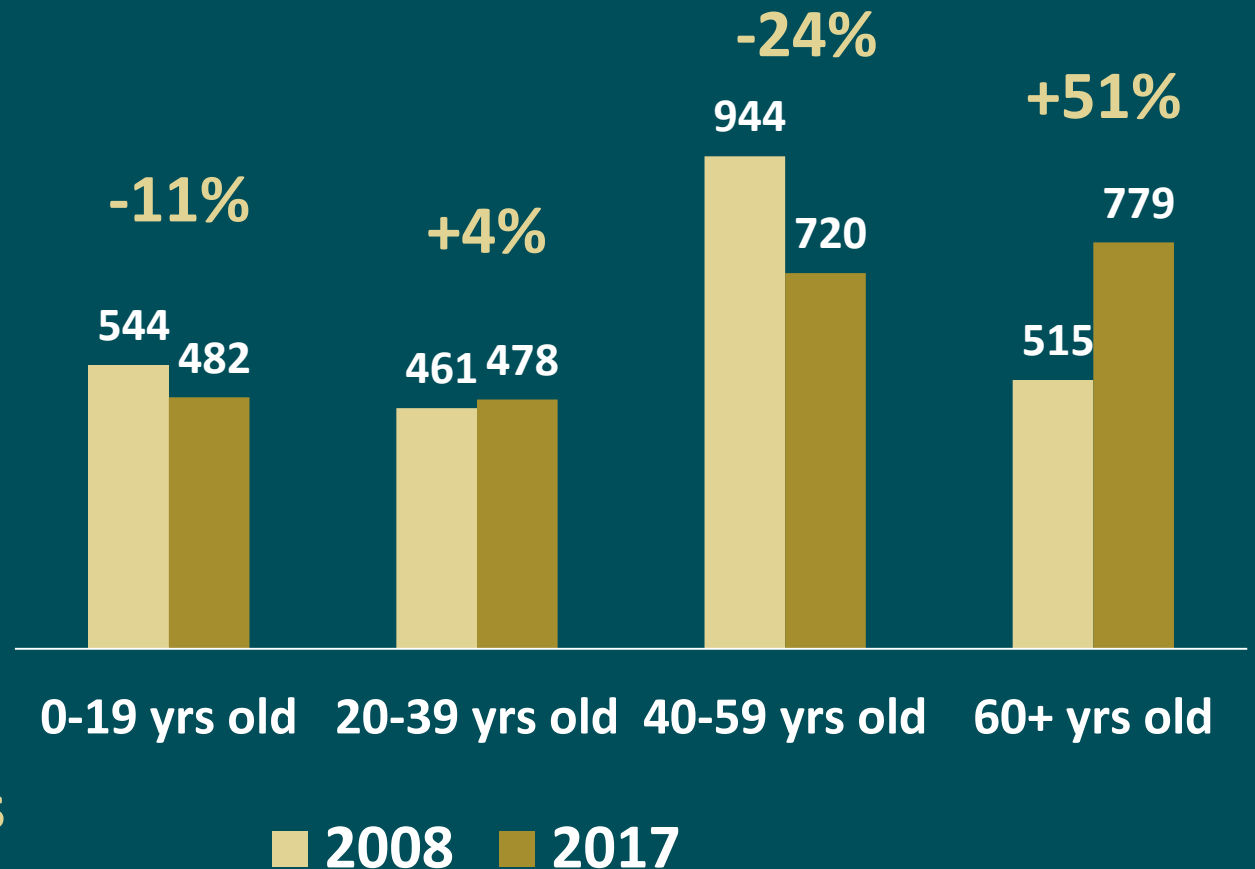
Source: ADOL&WD

# Haines Resident Age

## Haines Age Groups, 2017



## Haines Age Groups, 2008 & 2017

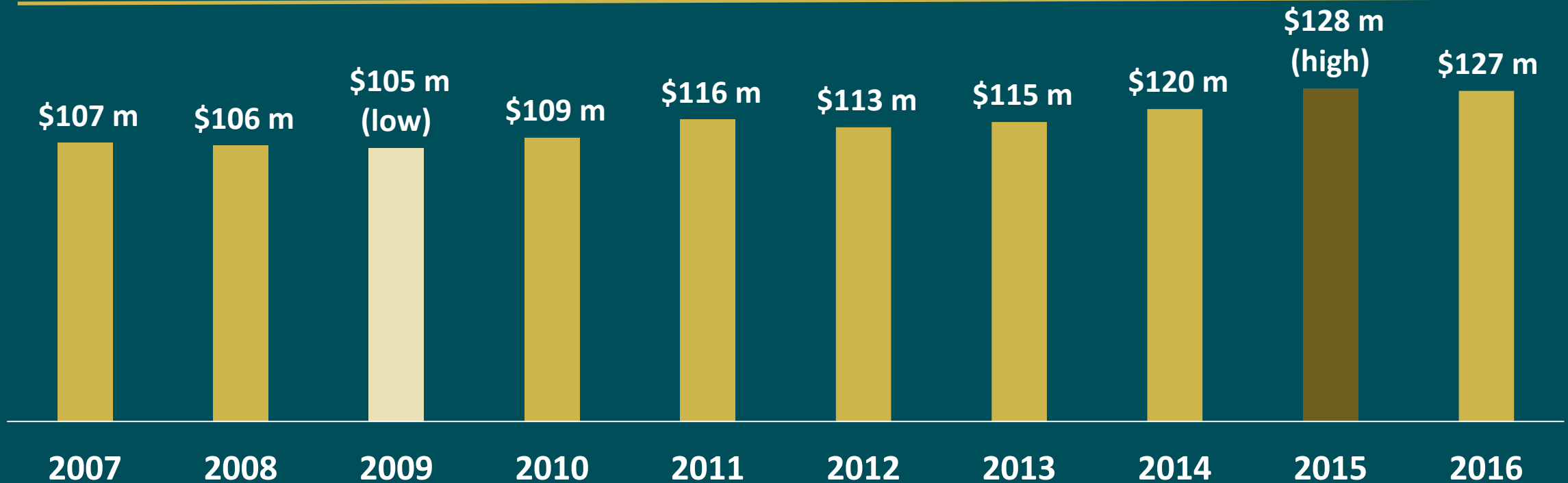


**2017 Haines Median Age: 49.3 yrs**  
**2017 Alaska Median Age: 34.9 yrs**

Source: ADOL&WD



# Personal Income, 2007-16



Change 2007 – 2016 (nominal):

+\$38 million (43%)

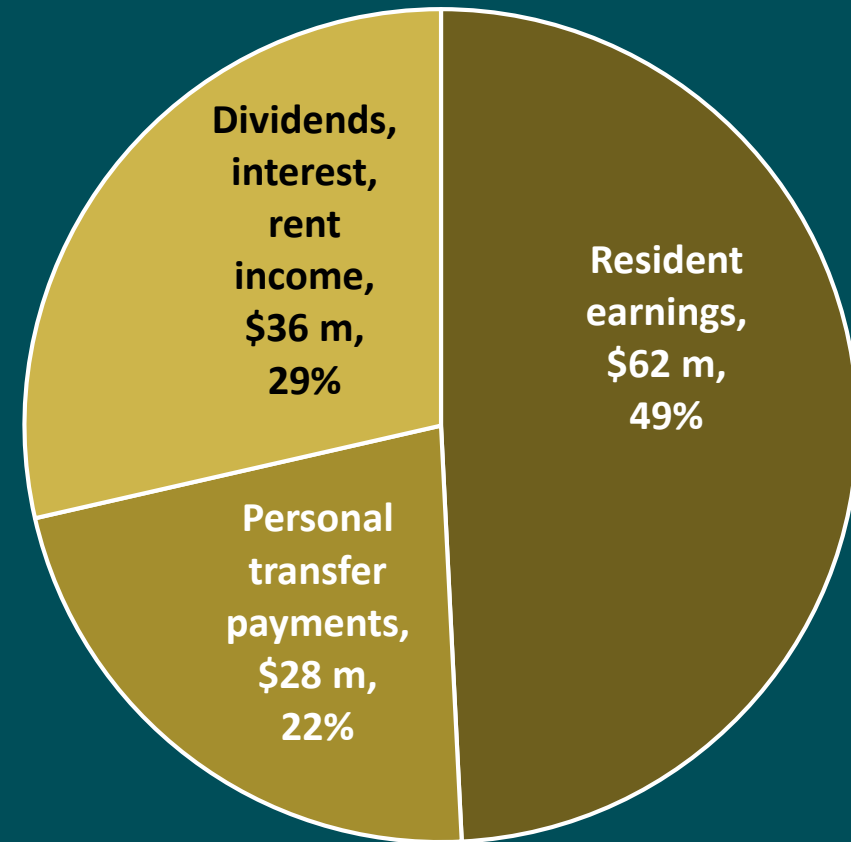
Change 2007 – 2016 (real):

+\$20 million (19%)



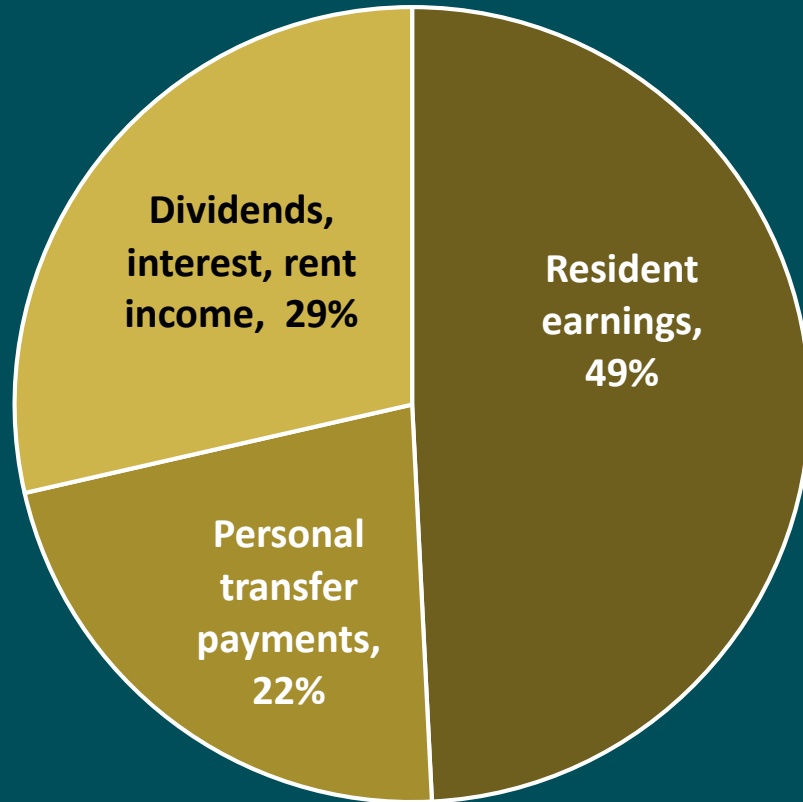
# Haines Resident Personal Income, 2016

- Compared to Alaska:
  - Resident earnings 66%
  - Dividends, etc. 18%
  - Personal transfer 16%
- Compared to Wrangell:
  - Resident earnings 54%
  - Dividends, etc. 21%
  - Personal transfer 25%



**Total: \$127 million**

# Personal Income Growth



**Total in 2016: \$127 million**



**Growth 2007-16: \$19.6 million**



# Haines Borough Employment, 2007-16

## Annual Average



**Change 2008 - 2017:**

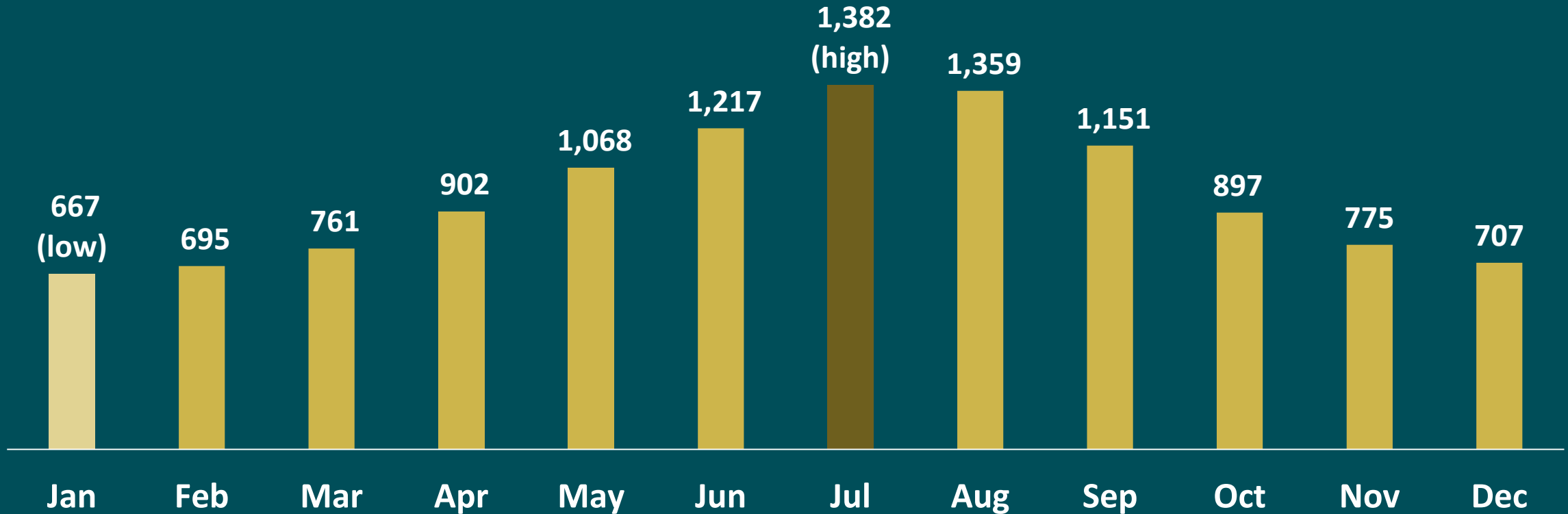
**-10% (96 jobs)**

**First three-quarters of 2017:**

**+3% from 2016 (30 jobs)**

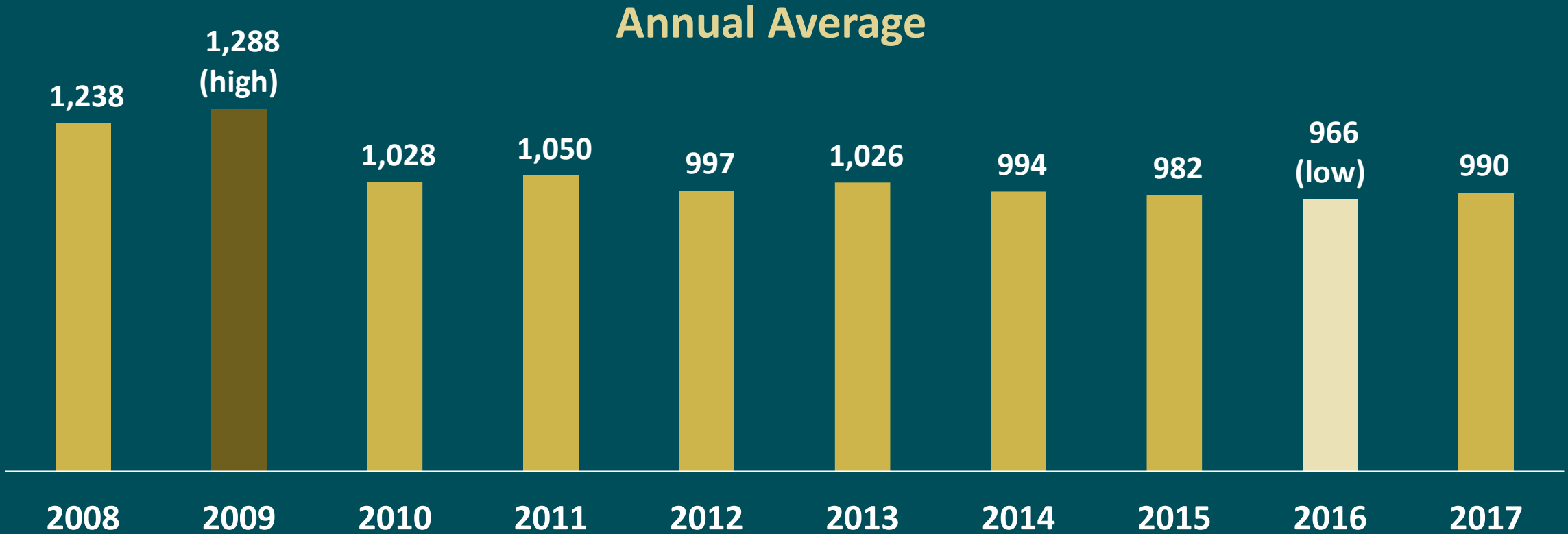


# Haines Monthly Employment, 2016



Source: ADOL&WD

# Haines Borough Resident Employment, 2008-17



Change 2008 - 2017:

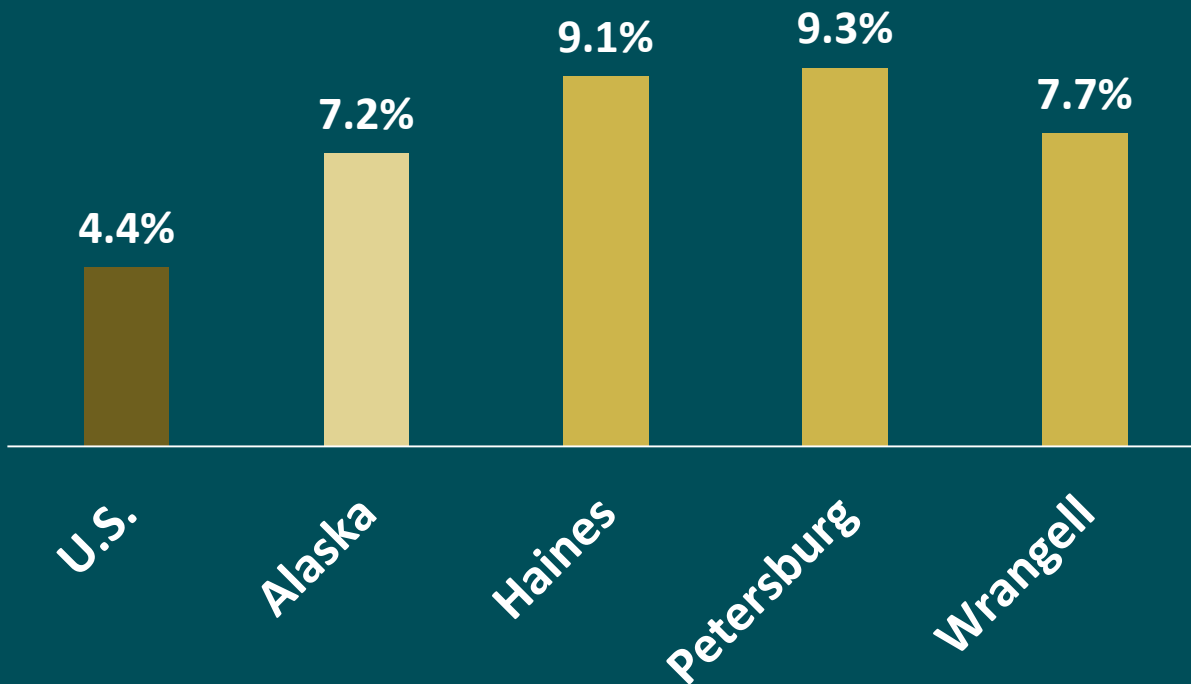
-20% (248 employed residents)





# Unemployment Rates

## Unemployment Rates, by Location, 2017



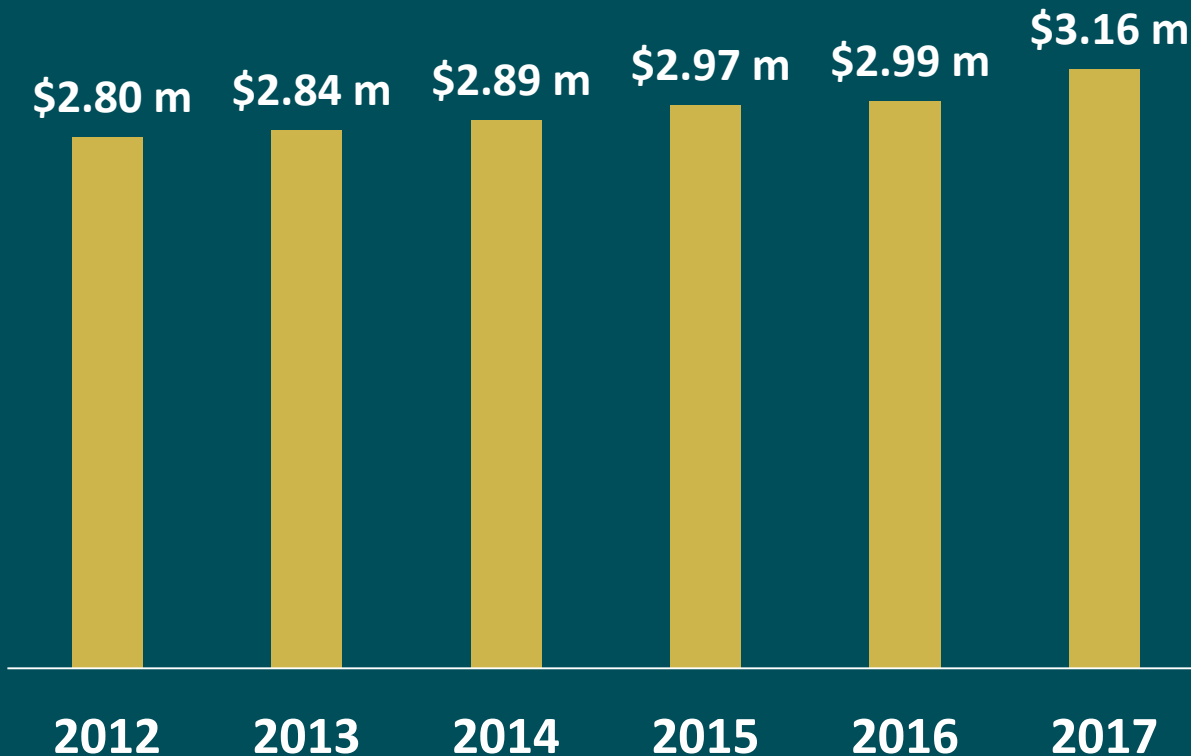
## Haines Unemployment Rate

10-year low:	8.8% (2008)
10-year high:	10.7% (2014)
Monthly low, 2017:	5.2% (August)
Monthly high, 2017:	14.3% (January)

Source: ADOL&WD

# Haines Borough Business Sales 2012-17

## Sales Tax Receipts



## Change in Sales Tax Receipts

2012-17 +12.9% (\$362k)

2016-17 +5.9% (\$177k)

Construction -6.4%

Dining +2.9%

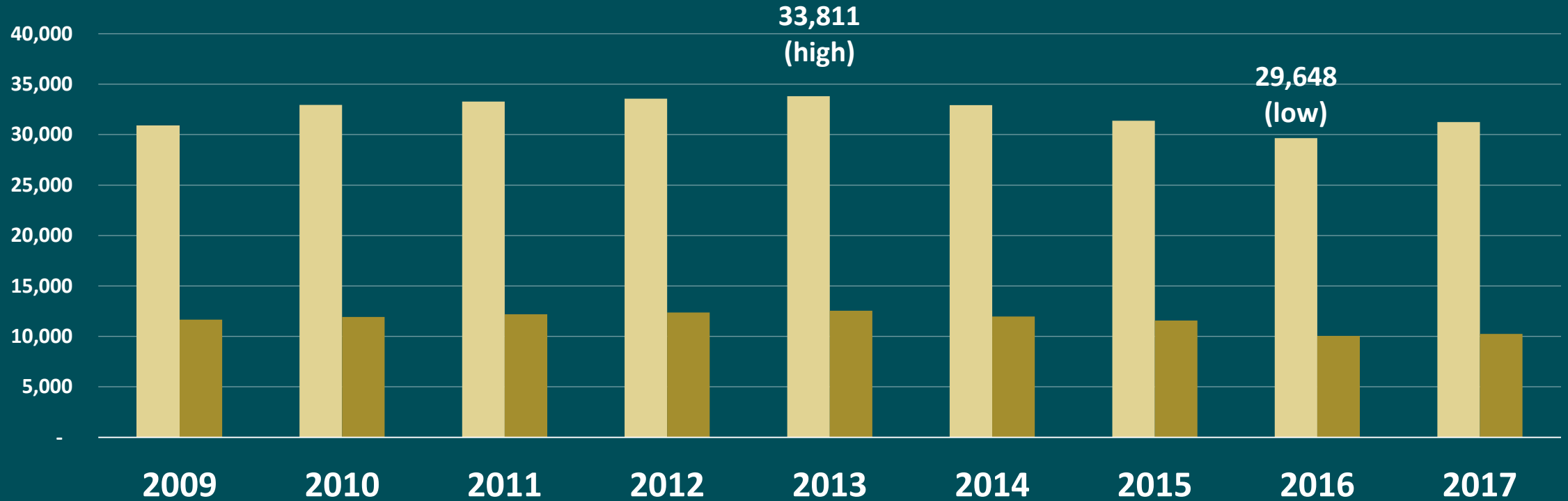
Lodging +1.1%

Retail +6.2%

Services +2.0%

Tourism +15.9%

# AMHS Arrivals, 2009-2017



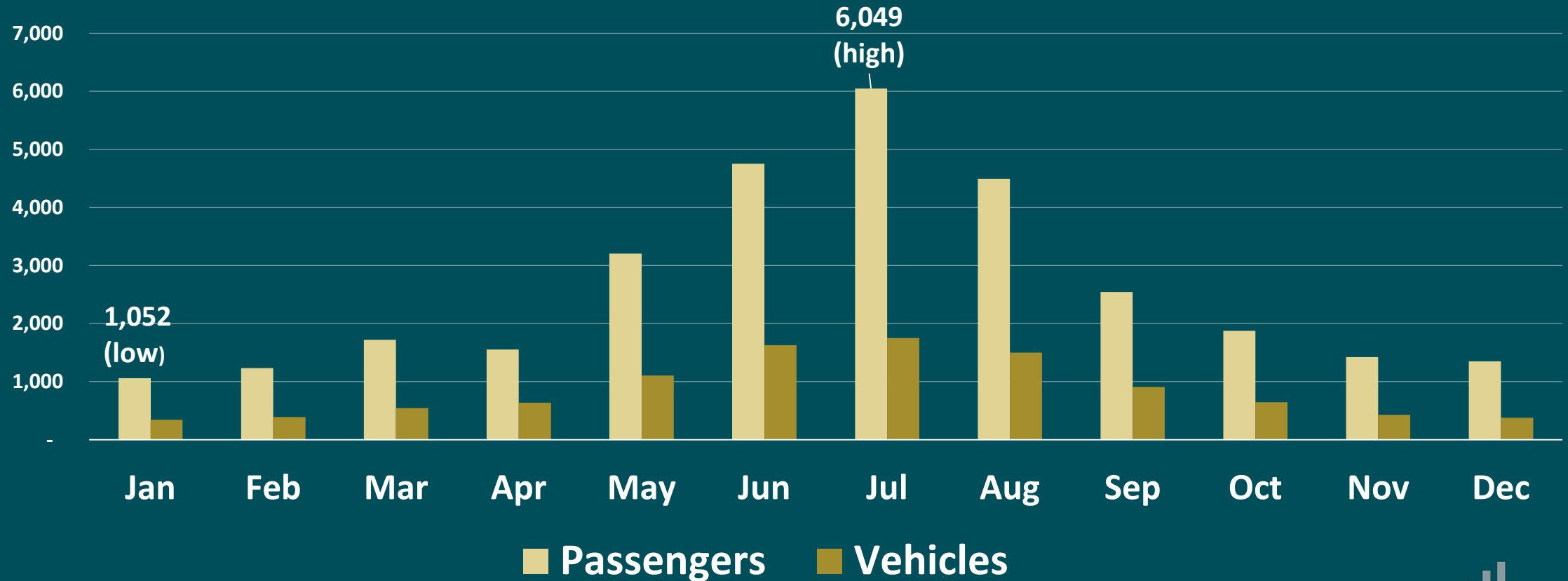
Source: AMHS

■ Passengers ■ Vehicles

**2017 Passengers: 31,247**

**2017 Vehicles: 10,245**

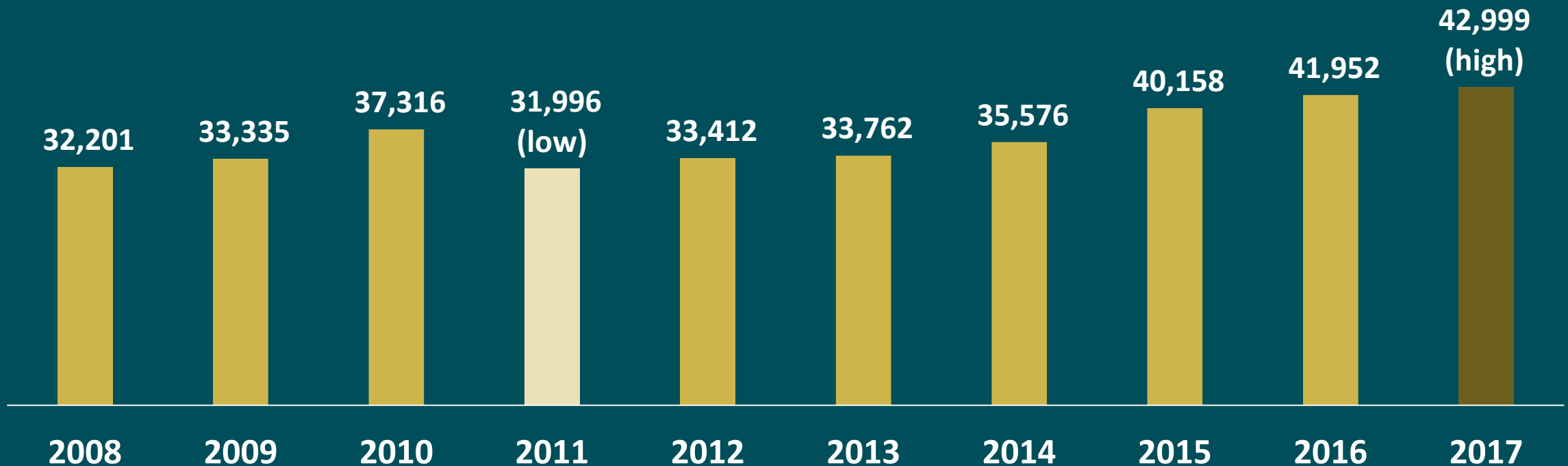
# AMHS Arrivals by Month, 2017



Source: AMHS

# US Border Crossings, 2008-2017

## Passengers in Vehicles, Entries into U.S.

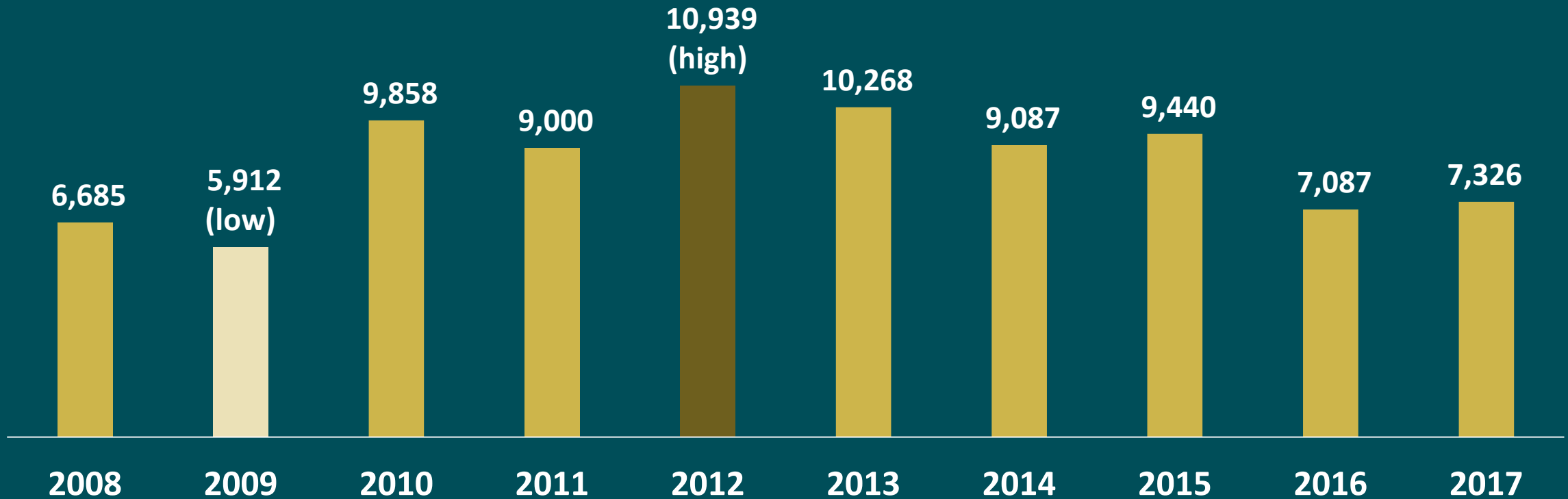


**2017 Passenger vehicles: 94%**  
**2017 Commercial vehicles: 3%**  
**2017 Buses: 3%**

Source: DHS



# Air Arrivals, 2008-2017



May-September, 2017, % of annual: 57%

Source: BTS

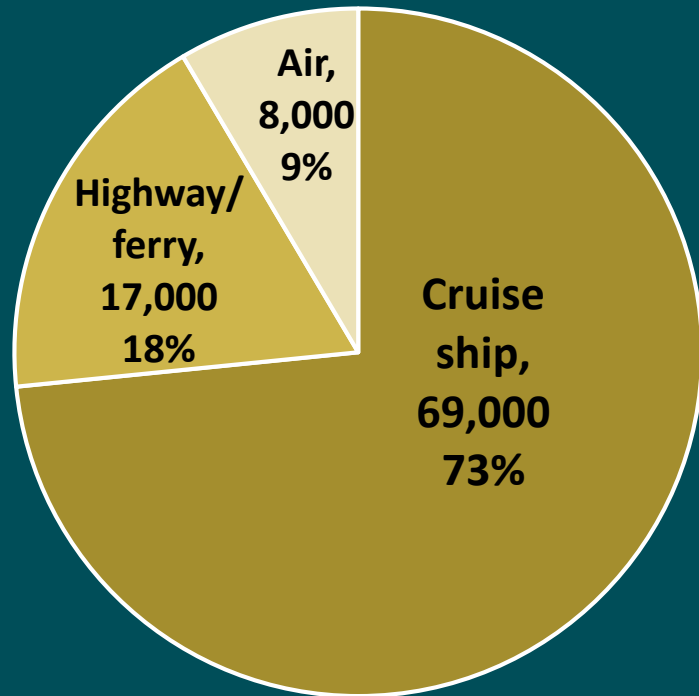


# Industry Profiles



# Visitor Volume and Employment

## Non-Resident Visitor Volume, Summer 2016, by Transportation Market

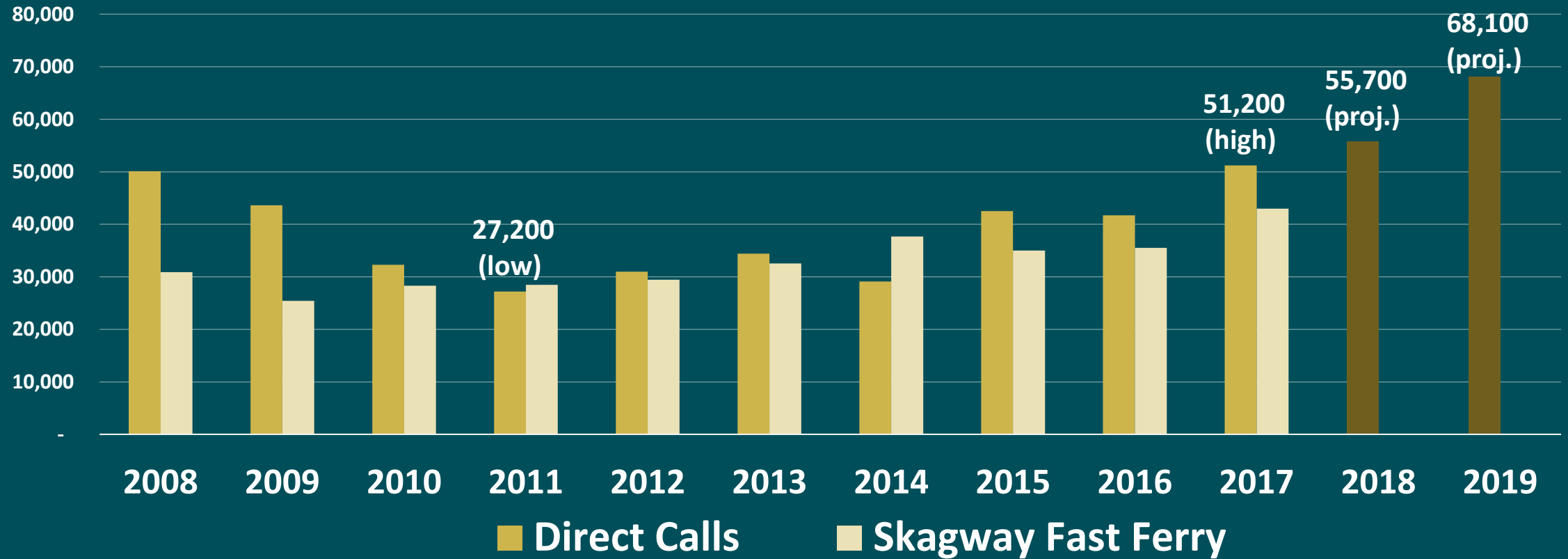


**Total: 94,000**

- Haines' largest industry, though not measured since 2001
- Non-AK residents spent an estimated \$10.4 million in Haines, summer 2016
  - Estimate 2017: \$14-\$15 million
  - Does not include AK residents
- Winter \$5.4 million (2014)
  - Includes AK residents

Sources: AVSP, Haines Borough,  
Haines Tourism Management Plan

# Cruise Passenger Volume, 2008-17



**2011 (low)-2017 change: +88%**

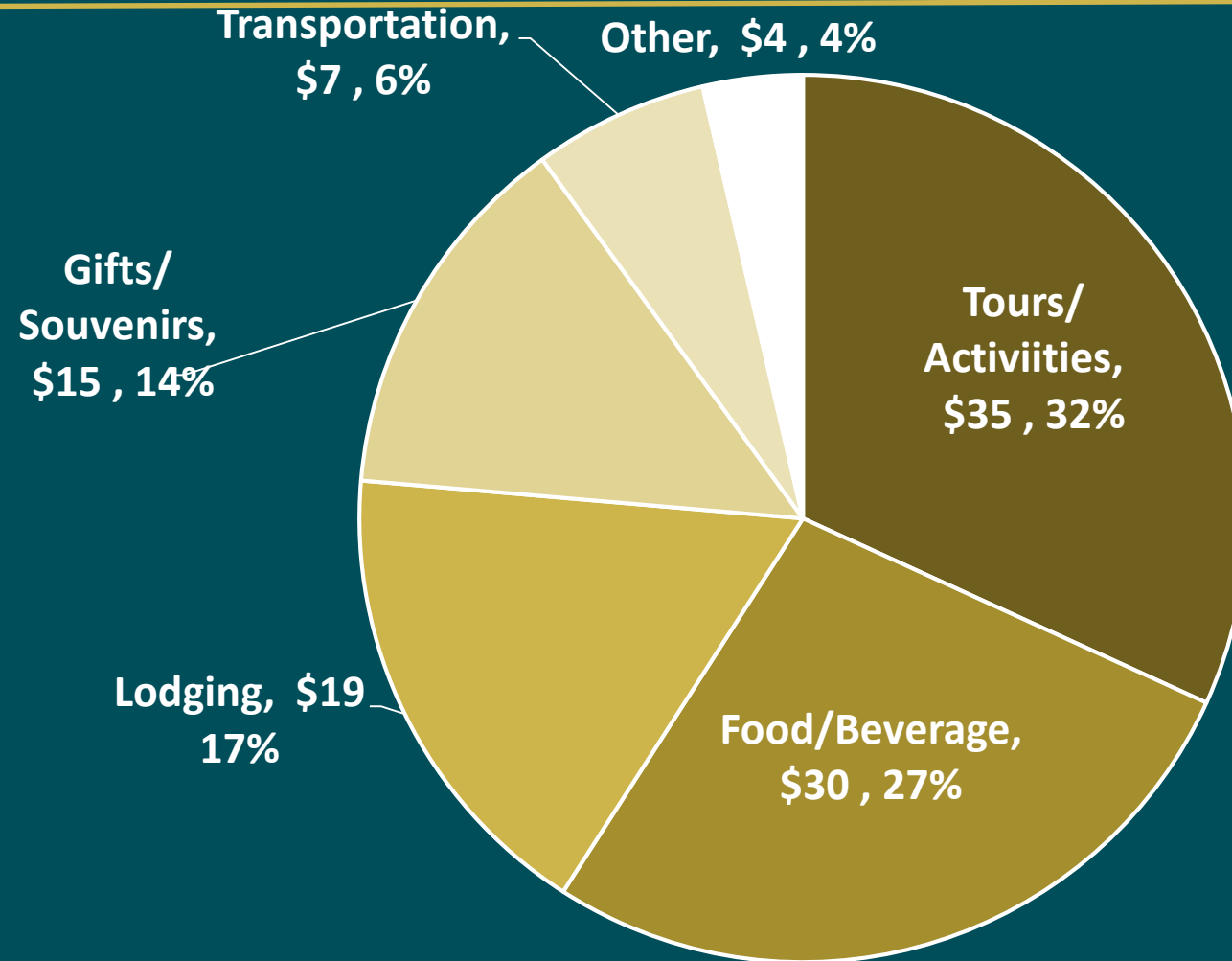
**2017-2019 projected growth: +33%**

**Previous peak volume (2000): 190,000**

Sources: CLAA;  
McDowell Group



# Haines Summer Visitor Spending, 2016



Source: AVSP 7

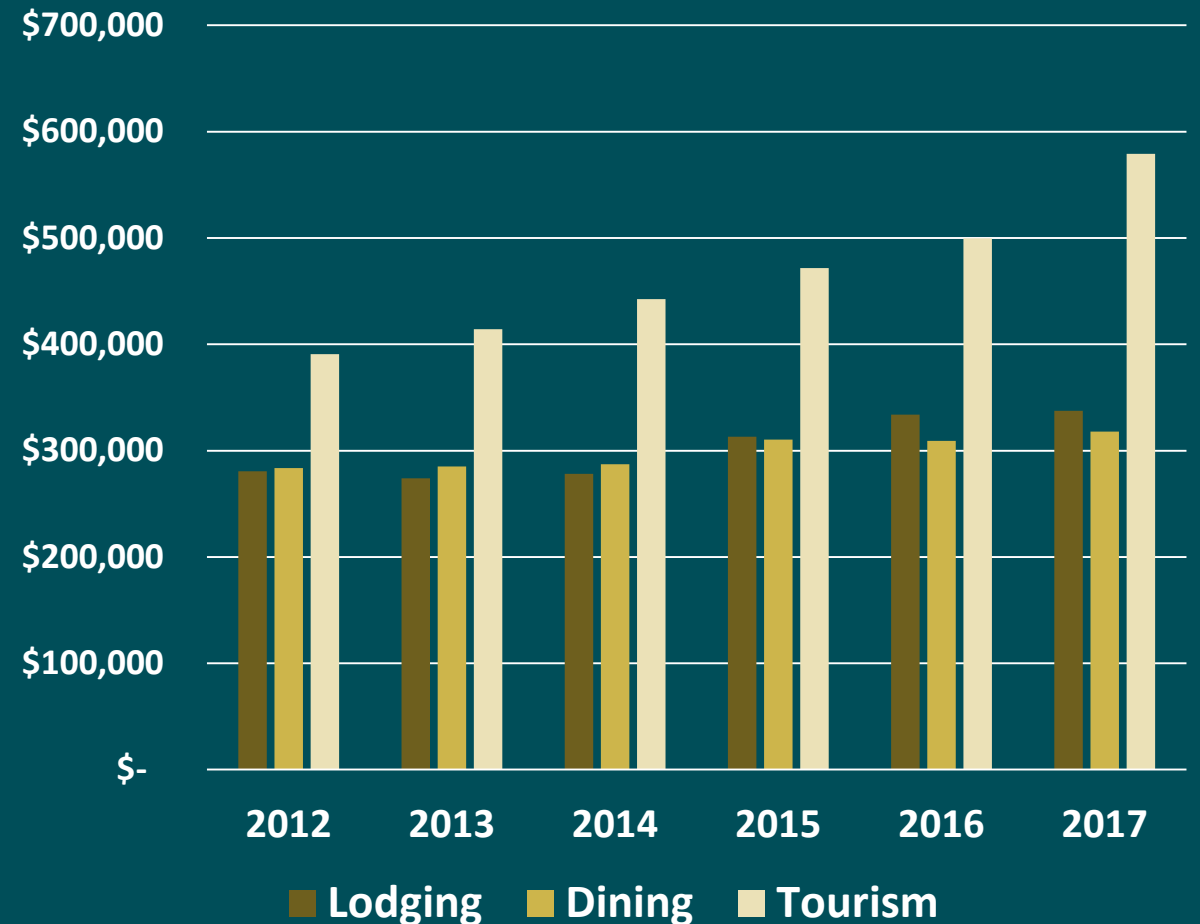
Spent in Haines: \$111/person



# Additional Tourism Metrics

- "Tourism" tax receipts up 48% (2012-2017)
- Special events attract thousands of visitors annually
  - SE State Fair, Craft and Home Brew, Bike Relay, Bald Eagle, and more
- Winter (pleasure) approx. 2,000 visitors
  - 1,574 heli-skiing days used in 2017
  - Peak in 2013 (1,959 days)
- Conferences

Haines Borough Sales Tax Receipts, by Sector, 2012-2017

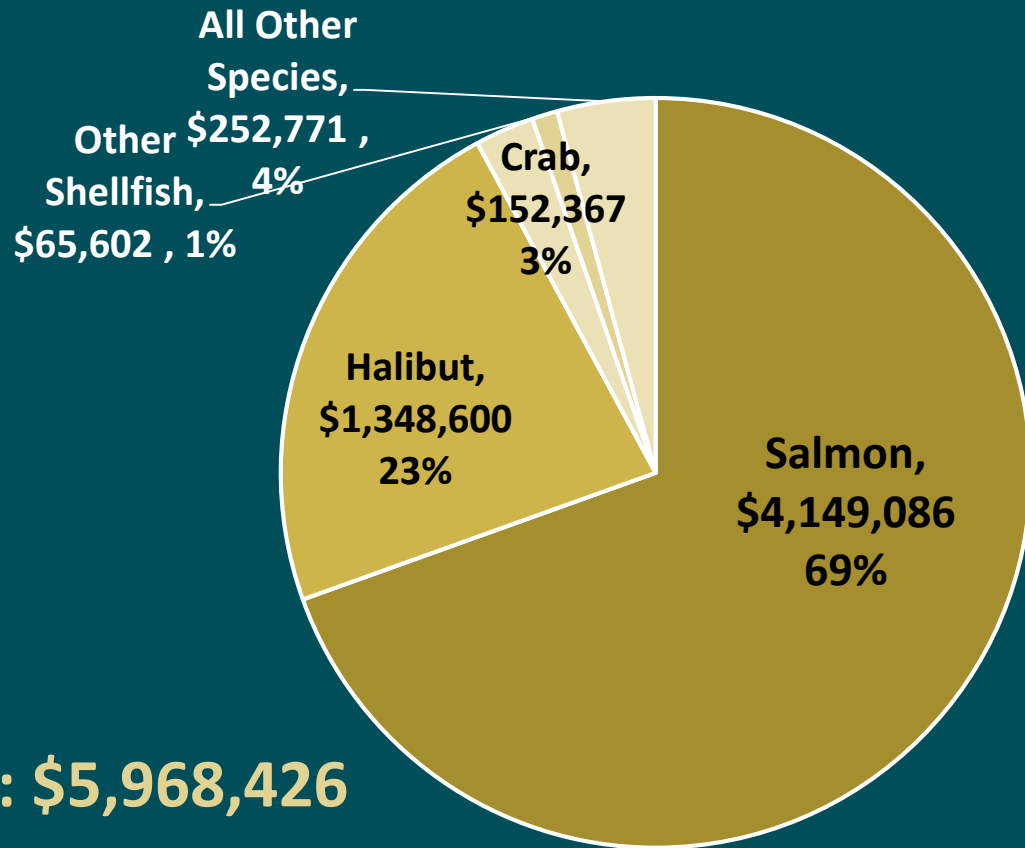


# Seafood Industry

- 103 Haines residents held 160 permits valued at \$7.6 million (2016)
- Haines residents hold \$10.2 million in halibut/sablefish quota
- 96 residents worked as crew
- 2016 had the fewest active fishermen (80) and number of permits fished (113) of 2007-2016 period

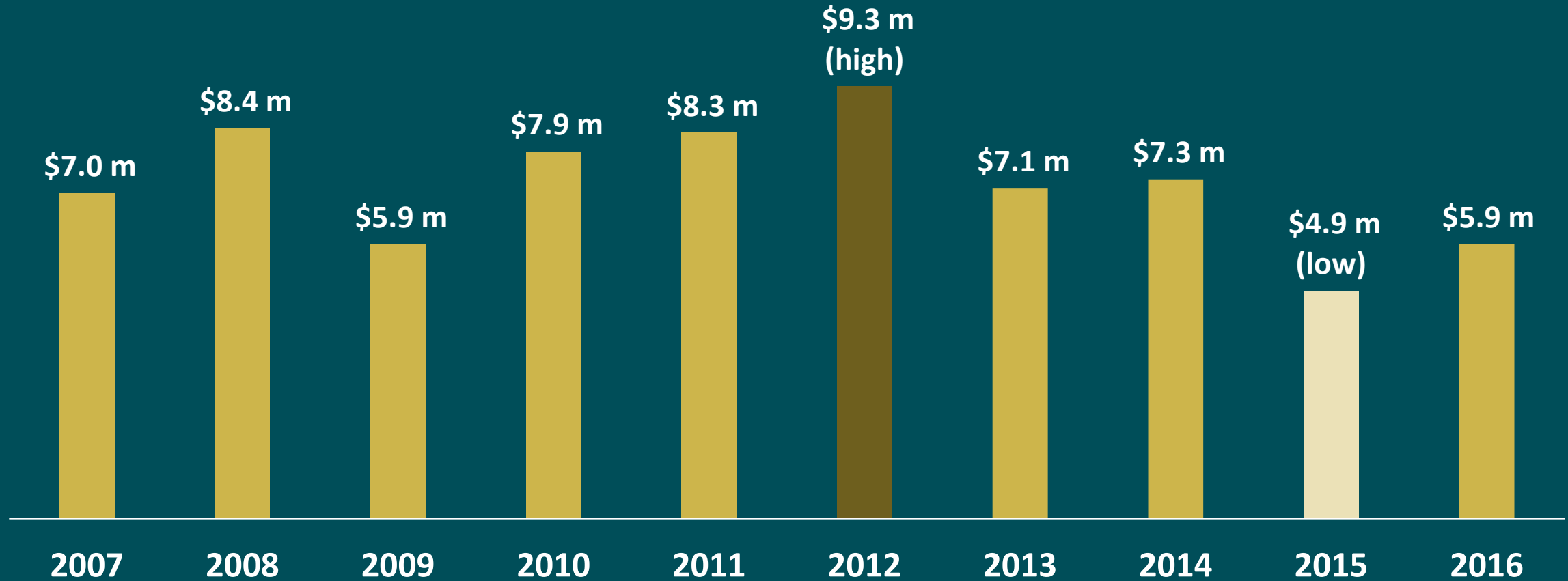
Source: CFEC

## Ex-Vessel Value of Seafood Harvest by Species, Haines Borough, 2016





# Haines Resident Seafood Harvest Value, 2007-2016

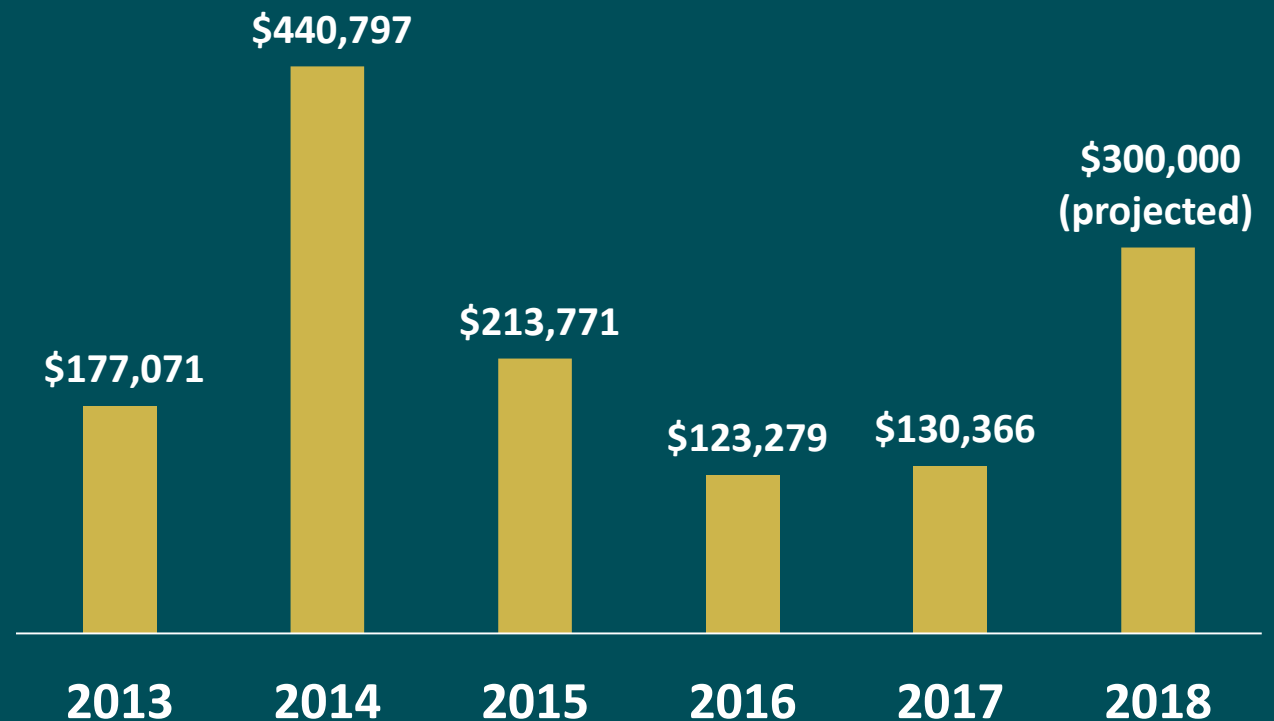


Source: CFEC; McDowell Group

# Seafood Industry

- Of the 80 active fishermen, 64% in SE drift gillnet fishery, 19% in power troll fishery, and 31% in halibut
- Other fisheries of importance: shrimp (6), crab (4), sablefish (4)
- Average earnings per fisherman \$74,605 (2016)
- 32 Haines residents worked in the processing sector, earning \$400,000 in wages (2016)

## Shared Fisheries Tax Revenue, Haines Borough, FY 2013-2017



# Mining

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- In 2016, the mining industry accounted for 98 full-time, contract, and temporary jobs, providing \$4.1 million in wages, including multiplier effects
- Haines is currently home to 31 Kensington and Greens Creek employees
- In 2017, the Palmer Project employed 64 workers, of which 33 are Haines-based. \$7 million total project budget
  - Investment in deposit evaluation and baseline research expected to trend up (\$38 million spent to-date)

# Forest Products

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- Recent Haines' timber sales have been small, providing material to small local mills
- UA, State of AK, and AMHTA recently announced a plan to offer up to 150 mmbf over the next decade
- UA estimates 55-60 new local jobs will be created over 10 years (not including multiplier effects)
- Too early to know full local economic impacts
  - Will depend on local hire and purchases
  - Amount of local value-added is key

# Health Care

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- Health care & social services sector is an important and growing part of the Haines economy
- Approximately 130 jobs and an estimated \$4.8 million in annual wages in Haines
- 14 local employers in this sector, notably SEARHC, Haines Assisted Living, the Senior Center, Cornerstone Health, and Hospice of Haines





# Arts and Culture

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- Haines has a diverse and vibrant arts sector with for-profit and non-profit activity
- 80 individuals had full-time or part-time earnings from the arts, generating \$1.4 million in income
- Art income represented 41 percent of artists' total income



T Ganner photography



# Agriculture

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- Haines currently supports about a dozen growers
  - Four Winds Farm, Whiterock Nursery, and Covenant Life Farm likely accounting for most commercial crop sales
- Small volumes of locally-grown crops and seeds sold outside the community
- Interest in developing local and regional farming industry is strong
- Farmers Summits in Haines in 2017 and 2018
  - 80 people from 13 communities

# Community Survey Results



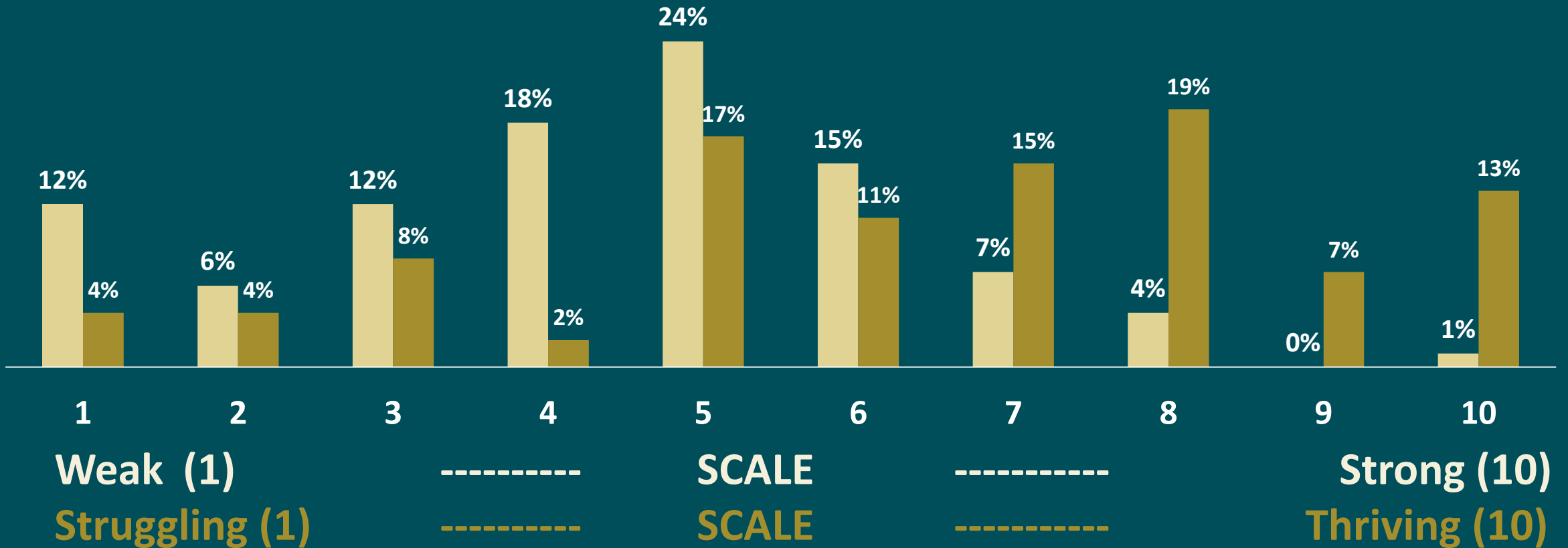
Source: Tom Ganner

# State of the Economy

*On a scale of 1 to 10, how would you rate...*

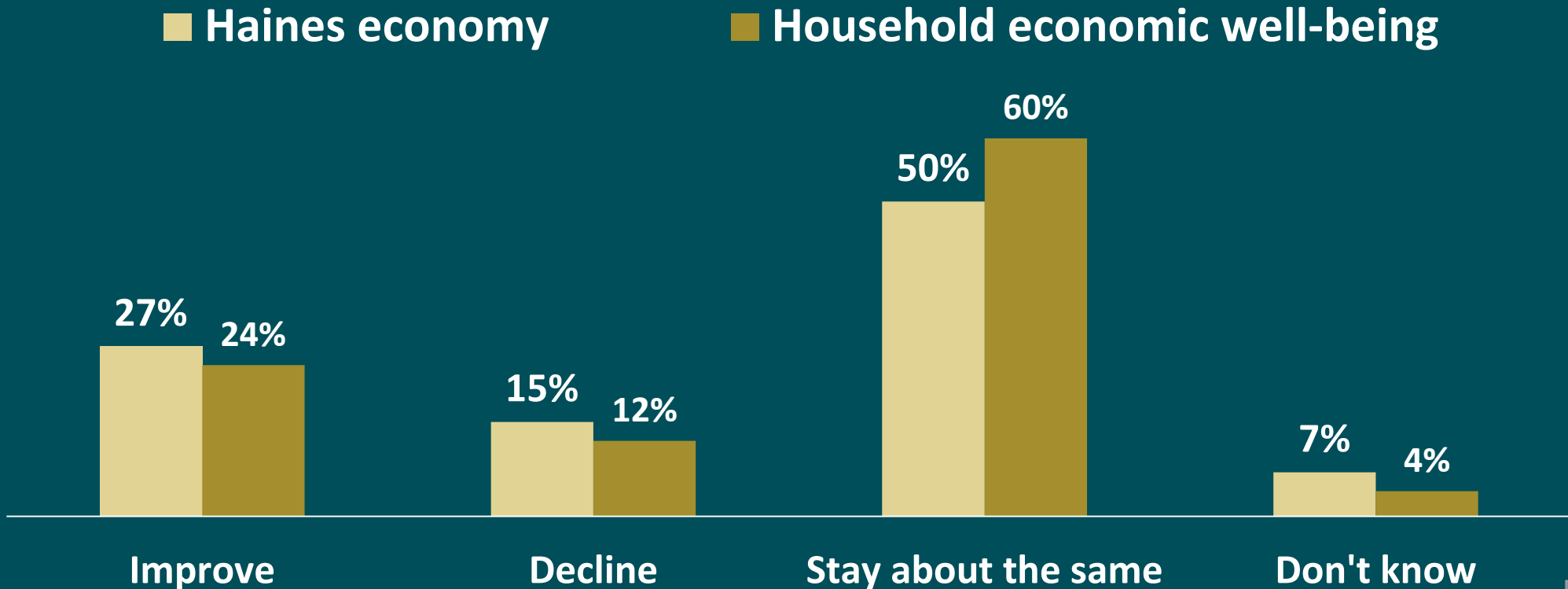
■ Haines economy (avg. 4.4)

■ Household economic well-being (avg. 6.5)

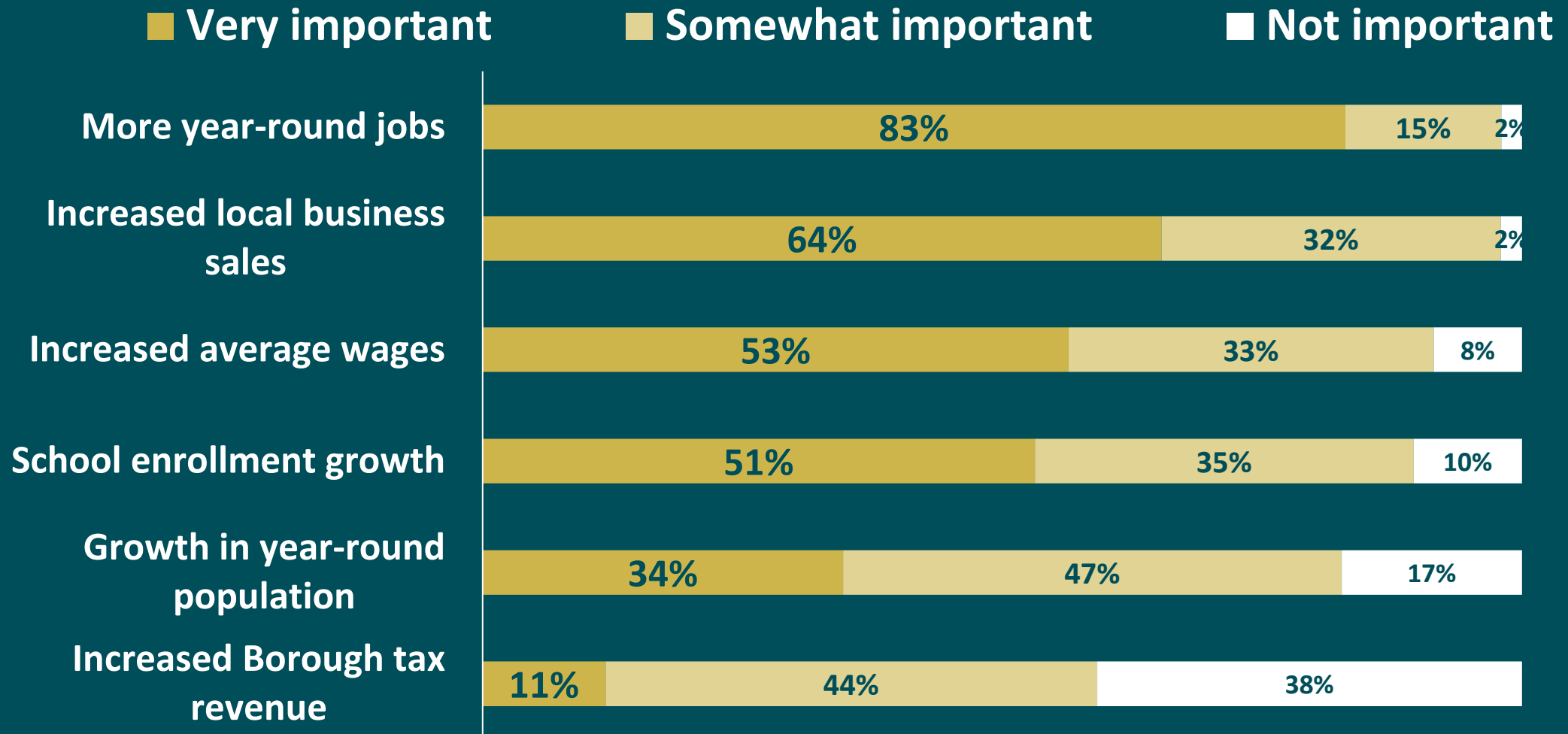


# Expectations for Economy

*Over the next five years, do you expect...*



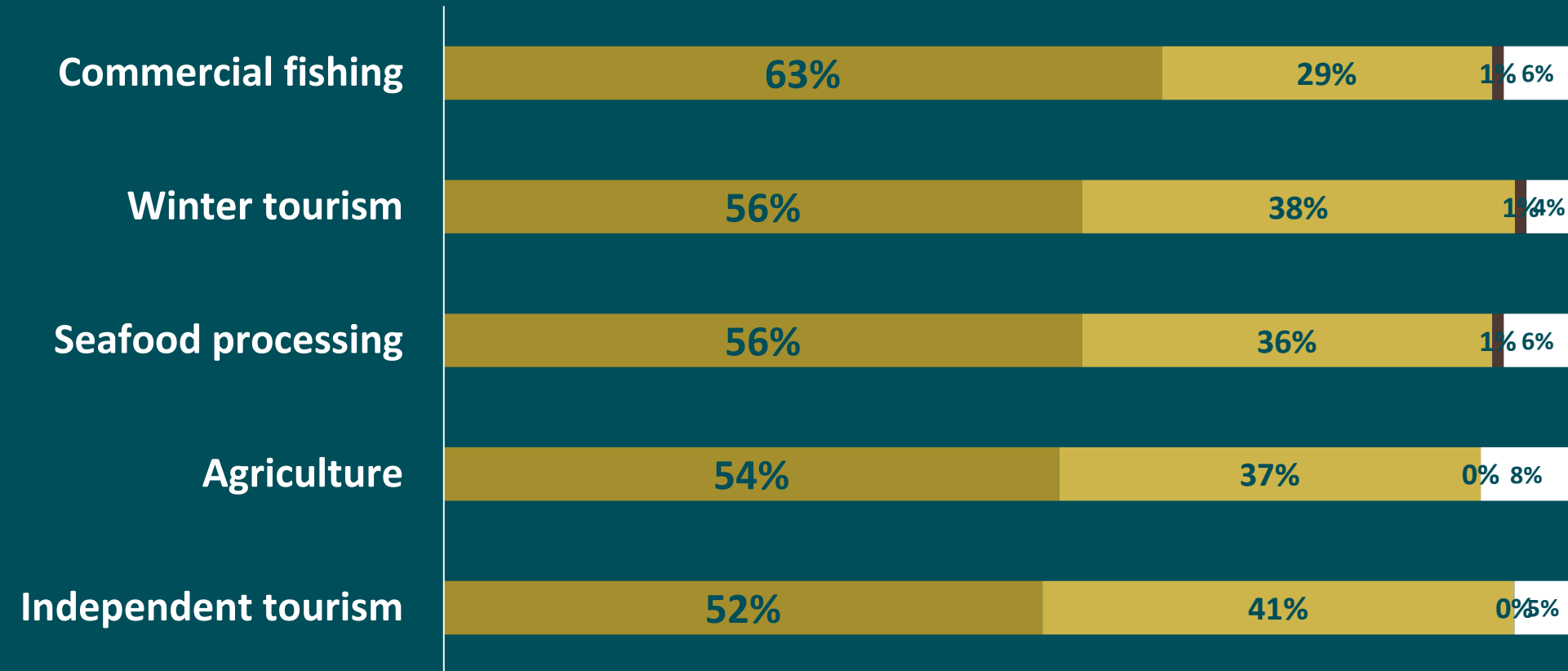
# Economic Development Objectives



# Economic Development Sectors (1 of 2)

*Do you support/oppose growth in the following sectors?*

■ Strongly support   ■ Support   ■ Oppose/Strongly Oppose   ■ Neutral





# Economic Development Sectors (2 of 2)

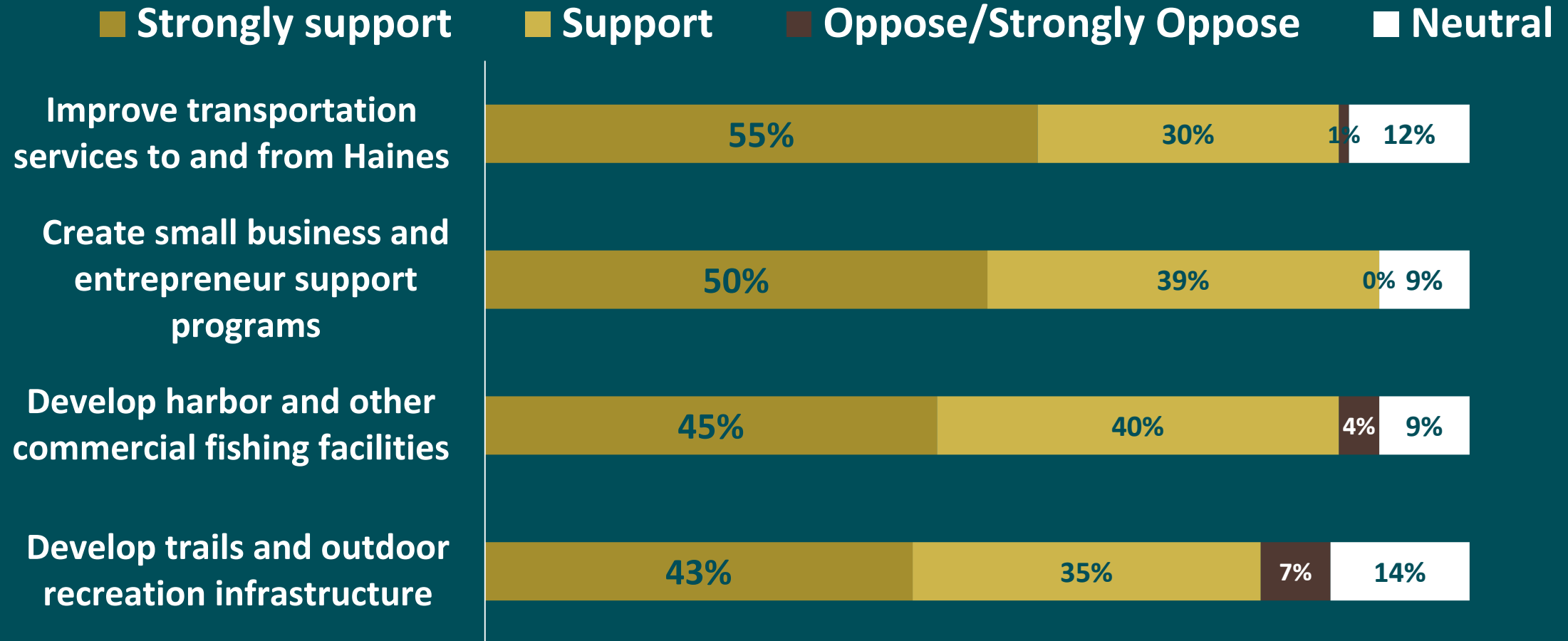
*Do you support/oppose growth in the following sectors?*

■ Strongly support   ■ Support   ■ Oppose/Strongly Oppose   ■ Neutral



# Economic Development Strategies (1 of 2)

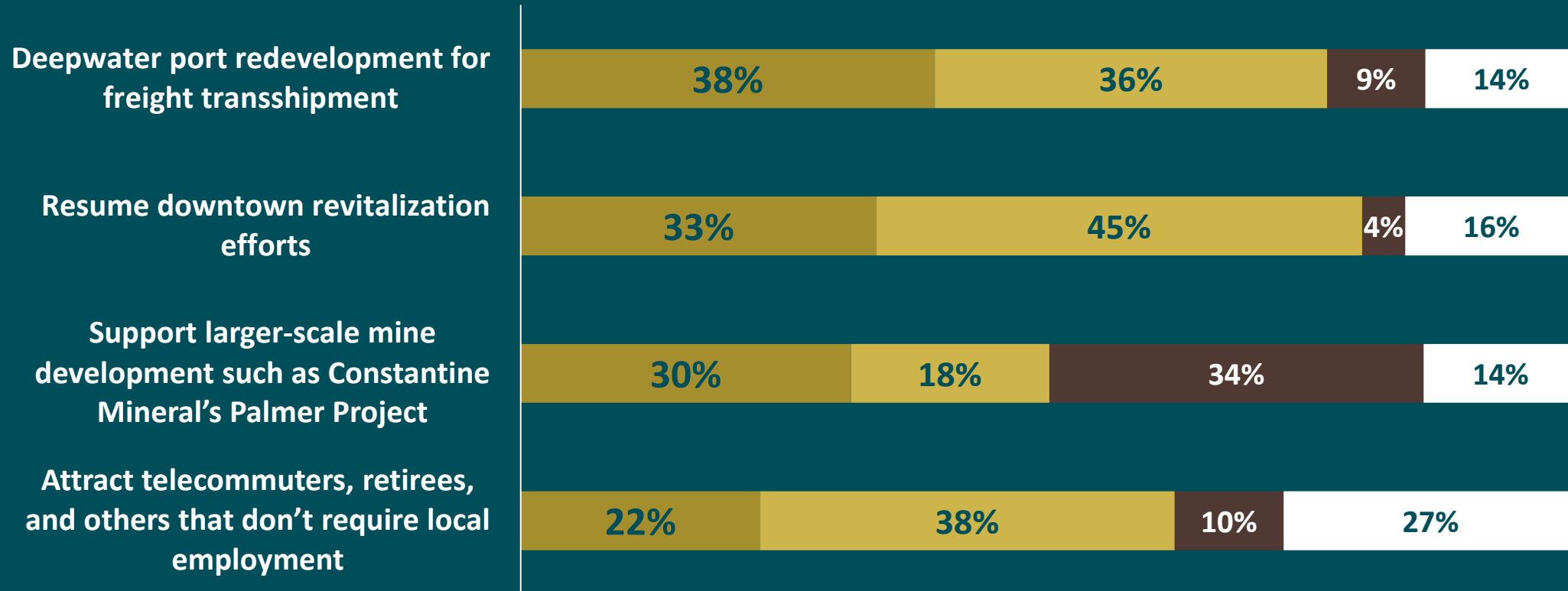
*Do you support/oppose the following potential strategies?*



# Economic Development Strategies (2 of 2)

*Do you support/oppose the following potential strategies?*

■ Strongly support   ■ Support   ■ Oppose/Strongly Oppose   ■ Neutral



# Next Steps



# Key Project Tasks

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- ✓ Project kick-off meeting and site visit
- ✓ Secondary data collection and analysis
  - Community survey
  - Community and stakeholder outreach
  - Strategy and plan development

# Characteristics of Successful Communities

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- Invest in themselves
- Are proactive and future-oriented, embrace change, and assume risk
- Pursue economic development strategies guided by a broadly-held local vision
- Use a comprehensive package of strategies and tools, rather than a piecemeal approach
- Celebrate their successes

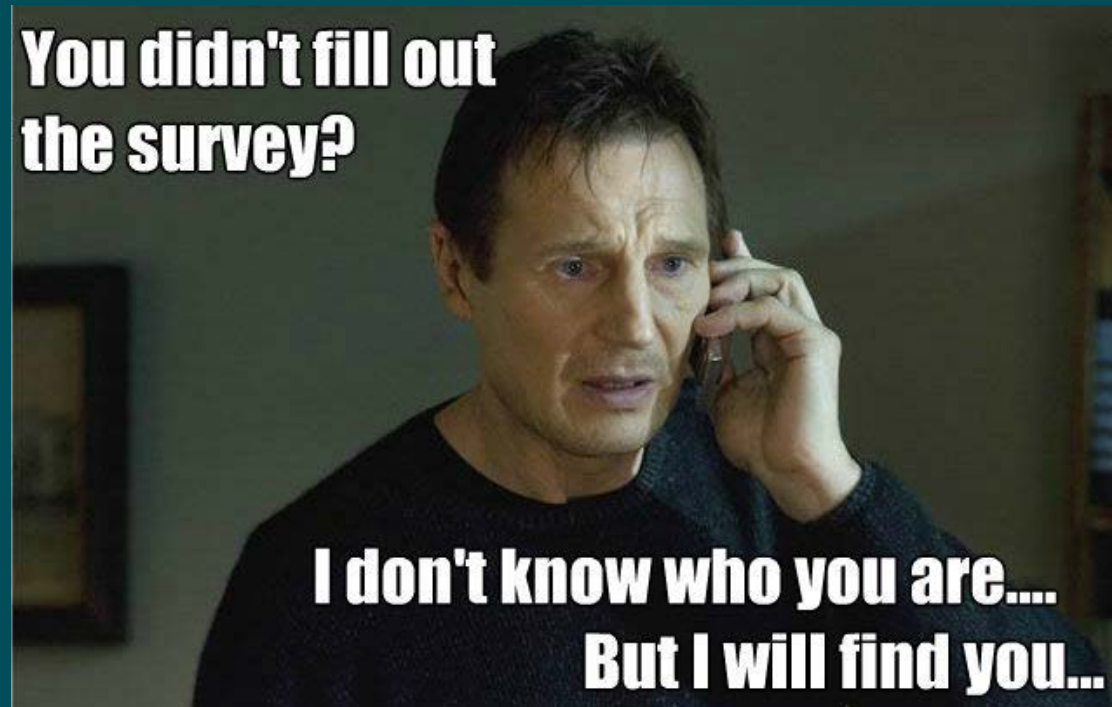


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# Discussion

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**You didn't fill out  
the survey?**



**I don't know who you are....  
But I will find you...**

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Prepared by:

