

April 2018

Economic Baseline Report

Haines Economic Development Plan



PREPARED FOR

Haines Economic
Development Corporation



PREPARED BY



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Executive Summary

This economic baseline report provides a common understanding of the local economy and serves as a foundation for creating a five-year strategic economic development plan for Haines. That plan will describe Haines' economic development opportunities and challenges, and specific steps to achieve the community's goals. A variety of key economic indicators are summarized below.

Personal Income

- In 2016, Haines residents had total personal income of \$126.5 million.
- From 2007 to 2016, Haines' personal income growth of 18 percent was slightly ahead of personal income growth in Alaska overall (16 percent).
- Haines personal income increased by 9 percent over the past five years, compared to statewide growth of 3 percent.
- Total personal income in Haines dipped slightly in 2016, along with statewide personal income, which reflects Alaska's economy sliding into recession that year.
- Local resident earnings accounted for 49 percent of Haines resident total personal income in 2016; dividends, interest and rent for 29 percent; and transfer receipts for 22 percent.
- Haines is somewhat unique in its dependence on non-earnings income. Statewide, two-thirds (66 percent) of personal income is from earnings and 18 percent from dividends, interest, and rent.
- Three-quarters of the growth in Haines personal income over the past decade was in non-employment-related income.
- Almost a third (31 percent) of Haines income tax filers reported income from small business (sole proprietorship) enterprises. Approximately 420 filers reported a total of \$3.6 million in self-employment income.
- At 5.3 percent, Haines was well below the statewide percentage (10.1 percent) of residents with income below the poverty level in 2016, and also below the peer communities of Petersburg (9.3 percent) and Wrangell (9.9 percent).

Figure ES-1. Haines Borough Resident Personal Income, 2007 and 2016 (Inflation-Adjusted)

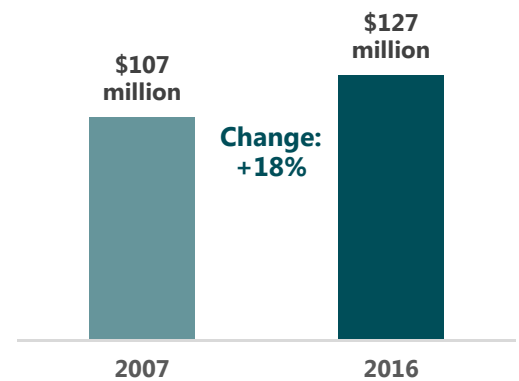


Figure ES-2. Haines Borough Resident Personal Income, by Source, 2016

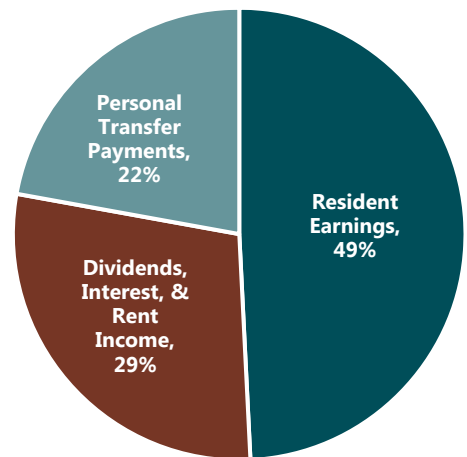
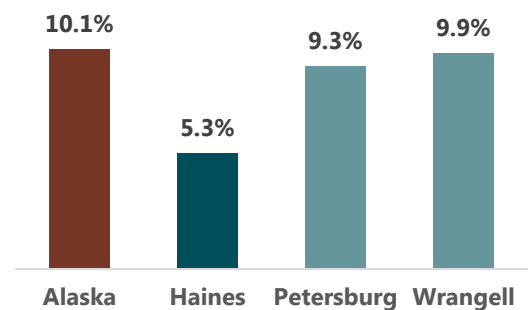


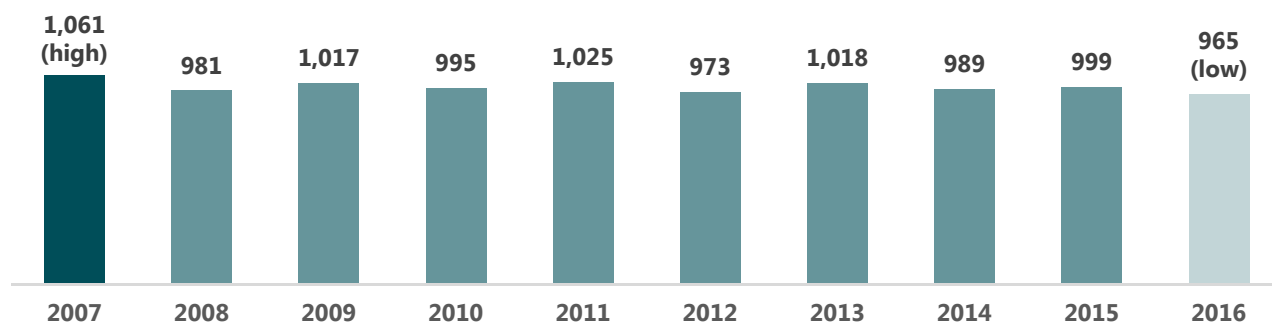
Figure ES-3. Percent of Residents with Income below Poverty Level, 2016



Wage and Salary Employment

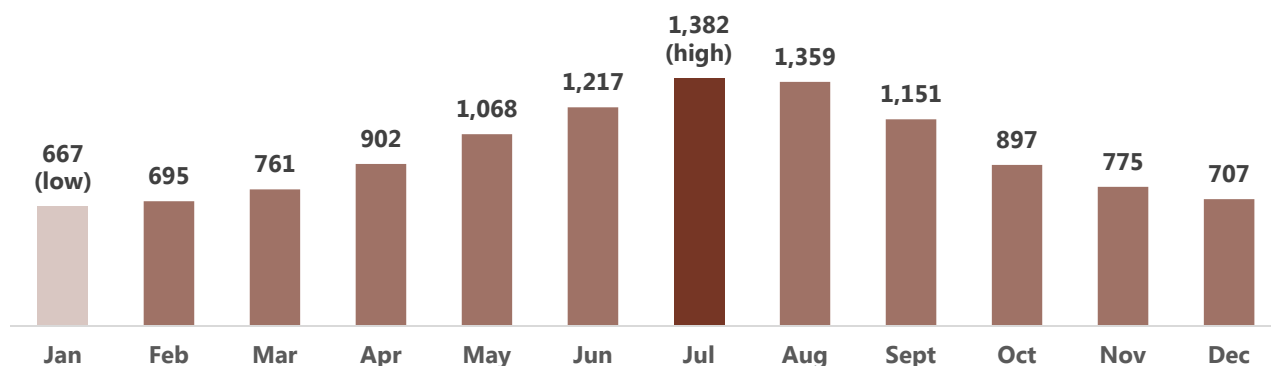
- In 2016, the Haines economy included an average of 965 wage and salary jobs that accounted for a total of \$34.5 million in wages. This does not include commercial fishing related employment and income.
- Over the past ten years, Haines Borough employment has ranged from a high of 1,061 jobs (in 2007) to a low of 965 (2016). Data for the first three-quarters of 2017 indicate employment increased by about 3 percent (30 jobs) compared to 2016, all in the private sector.

Figure ES-4. Haines Borough Average Annual Employment, 2007-2016



- The private sector accounted for 81 percent of employment in Haines in 2016 and 76 percent of total wages.
- The average monthly wage paid in 2016 was \$2,979, including \$3,729 in the government sector and \$2,803 in the private sector.
- The Haines economy is significantly seasonal, ranging from 667 jobs in January to 1,382 in July, in 2016. Excluding seafood processing employment (which is largely in Excursion Inlet), the leisure & hospitality sector has the highest degree of seasonality, ranging from 372 jobs in August to 85 jobs in December.

Figure ES-5. Haines Borough Monthly Employment, 2016



Total Employment

- The federal government provides measures of total employment, including self-employed workers. In 2016, Haines employment totaled 1,712, including 711 self-employed individuals. Total employment in Haines has been at the 1,700 level since 2013, however self-employment has been on the upswing, increasing by about 10 percent between 2012 and 2016.

Labor Force

- In 2017, 1,089 Haines residents were in the labor force. An average of 990 residents were employed over the course of the year, while an average of 99 were unemployed. The average unemployment rate for the year was 9.1 percent. In 2017, Alaska’s statewide unemployment rate was 7.2 percent while the national rate was 4.4 percent.
- Haines’ unemployment rate is generally on par with peer communities. Petersburg’s unemployment rate in 2017 averaged 9.3 percent and Wrangell’s rate averaged 7.7 percent.
- Haines’ unemployment rate is strongly seasonal, with a 2017 peak in January of 14.3 percent and a low-point in August at 5.2 percent. Alaska overall has a much more seasonally consistent unemployment rate, ranging from 6.4 percent in August to 7.4 percent in February.
- Haines annual average unemployment rate has varied little over ten years, ranging from 8.8 percent to 10.7 percent. Over that period, both the size of the labor force and the number of residents employed has slowly trended down.

Figure ES-6. Unemployment Rates, by Location, 2017

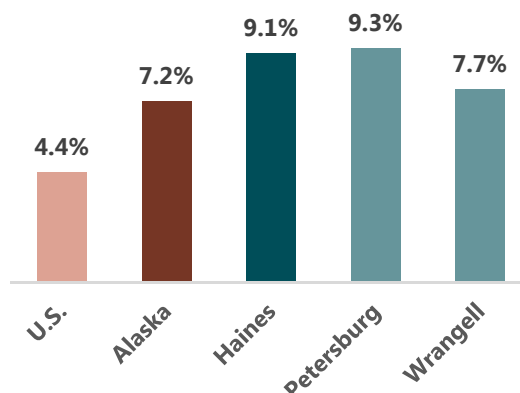
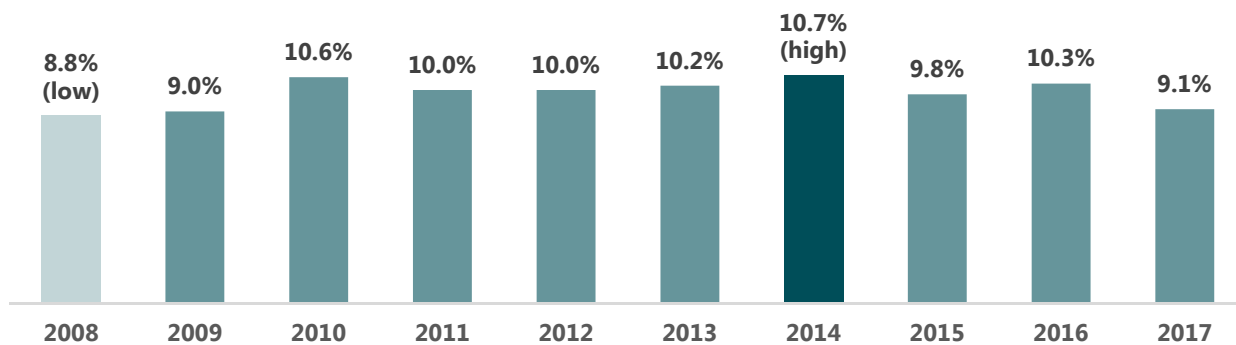


Figure ES-7. Haines Unemployment Rate, 2008-2017



- Haines labor force participation rate is low relative to Alaska overall, but very similar to peer communities. Haines’ participation rate in 2017 was 44 percent, the same as Wrangell’s, and fractionally below Petersburg’s rate of 45 percent. Alaska’s rate overall is 49 percent.

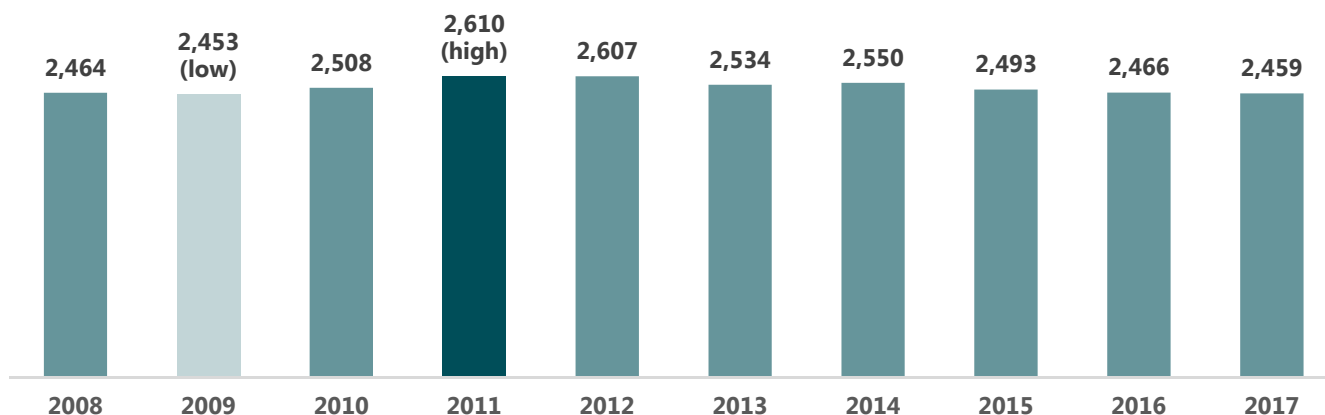
Business Sales

- Haines Borough business sales tax receipts in 2017 totaled just under \$3.2 million, a 5.9 percent increase over 2016. The retail and tourism sectors accounted for most of the increase, each adding about \$80,000 in tax revenue. The tourism sector had the highest proportional increase, up 16 percent between 2016 and 2017.

Demographics

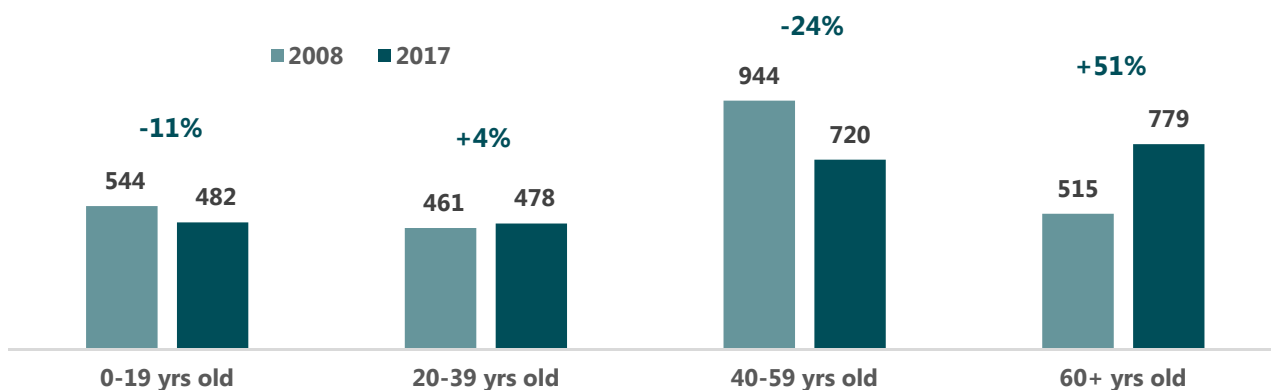
- Haines Borough had a total population of 2,459 in 2017. Haines' population has been slowly trending down since peaking in 2011 at 2,610. The decline is largely attributable to net out-migration. From 2012 through 2017, 142 more people moved from Haines than moved to Haines. Natural change (births and deaths) accounted for a population loss of 9 residents.

Figure ES-8. Haines Borough Population, 2008-2017



- Haines residents had a median age of 49.3 years in 2017, well above the statewide average of 34.9. Over the last ten years, Haines residents' median age has increased by three years, from 46.4 to 49.3, while the median age of Alaskans increased by only one year, from 33.9 to 34.9.
- Between 2008 and 2017, Haines' 60 and older population increased by about 50 percent. This compares with an increase of 4 percent in the 20-to-39 age group, and decreases in both the birth-to-19 age group (down by 11 percent) and the 40-to-59 age group (down by 24 percent).

Figure ES-9. Haines Borough Resident Population by Age Group, 2008 and 2017

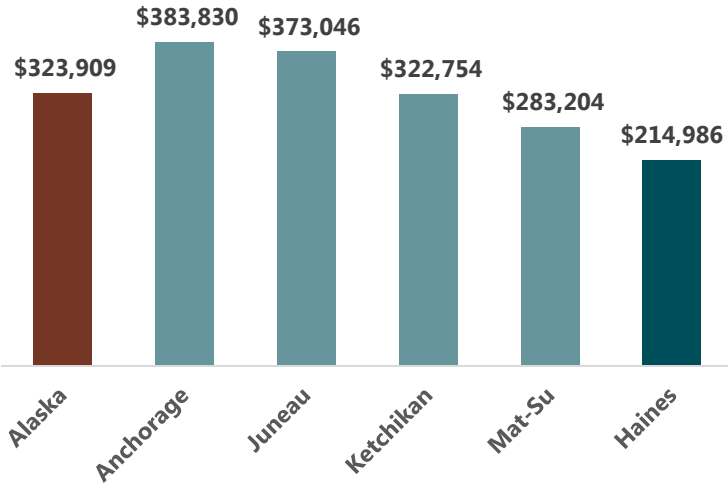


- The State Demographer's projection for the Haines Borough population is for slow decline (about 5 percent) over the next 25 to 30 years. The projection is based on historical population data and rates of fertility, mortality, and migration. It does not consider unforeseen events, developments, or other forces shaping economic conditions.

Housing Market

- Over the past three years, there were 114 homes sales in Haines. Sales value data for 102 of those sales indicates an average price of \$244,000. In 2016 alone, the average price was \$214,986.
- In comparison, Juneau single family homes sold for an average price of \$364,787 in 2015 and \$373,046 in 2016. Ketchikan had an average single-family home sales price of \$322,754 in 2016, Anchorage sales averaged \$383,830, and Mat-Su averaged \$283,204. The statewide average was \$323,909.

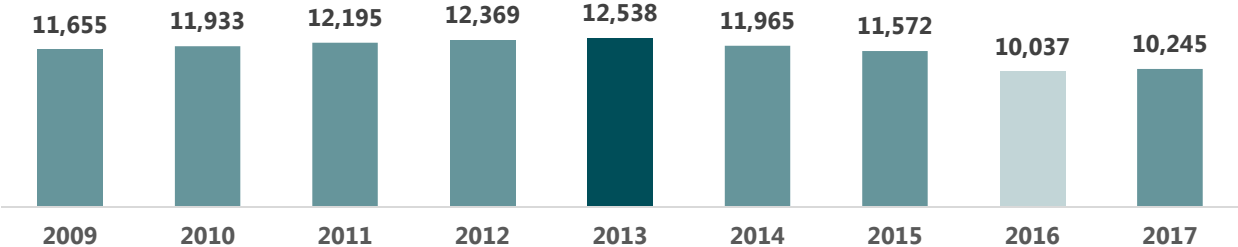
Figure ES-10. Average Home Sales Prices, by Location, 2016



Transportation

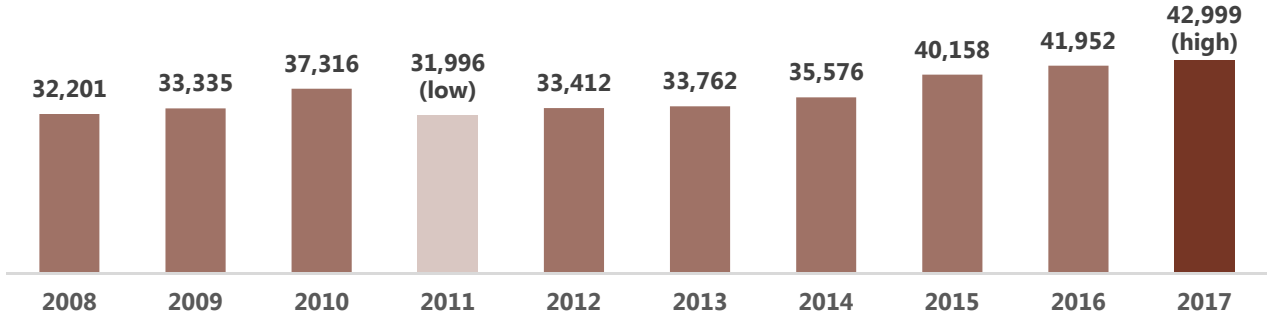
- Haines AMHS vehicle arrivals and departures declined in 2014, 2015, and 2016, falling by 20 percent and 22 percent, respectively. Vehicle traffic recovered somewhat in 2017, according to preliminary data. In 2017, 10,245 vehicles arrived in Haines (up 2 percent from 2016) and 11,300 embarked (up 7 percent).

Figure ES-11. AMHS Vehicle Arrivals into Haines, 2009-2017



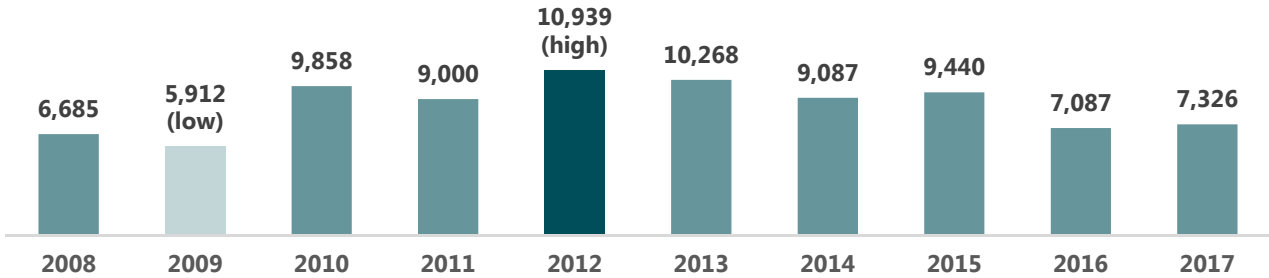
- Highway traffic across the U.S./Canada border has increased steadily since 2011, gaining 34 percent. In 2017 there were 43,000 passenger vehicle entries on the Haines Highway, 11,000 more than in 2011 and about 1,000 more than in 2016.

Figure ES-12. Highway Vehicle Passenger Entries at U.S. Border, Haines Highway, 2008-2017



- The number of travelers arriving in Haines by air has declined significantly over the past five years, falling from about 10,900 arrivals in 2012 to 7,300 in 2017, a 33 percent decline. Winter arrivals were down 42 percent and summer arrivals down 25 percent.

Figure ES-13. Air Arrivals into Haines, 2008-2017

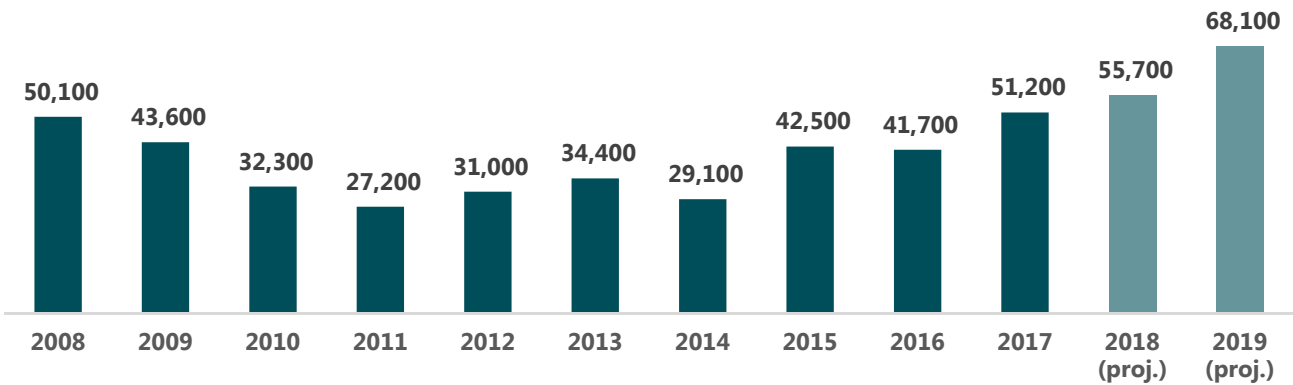


Key Industry Profiles

Visitor Industry

- Each year Haines hosts thousands of Alaska resident and non-resident visitors, traveling to or through the community for a wide variety of trip purposes. Though the largest industry in the local economy, the visitor industry’s economic impact in Haines has not been measured since 2002.
- Several metrics provide an indication of impacts and trends in Haines’ visitor industry:
 - In 2016, 94,000 non-Alaska resident visitors traveled to Haines, spending an average of \$111 while in town, for a total of \$10.4 million.
 - Haines hosted 51,200 passengers from cruise ships docked in Haines (“direct calls”) in 2017. Direct call traffic is expected to increase to 68,100 in 2019, a 33 percent jump from 2017 traffic.

Figure ES-14. Cruise Ship Passenger Traffic (Direct Calls), 2008-2017 (2018 and 2019 Projected)



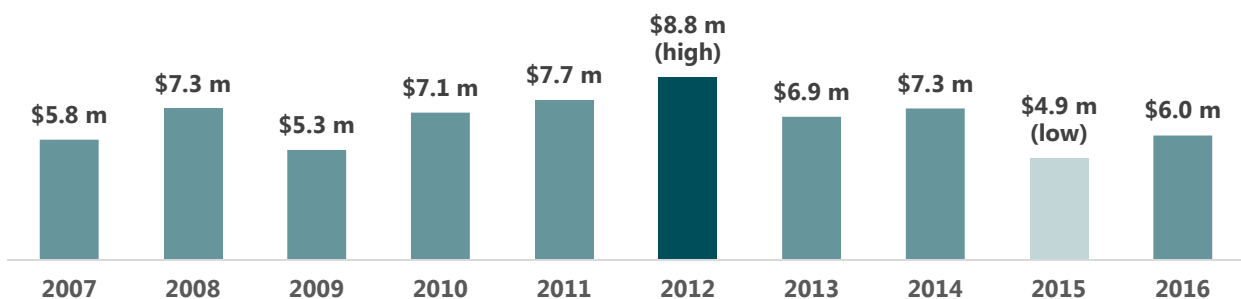
- Even with the projected growth over the next two years, direct cruise ship traffic will still be far lower than previous levels. Cruise visitation was nearly 190,000 passengers in 2000.
- Visitor traffic in 2017 included 43,000 passengers off the fast ferry between Haines and Skagway. With Skagway cruise ship capacity projected to increase in both 2018 (by 4 percent) and 2019 (by 6 percent), it is likely that fast ferry traffic to Haines will increase proportionally.

- In 2015 (the most recent available data), 28 percent of the AMHS passenger arrivals in Haines were residents of the U.S. (not including Alaska), 32 percent were from elsewhere in Alaska (mainly Juneau), 8 percent were from Canada, and 7 percent from other nations.
- Special events and activities are important draws for Haines visitors, including the Haines Fair, Beer Fest, Klwane Chilkat bike relay, the bald eagle festival, and heli-skiing.

Seafood Industry

- In 2016, 103 Haines residents held 160 limited entry permits and owned 86 commercial fishing vessels; an additional 96 residents participated in the fishing industry as crew.
- In 2016, Haines had the fewest active fishermen (80) and number of permits fished (113) of the 2007-2016 period, which averaged 87 active fishermen fishing 127 permits.
- Haines commercial fishermen earned \$6 million in gross income in 2016 from a total harvest of 6.2 million pounds of fish. Salmon accounted for nearly 70 percent of Haines' commercial fishing income. Halibut was the next most important in terms of gross income, generating \$1.4 million (23 percent of total).
- Over the 2007-2016 period, harvest value ranged from a low of \$4.9 million in 2015 to a high of \$8.8 million in 2012.

Figure ES-15. Haines Resident Seafood Harvest Value, millions, 2007-2016



- Haines residents own approximately \$7.6 million in limited entry permits for fisheries across the state (2016 values), with Southeast drift gillnet permits comprising roughly 60 percent of this value (\$4.6 million)
- Haines residents also own approximately \$10.2 million in halibut and sablefish quota across the state, with quota held for Areas 2C (Southeast Alaska) and 3A (Central Gulf of Alaska) valued at \$8.4 million.
- In 2016, 311 workers were employed in the seafood processing industry in the Haines Borough, earning \$2.6 million in total wages. That was a sharp drop from 2015, when 408 workers were employed, earning \$4.7 million. Most Haines Borough processing employment is seasonal, non-Alaska resident, and located at Ocean Beauty's Excursion Inlet plant (XIP).
- Haines Borough received \$130,000 in Fisheries Business Tax and Shared Fish Tax revenue in 2017. Fish tax revenue for 2018 and beyond are anticipated to be significantly higher due to Ocean Beauty's decision not to operate its Petersburg canning facility, diverting volume to XIP instead.
- Ocean Beauty is also one of the top two property tax payers in the borough.

Mining

- The most recent assessment of the economic impact of the mining industry in Haines found that in 2016 the industry accounted for 98 full-time, contract, and temporary jobs. These workers earned a total of \$4.1 million in wages, including multiplier effects.
- In 2017 the Palmer Project employed 64 workers, including Constantine employees and contract workers such as drillers, pilots, and road construction personnel. About half (33) of those workers are Haines-based.
- Over the 2013 through 2017 period, Constantine spent a total of \$3.3 million in Haines on a range of goods and services. Its Haines-based workforce earned a total of \$2 million in wages over the same five-year period.
- Millions of dollars of additional private investment and at least several more years will be required before enough is known about the Palmer deposit to fully determine the technical and financial feasibility of developing and operating a mine.
- Haines is currently home to 31 Kensington Mine and Greens Creek Mine employees. Kensington and Greens Creek are at least as important to Haines as they are to Juneau, in terms of providing employment and wages to local residents.

Arts and Culture

- Haines has a diverse and vibrant arts sector that includes visual arts, performing arts, and numerous arts organizations. The sector encompasses for-profit and non-profit activity, and a great deal of part-time employment and volunteers.
- A 2015 study of Haines' arts economy found that 80 individuals had full-time or part-time earnings from the arts, including artists, teachers, and employees of museums, art galleries, and non-profits. Artists' earnings totaled \$1.4 million, which on average represented 41 percent of artists' total income.

Forest Products

- Though current forest products industry activity in Haines is relatively limited, the Haines area is rich in forest products resources and has significant potential for increased economic activity.
- In addition to a few individuals who operate small bandsaw mills primarily for personal use, there are currently three small commercial mill operators in the Haines area. These mills provide rough-cut lumber for use in local construction projects as well as the manufacture of bowls, furniture, carvings, cabinets, skis, musical instruments, and boats. One mill operator produces logs for log home and cabin construction.
- The State of Alaska, University of Alaska, and Alaska Mental Health Trust Authority (AMHTA) are the primary owners of commercial-scale timber in the Haines area. Combined, these three entities own approximately 58,000 acres of timber land in the area that is currently available for commercial harvest.
- Recently, UA, the State of Alaska, and AMHTA announced that they are working cooperatively to offer up to 150 million board feet of Haines area timber for sale over the next decade.

Health Care

- The health care and social services sector is an important part of the Haines economy, providing jobs and income for local residents. Further, access to health care services support other sectors of the economy in attracting and retaining employees.
- The health care and social assistance sector accounts for approximately 130 jobs and an estimated \$4.8 million in annual wages in Haines.
- There are 14 local employers in this sector, notably SouthEast Alaska Regional Health Consortium (SEARHC), Haines Assisted Living, the Senior Center, Cornerstone Health, and Hospice of Haines, among others. With 59 employees, SEARHC is one of the largest employers in Haines and the primary health care provider in the community.

Agriculture

- Haines has a long history with crop production and currently about a dozen Haines growers sell some crops. Four Winds Farm, Whiterock Nursery, and Covenant Life Farm likely account for the majority of commercial crop sales in the community. Most other local commercial growers are small operations that grow primarily for their own household and sell excess product. Foundroot is a new farm that sells a variety of produce and herb seeds.
- Crops that grow well in Haines include: strawberries, raspberries, gooseberries, currants, elderberries, cherries, apples, herbs, garlic, potatoes, carrots, cabbage, turnips, rutabagas, beets, squash, onions, lettuces, kale, and other greens. Crops such as tomatoes, cucumbers, and green beans can be grown in greenhouses. A variety of flowers are also grown for personal use and sale.
- Interest in developing Haines' farming industry is strong. Haines hosted Farmer Summits in 2017 and 2018, bringing together farmers from around the region to learn new skills for increasing commercial production.

This baseline report is intended to serve as a working document to be updated periodically as new data and more information becomes available. Further, numerous measures of Haines' economic well-being are presented in the report. Depending on the values and priorities expressed by the community, some of these measures can serve as benchmarks from which to measure future progress toward building a stronger local economy.

Scope of Work

The purpose of this economic baseline report is to describe trends in the Haines economy, identify the forces that create those trends, and to consider the direction of the economy and its key sectors over the next five years. This baseline analysis is intended to inform the development of a five-year strategic economic development plan for Haines. That plan includes an analysis of Haines' economic development opportunities and challenges, and specific steps to achieve the community's goals.

Data Sources and Methods

The Haines economic baseline report documents and investigates overall trends in the local economy, and then analyzes specific features of the economy to develop a comprehensive, in-depth understanding of key drivers, as well as potential directions the economy may take over the next five years.

A first step in this process was compilation of all available data that reflects conditions and trends in the Haines economy. This included collection and analysis of data regarding population demographics, employment, wages, personal income, business sales, and a variety of industry-specific trends. Data sources include the U.S. Census Bureau (USCB) and its American Community Survey, Bureau of Economic Analysis (BEA), and Bureau of Labor Statistics (BLS); various state agencies, including the departments of Labor and Workforce Development (DOLWD), Fish and Game, Revenue, Commerce, Community and Economic Development; and local sources, including the Haines Borough.

In addition to this economic information, this report considers industry-level conditions and trends, with a focus on Haines' key "basic" industries. These industries include the visitor, seafood, and mining industries; health care and senior services; forest products, and state and federal government. Other sectors including arts and culture, manufacturing (other than seafood processing), and agriculture are also included in this analysis.

Report Organization

This report is organized into three main sections:

Chapter 1 – Current Economic Conditions and Trends includes personal and household income, employment and earnings, labor force characteristics (including residency), and employer statistics.

Chapter 2 – Demographics profiles the Haines population. Demographic information in this section describes population trends and projections, including special attention to aging trends, and household characteristics.

Chapters 3 – Housing and Transportation provides information regarding two critical aspects of community infrastructure.

Chapter 4 – Key Industry and Sector Profiles details conditions and trends in Haines' key or emerging industry sectors.

Chapter 1. Current Economic Conditions and Trends

This chapter reports on economic conditions and trends in Haines' economy. A variety of measures, including personal income, employment, payroll, business sales, and others, are presented. None of these measures alone provides a clear picture of the economy; however, together they provide a basic understanding of what drives the local economy, and the direction of the economy.

Personal Income

Total Personal Income

Personal income is a measure of income earned by individuals from all sources, including wages, investments, business profits, payments from government programs, and any other source of income flowing to residents of the community. In 2016, personal income in Haines totaled \$126.5 million. This number includes personal income for Haines Borough residents only; it does not include income earned by non-resident workers working in Haines.

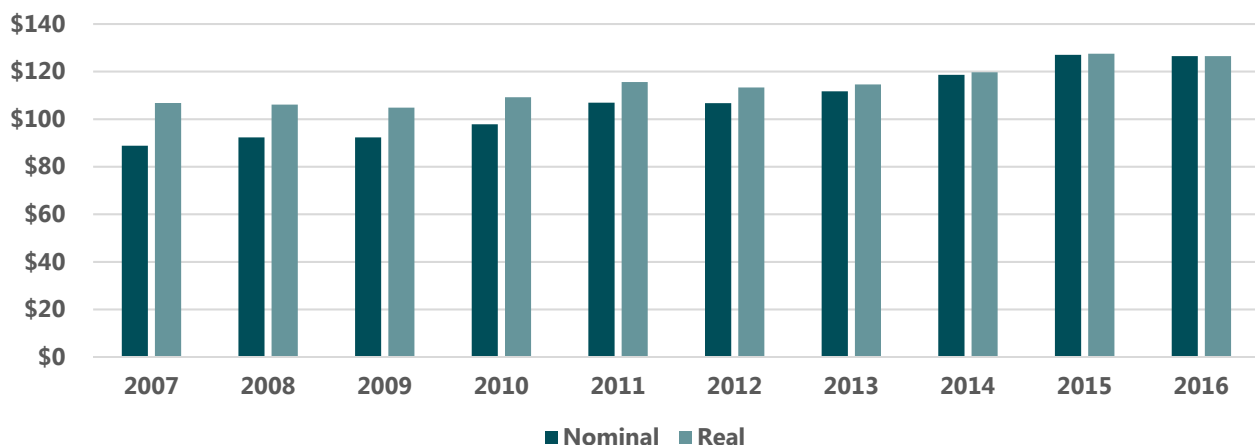
In terms of inflation-adjusted ("real") dollars, total personal income grew by a total of 18 percent between 2007 and 2016. Though growth has not been steady, over the ten-year period total personal income increased at an average annual rate of 1.7 percent.

Table 1. Haines Borough Resident Total Personal Income, Nominal and Inflation-Adjusted (Real), millions, 2007 – 2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Nominal	\$88.8	\$92.3	\$92.3	\$97.8	\$106.9	\$106.7	\$111.7	\$118.6	\$127.0	\$126.5
Real	\$106.8	\$106.1	\$104.8	\$109.2	\$115.6	\$113.3	\$114.6	\$119.7	\$127.5	\$126.5

Source: BEA.

Figure 1. Haines Borough Resident Total Personal Income, Nominal and Inflation-Adjusted (Real), millions, 2007 – 2016



Source: BEA.

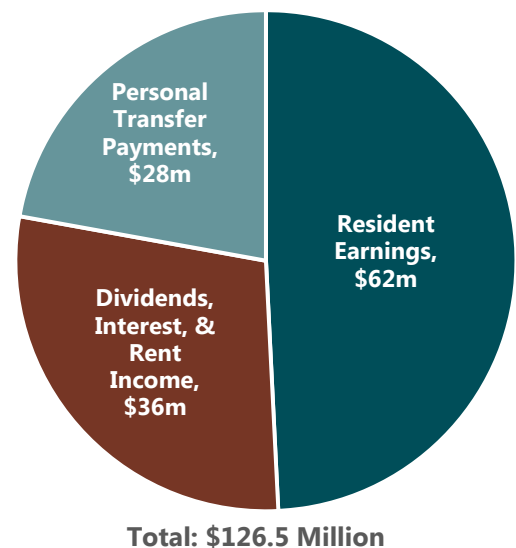
From 2007 to 2016, Haines' personal income growth of 18 percent was slightly ahead of personal income growth in Alaska overall (16 percent). Haines personal income increased by 9 percent over the past five years, compared to statewide growth of 3 percent. Total personal income in Haines dipped slightly in 2016, along with statewide personal income, which reflects Alaska's economy sliding into recession that year.

Total personal income includes three broad categories of income: resident earnings; dividends, interest, and rent; and personal current transfer receipts (also known as transfer payments). "Resident earnings" refer to the income earned by Haines residents from employment (or from business profits). "Dividends, interest, and rent" describes investment income, such as dividend income from stock ownership (including dividends paid to retirement plans), interest earned on savings accounts and bonds, and rental income from property ownership. "Personal current transfer receipts" are payments from government to individuals, including Medicare and Medicaid payments, Social Security payments, food stamps, and similar payments. This category also includes Permanent Fund dividend payments.

Local resident earnings accounted for 49 percent of Haines resident total personal income in 2016; dividends, interest and rent for 29 percent; and transfer receipts for 22 percent.

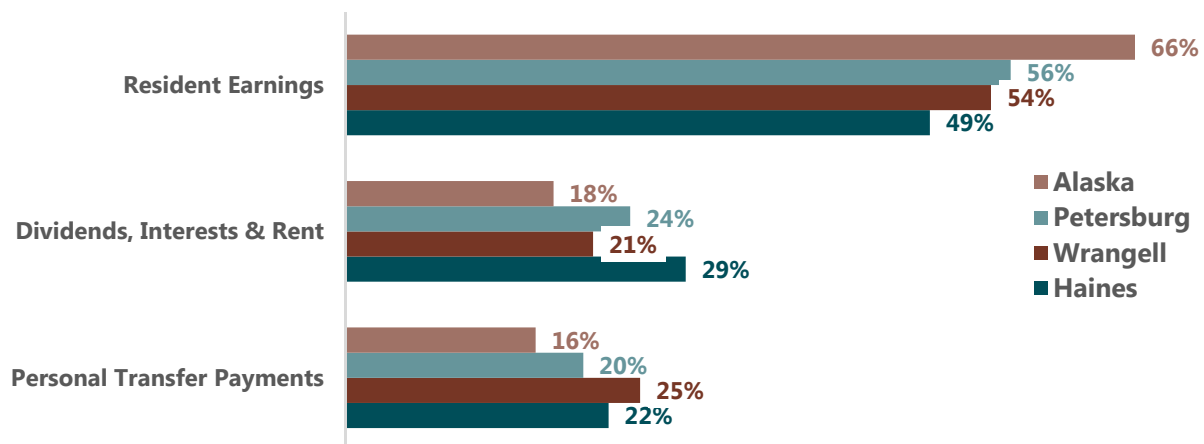
Haines is unique in its dependence on non-earnings income. Statewide, two-thirds (66 percent) of personal income is from earnings and 18 percent from dividends, interest, and rent. Peer communities of Petersburg and Wrangell are closer to Haines in this regard, as illustrated in the following graph. Haines, Petersburg, and Wrangell all have older populations than the state overall, which accounts for greater reliance on retirement income.

Figure 2. Haines Borough Resident Personal Income, by Source, 2016



Source: BEA.

Figure 3. Personal Income by Source, % of Total, Selected Geographies, 2016

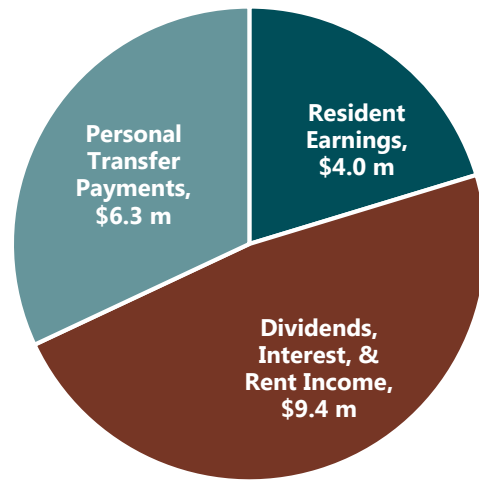


Source: BEA.

Between 2007 and 2016, Haines' total real personal income increased by about \$20 million. This includes \$4.0 million in earnings, \$9.4 million in dividends/interest/rent, and \$6.3 million in transfer receipts. Three-quarters of the growth in Haines personal income over the past decade was in non-employment-related income.

Statewide, 46 percent of the growth in total real personal income over the 2007 to 2016 period was in resident earnings, 31 percent was in personal transfer receipts, and 23 percent was in dividends, interest, and rent income.

Figure 4. Growth in Haines Resident Personal Income, 2007 – 2016



Source: BEA.

Total: \$19.6 million

Table 2. Selected Components of Haines Personal Income, 2007 to 2016 (millions)

Component	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net earnings by place of residence	\$48.4	\$48.2	\$51.2	\$53.8	\$56.4	\$57.6	\$61.2	\$60.8	\$62.7	\$62.2
<i>Percent Change YoY</i>	<i>-0.1%</i>	<i>-0.3%</i>	<i>+6.0%</i>	<i>+5.1%</i>	<i>+5.0%</i>	<i>+2.0%</i>	<i>+6.2%</i>	<i>-0.6%</i>	<i>+3.1%</i>	<i>-0.7%</i>
Dividends, interest, and rent	\$22.3	\$20.7	\$20.2	\$20.2	\$25.1	\$25.6	\$28.2	\$30.1	\$36.3	\$36.2
<i>Percent Change YoY</i>	<i>+27.5%</i>	<i>-7.1%</i>	<i>-2.8%</i>	<i>+0.3%</i>	<i>+24.1%</i>	<i>+2.0%</i>	<i>+10.1%</i>	<i>+6.8%</i>	<i>+20.4%</i>	<i>-0.1%</i>
Proprietors' Income	\$9.5	\$10.0	\$10.3	\$12.2	\$12.2	\$13.8	\$13.8	\$15.3	\$15.7	\$16.5
<i>Percent Change YoY</i>	<i>-16.9%</i>	<i>+5.5%</i>	<i>+2.6%</i>	<i>+19.1%</i>	<i>-0.4%</i>	<i>+13.1%</i>	<i>+0.4%</i>	<i>+10.3%</i>	<i>+2.8%</i>	<i>+5.3%</i>

Source: BEA, McDowell Group calculations.

Note: Annual growth rate shown for the period. Proprietor's income includes nonfarm business only.

Per Capita Personal Income

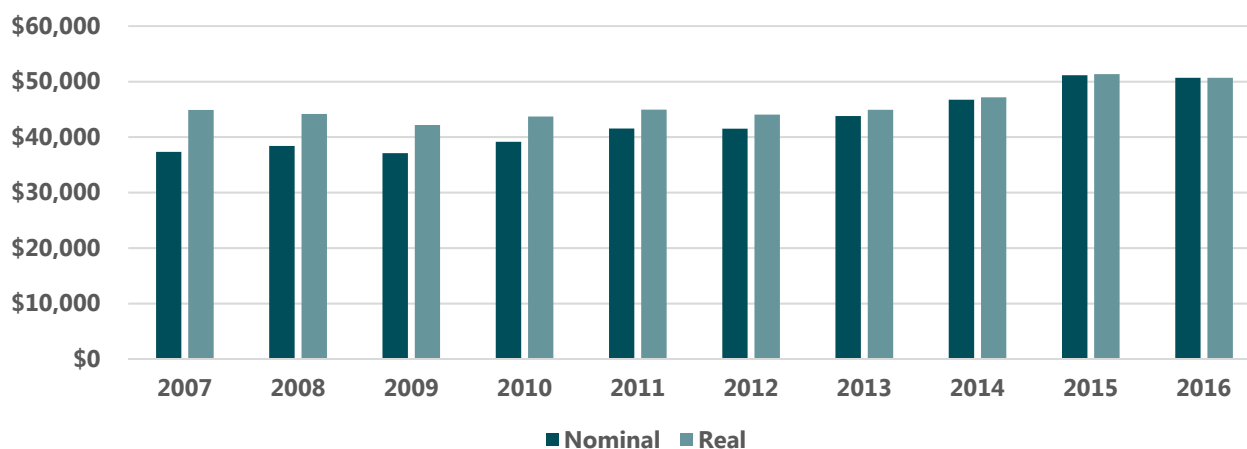
Per capita personal income in Haines was \$50,667 in 2016. This is a measure of total personal income divided by Haines' total population. Real per capita personal income increased 13 percent in Haines between 2007 and 2016. Similar to total personal income, per capita income in Haines declined slightly in 2016 compared to 2015.

Table 3. Haines Borough Per-Capita Personal Income (Nominal and Real Dollars), 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Nominal	\$37,329	\$38,408	\$37,115	\$39,136	\$41,546	\$41,502	\$43,799	\$46,730	\$51,129	\$50,667
Real	\$44,875	\$44,151	\$42,164	\$43,696	\$44,935	\$44,056	\$44,919	\$47,170	\$51,348	\$50,667

Source: BEA.

Figure 5. Haines Borough Per-Capita Personal Income (Nominal and Real Dollars), 2007-2016



Source: BEA.

Between 2007 and 2016, per-capita personal incomes rose by an annual rate of 3.4 percent, slightly higher than the statewide growth rate of 3.1 percent. (See table, next page.)

Per capita personal income in Haines in 2016 was 9 percent below the statewide level of \$55,646 and about 3 percent above national per capita income. Relative to peer communities, Haines per capita personal income is above Wrangell, but well below Petersburg.

Table 4. Per-Capita Personal Income (Nominal Dollars), 2012-2016

	2012	2013	2014	2015	2016	% Change 2012 to 2016	% Change 2015 to 2016
Haines	\$41,502	\$43,799	\$46,730	\$51,129	\$50,667	+22.1%	-0.9%
Petersburg	\$56,114	\$62,790	\$63,972	\$65,428	\$62,773	+11.9%	-4.1%
Wrangell	\$42,166	\$42,044	\$46,449	\$47,141	\$47,105	+11.7%	-0.1%
Alaska	\$52,648	\$51,455	\$54,625	\$56,528	\$55,646	+5.7%	-1.6%
U.S.	\$44,282	\$44,493	\$46,494	\$48,451	\$49,246	+11.2%	+1.6%

Source: BEA.

Household and Family Income

Haines is significantly below Alaska overall in terms of household and family income. Family income is the combined income of all people in the family – that is, a group of people living together and related by birth, marriage, or adoption. Household income is the combined income of all people living together, regardless of relation. The definition of household includes families, as well as non-related people living together, or people living alone. As such, household income tends to be lower.

Haines' mean household income was 20 percent below the Alaska-wide mean in 2016, while median income was 29 percent below the statewide median. Haines lagged the state overall by 31 percent and 33 percent, in terms of mean and median family income, respectively.

Table 5. Mean and Median Household Income, 2012-2016

	2012	2013	2014	2015	2016	% Change 2012 to 2016	% Change 2015 to 2016
Haines Mean Household Income	\$65,709	\$62,807	\$71,240	\$76,126	\$73,554	11.9%	-3.4%
Alaska	\$86,208	\$87,235	\$88,583	\$89,746	\$92,191	6.9%	+2.7%
Haines Median Household Income	\$50,208	\$52,866	\$57,551	\$58,750	\$53,125	5.8%	-9.6%
Alaska	\$69,917	\$70,760	\$71,829	\$72,515	\$74,444	6.5%	+2.7%

Source: USCB, ACS.

Table 6. Mean and Median Family Income, 2012-2016

	2012	2013	2014	2015	2016	% Change 2012 to 2016	% Change 2015 to 2016
Haines Mean Family Income	\$79,166	\$71,429	\$75,402	\$73,977	\$71,827	-9.3%	-2.9%
Alaska	\$97,631	\$99,002	\$100,099	\$100,810	\$103,495	6.0%	2.7%
Haines Median Family Income	\$63,519	\$68,207	\$66,250	\$68,750	\$58,750	-7.5%	-14.5%
Alaska	\$81,752	\$82,870	\$83,714	\$84,232	\$87,365	6.9%	3.7%

Source: USCB, ACS.

Measures of Poverty

Federal government measures of poverty in Alaska sometimes misrepresent living standards and quality of life because those measures fail to account for the role of subsistence in rural lifestyles. Nevertheless, the data does provide relative measures of economic well-being from a cash income perspective. Poverty level data is also important as criteria for determining eligibility for a variety of government programs.

Federal poverty levels depend on the number of people residing in the household. For example, the 2018 poverty guidelines for Alaska are \$15,180 for a single-person household, \$20,580 for a two-person family household, \$25,980 for three, \$31,380 for four, and \$36,780 for a five-person family household. These income levels are 25 percent above national levels.

Based on 2012-2016 ACS data, 5.3 percent of Haines residents have income below the federal poverty level. The margin of error indicates that the actual rate could be as low as 3.0 percent or as high as 7.6 percent. Haines is

well below the statewide percentage (10.1 percent) of residents with income below the poverty level and also below the peer communities of Petersburg (9.3 percent) and Wrangell (9.9 percent).

Table 7. Percent of Haines Population Below Poverty Level by Age, 2012-2016 Five-Year Estimate

Age (Years)	Population Estimate	Percent Below Poverty Level	Percent Margin of Error
18 and below	454	4.0%	±4.1%
18-34	514	9.9%	±7.7%
35-64	1,127	4.7%	±0.2%
65 and above	418	2.4%	±2.4%
Total (All Ages)	2,513	5.3%	±2.3%

Source: USCB, 2012-2016 ACS.

Table 8. Percent of Population Below Poverty Level by Age, Haines, Petersburg, Wrangell and Alaska, 2012-2016 Five-Year Estimate

Age (Years)	Haines	Petersburg	Wrangell	Alaska
18 and below	4.0%	9.7%	14.9%	14.4%
18-34	9.9%	16.2%	18.4%	11.4%
35-64	4.7%	7.4%	5.4%	7.9%
65 and above	2.4%	4.3%	7.4%	4.5%
Total (All Ages)	5.3%	9.3%	9.9%	10.1%

Source: USCB, 2012-2016 ACS.

IRS Income Tax Return Data

Data from the Internal Revenue Service (IRS) provides additional information about the personal and household income make-up of the Haines economy. Based on the most recent available data (2015), 1,340 returns were filed by Haines residents in 2015 with total income of about \$74 million. (Total income as reported to the IRS differs from total personal income because the BEA uses a broader definition of nontaxable income in estimating personal income. This includes nontaxable transfer payments, employer contributions to pension and insurance funds, and investment income retained by pension plans.) The IRS tax return data provides a sense of the distribution of income within the local economy. For example, the largest number of returns (320, about a quarter of the total) were in the \$25,000 to \$50,000 income range. Meanwhile, there were 20 returns (just over 1 percent of the Haines returns) in the \$200,000 or more category.

Table 9. Number of Tax Returns, Adjusted Gross Income, and Total Income, by Adjusted Gross Income Bracket, Haines Borough, 2015

Adjusted Gross Income (AGI) Bracket	Returns	Total AGI (millions)	Total Income (millions)	Average Income (Loss)/Return
Haines Borough Total	1,340	\$71.9	\$73.7	\$55,001
Under \$1	40	-2.5	-2.5	(63,350)
\$1 to under \$10,000	210	1.1	1.2	5,595
\$10,000 to under \$25,000	290	5.2	5.4	18,728
\$25,000 to under \$50,000	320	11.7	12.1	37,919
\$50,000 to under \$75,000	180	11.2	11.5	63,811
\$75,000 to under \$100,000	130	11.0	11.2	85,900
\$100,000 to under \$200,000	150	19.6	20.3	135,113
\$200,000 or more	20	14.6	14.6	728,750

Source: IRS Statistics of Income – County Data, McDowell Group calculations.

The IRS data also indicates that Haines residents earned \$37.5 million in salaries and wages in 2015, along with \$8.3 million in income from pensions and annuities, \$2.2 million from dividends, \$1.9 million for individual retirement account (IRA) distributions, and \$1.2 million in taxable interest.

Table 10. Number of Tax Returns including and Total Income from Selected Sources, by Adjusted Gross Income Bracket, Haines Borough, 2015

Adjusted Gross Income (AGI) Bracket	Salaries and Wages		Taxable Interest		Ordinary Dividends	
	Number of Returns	Amount (millions)	Number of Returns	Amount (millions)	Number of Returns	Amount (millions)
Haines Borough Total	1,000	\$37.5	460	\$1.2	380	\$2.2
Under \$1	-	-	-	-	-	-
\$1 under \$10,000	140	0.9	50	0.1	50	0.1
\$10,000 under \$25,000	230	3.3	70	0.1	60	0.1
\$25,000 under \$50,000	250	7.5	90	0.2	80	0.2
\$50,000 under \$75,000	140	6.6	70	0.1	60	0.2
\$75,000 under \$100,000	110	6.4	70	0.2	50	0.2
\$100,000 under \$200,000	130	12.8	90	0.3	80	1.4
\$200,000 or more	(N)	(N)	20	0.2	(N)	(N)

Source: IRS Statistics of Income – County Data.

(N): Not reported to avoid disclosing information about specific taxpayers. However, these data are combined with data in adjacent brackets, as appropriate.

Note: In the statistics of income reports, the IRS does not classify the Permanent Fund Dividend as a dividend, but as unemployment compensation.

Table 11. Number of Tax Returns and Amount of Income from Selected Retirement Income Sources, by Adjusted Gross Income Bracket, Haines Borough, 2015

Adjusted Gross Income (AGI) Bracket	Taxable Individual Retirement Distributions		Pensions and Annuities in AGI	
	# of Returns	Amount (millions)	# of Returns	Amount (millions)
Haines Borough Total	100	\$1.9	310	\$8.3
Under \$1	0	0	0	0
\$1 under \$10,000	0	0	0	0
\$10,000 under \$25,000	0	0	60	0.5
\$25,000 under \$50,000	30	0.2	70	1.3
\$50,000 under \$75,000	40	0.6	60	1.6
\$75,000 under \$100,000	0	0	50	1.8
\$100,000 under \$200,000	30	1.0	70	3.0
\$200,000 or more	0	0	0	0

Source: IRS Statistics of Income – County Data.

IRS data provides an indication of the number of residents that earn income from their own sole proprietorship business enterprises. Approximately 40 filers reported business losses. Another 40 reported net business income of less than \$10,000, 90 filers report profit of between \$10,000 and \$25,000, and 100 reported profits of between \$25,000 and \$50,000. At the other end of the net income spectrum, approximately 60 filers reported business income of more than \$100,000. By industry, commercial fishermen (Haines has 85 commercial fishing permit owners and 88 licensed crew) are likely the largest component of these filers.

Table 12. Number of Tax Returns and Amount of Income from Business and Professional Income Sources, by Adjusted Gross Income Bracket, Haines Borough, 2015

Adjusted Gross Income (AGI) Bracket	Number of Returns	Amount (millions)
Haines Borough Total	420	\$3.6
Under \$1	40	-1.0
\$1 under \$10,000	40	0.1
\$10,000 under \$25,000	90	0.6
\$25,000 under \$50,000	100	0.9
\$50,000 under \$75,000	50	0.9
\$75,000 under \$100,000	40	0.6
\$100,000 or more	60	1.5

Source: IRS Statistics of Income – County Data.

The number of Haines residents filing returns with business income is the same as Wrangell (420) and less than Petersburg (750).

Employment and Wages

There are several published measures of local-level employment and employment-related earnings, though each provide slightly different data. DOLWD provides the most accurate measures of wage and salary employment with its quarterly census of employment and wages (QCEW). That data is available on a six-month lag and provides a full monthly accounting of all jobs and total annual wages in a local area, including jobs held by non-residents. QCEW data does not include self-employed workers (proprietors) such as commercial fishermen. BEA publishes employment data annually that does include self-employed workers, though the data is less detailed than DOLWD data and is released with an 18-month lag. Finally, DOLWD also published labor force estimates that include the number of residents in the labor force, the number employment, the number unemployed, and the unemployment rate. Haines Borough data from each of these sources is provided below.

DOLWD QCEW Employment and Wages

In 2016, the Haines economy included an average of 965 wage and salary jobs that accounted for a total of \$34.5 million in wages. The private sector accounted for 81 percent of employment in Haines and 76 percent of total wages. The average monthly wage paid in 2016 was \$2,979, including \$3,729 in the government sector and \$2,803 in the private sector.

Published employment statistics do not align with key economic drivers in Haines. For example, the visitor industry includes jobs in the retail, transportation, and leisure & hospitality sectors. Commercial fishing employment is excluded from wage and salary employment data.

The table on the following page provides 2016 employment and wage data for sectors where data is available (not subject to confidentiality restrictions).

(See table on next page)

Table 13. Employment and Wages, Selected Industries, Haines Borough, 2016

Industry Description	Average Employment	Total Wages (millions)	Percent of Total Wages	Average Monthly Wage
TOTAL INDUSTRIES	965	\$34.5	-	\$2,979
TOTAL GOVERNMENT	184	8.2	23.9	\$3,729
FEDERAL GOVERNMENT	11	1.1	3.2	\$8,240
STATE GOVERNMENT	39	2.1	5.9	\$4,381
LOCAL GOVERNMENT	134	5.1	14.8	\$3,169
PRIVATE OWNERSHIP	781	26.3	76.1	\$2,803
GOODS-PRODUCING	187	10.7	30.9	\$4,753
Specialty Trade Contractors	13	0.5	1.5	\$3,390
SERVICE-PROVIDING	594	15.6	45.2	\$2,189
TRADE, TRANSPORTATION AND UTILITIES	167	4.8	14.0	\$2,406
Retail Trade	134	3.4	9.8	\$2,099
Food and Beverages	57	1.4	4.1	\$2,091
INFORMATION	17	0.4	1.1	\$1,790
PROFESSIONAL AND BUSINESS SERVICES	30	0.8	2.3	\$2,162
Professional, Scientific, Technical Services	12	0.3	1.0	\$2,361
Administrative and Waste Services	18	0.3	1.0	\$2,361
EDUCATIONAL AND HEALTH SERVICES	132	0.4	1.3	\$2,029
Social Assistance	52	4.2	12.3	\$2,676
LEISURE AND HOSPITALITY	210	0.9	2.7	\$1,494
Arts, Entertainment and Recreation	93	4.4	12.8	\$1,746
Amusements, Gambling, Recreation	84	2.2	6.3	\$1,957
Accommodation and Food Services	117	1.9	5.6	\$1,901
Accommodation	54	2.2	6.4	\$1,577
Food Services and Drinking Places	63	1.1	3.1	\$1,676
OTHER SERVICES	26	1.1	3.3	\$1,493
Membership Organizations, etc.	22	0.5	1.3	\$1,479

Source: ADOL, QCEW.

(N): Non-disclosable, due to confidentiality requirements.

Wage and salary employment data highlight the seasonal nature of the Haines economy. In 2016 there were 715 more jobs in Haines Borough at the summer peak than at the winter low. Seafood processing in Excursion Inlet accounts for about 300 summer jobs. Excluding seafood processing, the leisure & hospitality sector has the highest degree of seasonality, ranging from 372 jobs in August to 85 jobs in December.

Table 14. Monthly Employment, Selected Industries, Haines Borough, 2016

Industry Classification	Jan.	Feb.	Mar.	Apr.	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Difference Between High, Low Months
TOTAL INDUSTRIES	667	695	761	902	1,068	1,217	1,382	1,359	1,151	897	775	707	715
TOTAL GOVERNMENT	172	176	191	202	211	171	151	165	199	201	190	182	60
FEDERAL GOVERNMENT	11	11	11	11	11	11	11	11	11	11	11	11	0
STATE GOVERNMENT	25	25	28	39	42	48	51	55	49	45	31	28	30
LOCAL GOVERNMENT	136	140	152	152	158	112	89	99	139	145	148	143	69
PRIVATE OWNERSHIP	495	519	570	700	857	1,046	1,231	1,194	952	696	585	525	736
GOODS-PRODUCING	58	62	83	161	197	283	445	401	255	128	106	62	387
Specialty Trade Contractors	10	8	15	10	13	16	16	18	15	13	13	10	10
SERVICE-PROVIDING	437	457	487	539	660	763	786	793	697	568	479	463	356
TRADE, TRANSPORTATION AND UTILITIES	136	140	147	157	169	192	193	192	194	162	157	163	58
Retail Trade	116	121	125	127	131	146	146	142	141	137	135	141	30
Food and Beverages	53	52	55	52	55	70	63	60	60	53	51	54	19
INFORMATION	17	18	18	18	17	16	17	18	19	16	16	15	4
PROFESSIONAL AND BUSINESS SERVICES	24	24	26	26	32	34	35	38	38	30	26	23	15
Professional, Scientific, Tech.	11	12	13	12	12	11	11	12	14	12	9	9	5
Professional, Scientific, Tech.	11	12	13	12	12	11	11	12	14	12	9	9	5
Administrative and Waste Services	13	12	13	14	20	23	24	26	24	18	17	14	14
EDUCATIONAL AND HEALTH SERVICES	127	131	133	129	129	125	135	137	136	131	132	136	12
Social Assistance	54	55	55	51	51	49	52	54	56	46	49	52	10
LEISURE AND HOSPITALITY	95	106	127	168	272	355	370	372	274	186	107	85	287
Arts, Entertainment and Recreation	24	31	47	63	132	176	190	189	127	88	25	27	166
Amusements, Gambling, Recreation	20	29	46	62	118	156	170	166	110	85	24	24	150
Accommodation and Food Services	71	75	80	105	140	179	180	183	147	98	82	58	125
Accommodation	31	31	33	44	69	90	92	93	73	39	30	23	70
Food Services and Drinking Places	40	44	47	61	71	89	88	90	74	59	52	35	55
OTHER SERVICES	25	25	23	29	30	28	23	24	25	28	27	27	7
Membership Organizations, etc.	23	23	22	26	23	20	17	18	21	25	26	25	9

Source: ADOL, QCEW.

EMPLOYMENT TRENDS

Over the past ten years, Haines Borough employment has been reasonably steady, ranging from a high of 1,061 jobs (in 2007) to a low of 965 (2016). Data for the first three-quarters of 2017 indicate employment increased by about 3 percent (30 jobs) compared to 2016, all in the private sector.

Table 15. Haines Borough Average Annual Employment, Total Annual Wages, and Average Monthly Wage, 2007-2016

Year	Average Annual Employment	Total Wages	Average Monthly Wages
2007	1,061	\$32,207,130	\$2,529
2008	981	\$30,037,807	\$2,552
2009	1,017	\$31,730,468	\$2,600
2010	995	\$32,407,677	\$2,715
2011	1,025	\$33,271,577	\$2,706
2012	973	\$32,667,950	\$2,798
2013	1,018	\$36,065,561	\$2,952
2014	989	\$33,964,935	\$2,862
2015	999	\$35,599,162	\$2,970
2016	965	\$34,499,860	\$2,979

Source: ADOL&WD, QCEW.

Table 16. Haines Monthly Employment, January Through September, 2016 and 2017

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sept	9-month Ave.
2016										
Total	676	697	760	920	1,080	1,240	1,429	1,425	1,251	1,053
Total Gov.	179	181	188	192	199	165	156	167	193	180
Total Private	495	519	570	700	857	1,046	1,231	1,194	952	840
2017										
Total	667	695	761	902	1,068	1,217	1,382	1,359	1,151	1,022
Total Gov.	172	176	191	202	211	171	151	165	199	182
Total Private	497	516	572	728	881	1,075	1,273	1,258	1,058	873

Source: ADOL&WD, QCEW.

Government has accounted for about 15 to 20 percent of wage and salary employment in the Haines Borough, including local, state, and federal government jobs. Local government employment includes school district employees, as well as other workers engaged in various local government functions. Government employment as of 2016 was down 14 percent from its 2013 peak, including a 17 percent decline in local government jobs.

Private sector employment has ranged between 760 jobs and 859 jobs over the 2007 to 2016 period. Its important to note that year-to-year changes in private sector employment in Haines Borough are affected by seafood processing employment in Excursion Inlet, which is composed mainly of nonresident workers.

Table 17. Haines Average Annual Employment by Sector, 2007-2016

Industry	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Federal Gov.	16	14	13	15	12	10	10	9	8	11
State Gov.	40	42	43	44	45	44	44	44	41	39
Local Gov.	146	147	150	148	152	159	161	149	140	134
Government	202	203	207	207	208	213	215	202	189	184
Private Sector	859	778	810	788	817	760	802	787	811	781
Ave. Annual Employment	1,061	981	1,017	995	1,025	973	1,018	989	999	965

Source: ADOL&WD, QCEW.

Examination of employment trends over the past five years indicates that professional and business services has been a growth segment in the Haines economy. Employment in that sector increased steadily from 19 jobs to 30 jobs, from 2012 to 2016.

Employment in the accommodations sector has been trending up since 2013, from 38 jobs to 54 jobs in 2016. Employment in the food services and drinking places sector has been flat. This sector is affected by local economic conditions as well as non-resident spending.

Retail trade, another sector affected by both resident and non-resident spending, was flat over the 2012 to 2016 period, with employment ranging from 134 to 139 jobs.

(See table on next page)

Table 18. Average Annual Employment, Selected Industries, Haines Borough, 2012-2016

	2012	2013	2014	2015	2016	5-Year Percent Change	1-Year Percent Change
TOTAL INDUSTRIES	973	1,018	989	999	965	-1	-3
TOTAL GOVERNMENT	213	215	202	189	184	-14	-3
FEDERAL GOVERNMENT	10	10	9	8	11	+10	+38
STATE GOVERNMENT	44	44	44	41	39	-11	-5
LOCAL GOVERNMENT	159	161	149	140	134	-16	-4
PRIVATE OWNERSHIP	760	802	787	811	781	+3	-4
GOODS-PRODUCING	171	214	186	204	187	+9	-8
CONSTRUCTION	91	93	(N)	(N)	(N)	(N)	(N)
Specialty Trade Contractors	19	13	11	12	13	-32	+8
SERVICE-PROVIDING	589	588	601	607	594	+1	-2
TRADE, TRANSPORTATION AND UTILITIES	177	176	176	175	167	-6	-5
Retail Trade	138	135	137	139	134	-3	-4
Building Material and Garden	16	15	16	(N)	(N)	(N)	(N)
Food and Beverages	59	58	58	57	57	-3	0
Miscellaneous	7	8	6	7	(N)	(N)	(N)
INFORMATION	13	16	16	19	17	+31	-11
FINANCIAL ACTIVITIES	13	15	(N)	14	(N)	(N)	(N)
PROFESSIONAL AND BUSINESS SERVICES	19	21	24	25	30	+58	+20
Professional, Scientific, Tech.	(N)	5	(N)	8	12	(N)	+50
Administrative and Waste Services	(N)	16	(N)	17	18	(N)	+6
Administrative and Support Services	(N)	(N)	(N)	(N)	(N)	(N)	(N)
Waste Management/Remediation	9	(N)	8	(N)	(N)	(N)	(N)
EDUCATIONAL AND HEALTH SERVICES	134	131	137	134	132	-1	-1
Educational Services	(N)	5	(N)	(N)	(N)	(N)	(N)
Health Care and Social Assistance	(N)	126	(N)	(N)	(N)	(N)	(N)
Out Patient Health Care	93	89	86	64	(N)	(N)	(N)
Social Assistance	(N)	(N)	34	52	52	(N)	0
LEISURE AND HOSPITALITY	191	184	189	204	210	+10	+3
Arts, Entertainment and Recreation	91	83	87	91	93	+2	+2
Amusements, Gambling, Recreation	(N)	(N)	78	81	84	(N)	+4
Accommodation and Food Services	100	101	102	114	117	+17	+3
Accommodation	41	38	41	50	54	+32	+8
Food Services and Drinking Places	59	63	61	64	63	+7	-2
OTHER SERVICES	40	39	40	37	26	-35	-30
Membership Organizations, etc.	35	35	34	33	22	-37	-33

Source: ADOL, QCEW.

(N): Non-disclosable, due to confidentiality requirements.

ADOLWD Labor Force

The QCEW data described above provides a detailed accounting of all employment in Haines Borough, including jobs held by residents and nonresidents alike. ADOLWD also provides estimates of the local resident labor force, including wage and salary workers, self-employed workers, and those unemployed but seeking work. In 2017, 1,089 Haines residents were in the labor force (44 percent of the population). An average of 990 residents were employed over the course of the year, while an average of 99 were unemployed. The average unemployment rate for the year was 9.1 percent. Haines unemployment rate is generally on par with peer communities. Petersburg's unemployment rate in 2017 averaged 9.3 percent and Wrangell's rate averaged 7.7 percent. In 2017, Alaska's statewide unemployment rate was 7.2 percent while the national rate was 4.4 percent.

Haines' unemployment rate is strongly seasonal. In 2017, unemployment was at its peak in January, at 14.3 percent. Unemployment was at its low-point in August at 5.2 percent. Wrangell's unemployment rate ranged from 5.8 percent to 9.9 percent in 2017, while Petersburg's ranged from 7.5 percent to 12.6 percent. Alaska overall has a much more seasonally consistent unemployment rate. In 2017, it ranged from 6.4 percent in August to 7.4 percent in February.

Table 19. Haines Monthly Labor Force Profile, 2017

Year	Labor Force	Residents Employed	Residents Unemployed	Unemployment Rate (%)
Jan	888	761	127	14.3
Feb	897	777	120	13.4
Mar	928	815	113	12.2
Apr	1,043	945	98	9.4
May	1,149	1,063	86	7.5
June	1,256	1,173	83	6.6
July	1,409	1,331	78	5.5
Aug	1,375	1,303	72	5.2
Sept	1,250	1,174	76	6.1
Oct	1,013	921	92	9.1
Nov	956	833	123	12.9
Dec.	907	788	119	13.1
Ave.	1,089	990	99	9.1

Source: ADOL&WD, Research and Analysis, Labor Force Data

Haines annual average unemployment rate has varied little over ten years, ranging from 8.8 percent to 10.7 percent. Over that period, both the size of the labor force and the number of residents employed has slowly trended down.

Haines has a low "participation rate" relative to Alaska overall, but very similar to peer communities. The participation rate is the percentage of the population that is in the labor force. As noted above, Haines' participation rate in 2017 was 44 percent, exactly the same as Wrangell's, and fractionally below Petersburg's rate of 45 percent.

Table 20. Haines Employment and Unemployment, 2008-2017

Year	Labor Force	Residents Employed	Residents Unemployed	Unemployment Rate (%)
2008	1,358	1,238	120	8.8
2009	1,416	1,288	128	9.0
2010	1,150	1,028	122	10.6
2011	1,167	1,050	117	10.0
2012	1,108	997	111	10.0
2013	1,142	1,026	116	10.2
2014	1,113	994	119	10.7
2015	1,089	982	107	9.8
2016	1,077	966	111	10.3
2017	1,089	990	99	9.1

Source: ADOL&WD, Research and Analysis, Labor Force Data.

Table 21. Participation Rates for Selected Geographies, 2017

	Population	Labor Force	Participation Rate
Haines	2,459	1,089	44%
Petersburg	3,147	1,413	45%
Wrangell	2,387	1,050	44%
Alaska	737,080	362,783	49%

Source: ADOL&WD, Research and Analysis. Compiled by McDowell Group.

Unemployment insurance benefit payments to Haines residents in 2017 totaled just under \$440,000. These payments were less than half the total payout in 2010, when about \$950,000 was distributed to Haines residents. The reason for the sharp decline is unclear, but may be related to extended payments made during the national recession.

Table 22. Unemployment Insurance Regular Benefit Payments to Haines Residents (All Programs Total) 2007 to 2016

Year	Unemployment Count, Not Seasonally Adjusted	UI Regular Payments
2007	107	\$456,770
2008	120	\$517,985
2009	128	\$866,427
2010	122	\$949,176
2011	117	\$746,701
2012	111	\$758,408
2013	116	\$730,004
2014	119	\$463,653
2015	107	\$403,493
2016	111	\$438,400

Source: ADOL&WD

BEA Employment and Earnings

BEA provides measures of employment and earnings that include self-employed workers. For 2016, BEA measured 1,001 wage and salary jobs in Haines and 711 proprietors, resulting in total employment of 1,712. Total employment in Haines has been at the 1,700 level since 2013, however self-employment has been on the upswing, increasing by about 10 percent between 2012 and 2016.

Table 23. Total Employment, Haines Borough, 2012-2016

Type of Employment	2012	2013	2014	2015	2016
Wage and salary employment	999	1,041	1,014	1,026	1,001
Proprietors employment ^a	649	660	679	702	711
Total employment (number of jobs)	1,648	1,701	1,693	1,728	1,712

Source: Bureau of Economic Analysis.

a. Includes sole proprietors and individual general partners in partnerships.

Table 24. Total Employment by Industry, Haines Borough, 2012-2006

Category	2012	2013	2014	2015	2016
Total Employment	1,648	1,701	1,693	1,728	1,712
Government and government enterprises	227	230	215	201	197
Federal, civilian	10	10	(L)	(L)	11
Military	18	18	18	17	17
State Government	43	45	44	40	39
Local Government	156	157	144	136	130
Private Employment	1,421	1,471	1,478	1,527	1,515
Forestry, fishing, and related activities	(N)	(N)	(N)	(N)	(N)
Mining, quarrying, and oil and gas extraction	(N)	(N)	(N)	(N)	(N)
Utilities	(N)	(N)	(N)	(N)	(N)
Construction	146	141	127	112	119
Manufacturing	(N)	157	137	151	136
Wholesale trade	(L)	10	15	18	21
Retail trade	190	188	185	193	192
Transportation and warehousing	(N)	(N)	(N)	(N)	(N)
Information	21	23	25	24	(N)
Finance and insurance	(N)	32	(N)	(N)	(N)
Real estate and rental and leasing	(N)	48	(N)	(N)	41
Professional, scientific, and technical services	81	82	92	109	115
Management of companies and enterprises	0	0	0	0	0
Administrative and support and waste management and remediation services	40	42	40	46	47
Educational services	(N)	17	23	20	21
Health care and social assistance	(N)	148	153	162	162
Arts, entertainment, and recreation	148	137	147	148	151
Accommodation and food services	142	152	150	170	176
Other services (except public administration)	87	88	91	84	81

(N): Non-Disclosable

(L): Less than five.

Source: Bureau of Economic Analysis.

Business Sales

Haines Borough sales tax receipts provide another barometer of economic conditions in the community. Tax receipts in 2017 totaled just under \$3.2 million, a 5.9 percent increase over 2016. The retail and tourism sectors accounted for most of the increase, each adding about \$80,000 in tax revenue. The tourism sector had the highest proportional increase, with a 16 percent jump between 2016 and 2017.

Table 25. Haines Borough Sales Tax Receipts, by Sector, 2012-2017

Sector	2012	2013	2014	2015	2016	2017	% Change '16 to '17
Construction	\$57,960	\$38,498	\$65,084	\$72,216	\$82,474	\$77,181	-6.4%
Dining	283,553	285,075	287,343	310,428	309,195	318,038	2.9%
Lodging	280,617	274,015	278,294	313,028	333,841	337,627	1.1%
Retail	1,326,908	1,367,384	1,351,400	1,339,373	1,298,183	1,378,763	6.2%
Services	462,314	459,628	469,195	466,630	464,199	473,285	2.0%
Tourism	390,745	414,212	442,511	471,720	499,587	579,182	15.9%
Total	\$2,802,097	\$2,838,811	\$2,893,828	\$2,973,395	\$2,987,479	\$3,164,076	5.9%

Source: Haines Borough.

While this sale tax data provides a good high-level indicator of changes in economic activity in Haines, caution is urged in interpreting the data at the sector level. For example, the tourism and lodging sectors together provide only a partial measure of the visitor industry’s relative contribution to the economy. Substantial visitor spending also occurs in dining and retail sectors, as well as in the service sector.

Chapter 2. Demographics

Haines Population Profile

Population Size and Trends

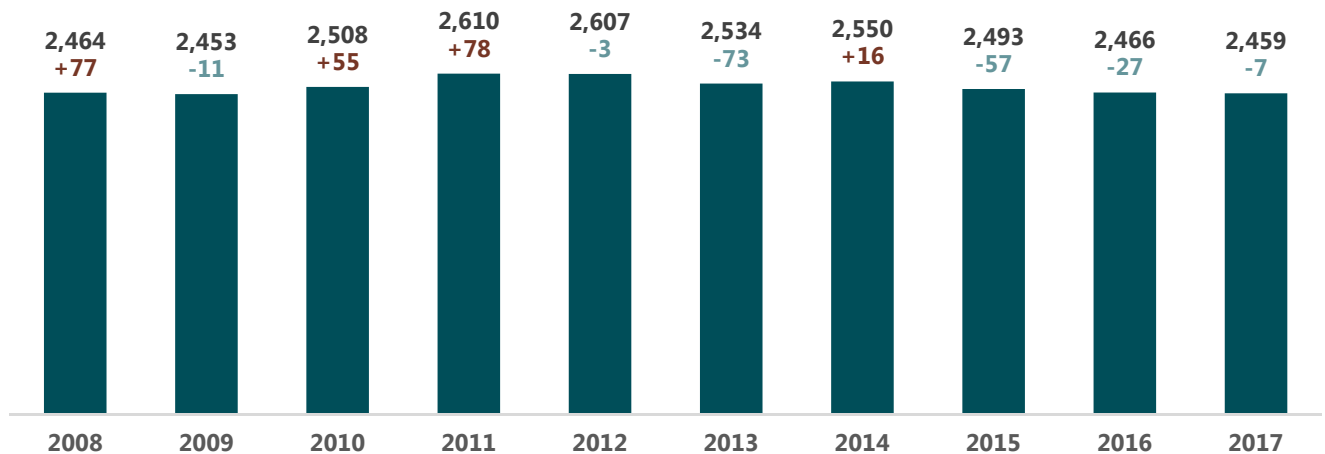
Haines Borough had a total population of 2,459 in 2017, according to ADOLWD estimates. Haines' population has been trending down since peaking in 2011 at 2,610. The decline is attributable to net out-migration, rather than natural decrease (where the number of deaths exceeds the number of births). Since 2011, 142 more people moved from Haines than moved to Haines. Natural change accounts for a population loss of 9 residents.

Table 26. Haines Borough Population Components of Change, 2008-2017

Category	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Births	21	18	19	31	24	13	19	18	15	19
Deaths	14	15	14	16	23	21	21	17	20	15
Natural Increase (Decrease)	7	3	5	15	1	(8)	(2)	1	(5)	4
Net Migration	70	(14)	50	63	(4)	(65)	18	(58)	(22)	(11)
Population Change	77	(11)	55	78	(3)	(73)	16	(57)	(27)	(7)
Total Population	2,464	2,453	2,508	2,610	2,607	2,534	2,550	2,493	2,466	2,459

Source: ADOL&WD. Note: Net migration figures may not sum to the PFD-based migration data presented below.

Figure 6. Haines Borough Population, 2008-2017



Source: ADOL&WD.

The State Demographer's projection for the Haines Borough population is for slow decline over the next 25 years. The population projection, prepared in 2015, shows a net loss of about 130 residents by 2045. The projection is based on historical population data and rates of fertility, mortality and migration. It does not consider particular events, developments, or other unforeseeable forces shaping economic conditions.

In- and Out-Migration

Within Alaska, Haines residents most often move to or from Juneau. An average of 27 Juneau residents moved to Haines from Juneau annually between 2008 and 2017. Over the same period an annual average of 23 Haines residents moved to Juneau.

Migration into and out of Alaska accounts for most of the population change in Haines. Between 2008 and 2017, an annual average of 151 Haines residents had not filed for a Permanent Fund Dividend the previous year. After subtracting the average number of annual births (20) in Haines, an average of 131 people from outside Alaska moved to Haines each year over the 2008 through 2017 period.

Between 2008 and 2017, an annual average of 156 Haines residents didn't file for a Permanent Fund Dividend the following year. After subtracting the average number of annual deaths (17), an annual average of 139 Haines residents left Alaska over the 2008 through 2017 period.

Table 27. Migration to Haines, 2008-2017

Origin	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Ten-Year Average
Juneau	14	39	28	14	20	35	21	40	30	28	27
Anchorage	14	6	13	22	1	15	10	14	12	12	12
Mat-Su	2	8	11	8	10	8	0	17	5	2	7
Fairbanks	7	3	2	3	5	11	8	8	7	5	6
Sitka	1	5	8	0	7	3	3	2	5	6	4
All Other AK	23	16	17	23	36	24	14	26	21	13	21
Did Not File	142	168	147	78	148	184	159	151	160	170	151

Source: ADOL&WD.

Table 28. Migration from Haines, 2008-2017

Destination	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Ten-Year Average
Juneau	20	22	16	21	16	12	20	39	33	21	23
Anchorage	9	16	7	20	15	7	7	10	8	12	12
Mat-Su	3	7	3	3	10	6	6	8	5	8	7
Fairbanks	7	5	15	2	5	5	7	4	3	5	6
Sitka	0	3	5	7	9	3	8	10	7	6	5
All Other AK	31	22	27	16	14	28	19	17	19	27	22
Did Not File	198	150	192	157	149	121	172	130	128	159	156

Source: ADOL&WD

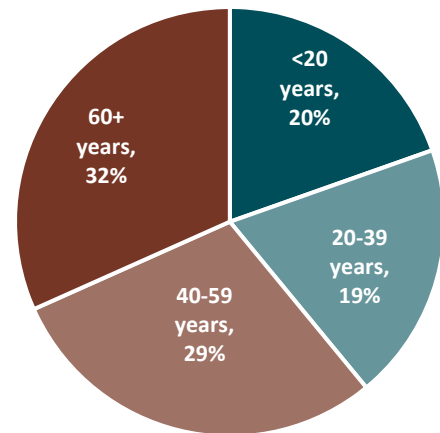
Age

Haines' population tends to be older and is aging. When grouped in roughly 20-year categories (see chart at right), those over 60 years of age represent the biggest age group at 32 percent, followed by those 40 to 59 (29 percent), less than 20 years (20 percent), and 20 to 39 years (19 percent).

Haines residents were a median of 49.3 years of age in 2017, well above the statewide average of 34.9 (see table, below). Over the last ten years, Haines residents' median age has increased by three years, from 46.4 to 49.3. Over the same time-period, the median age of Alaskans increased by only one year, from 33.9 to 34.9.

Between 2008 and 2017, the 60 and older population increased by 51 percent. This compares with an increase of 4 percent in the 20-to-39 age group, and decreases in both the birth-to-19 age group (by 11 percent) and the 40-to-59 age group (by 24 percent).

Figure 7. Haines Population Distribution by Age Group, 2017



Source: ADOLWD.

Table 29. Haines Resident Count by Age, 2008-2017

Age (Years)	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Change 2008-17
0-4	114	114	128	132	134	115	119	105	99	92	
5-9	136	133	135	144	150	143	132	144	156	159	
10-14	145	144	141	133	142	132	130	114	120	122	
15-19	149	141	135	136	129	134	122	120	109	109	
0-19	544	532	539	545	555	524	503	483	484	482	-11%
20-24	105	83	79	84	99	74	87	77	71	63	
25-29	86	93	115	126	118	126	129	118	119	111	
30-34	114	117	131	148	150	141	134	149	156	154	
35-39	156	138	144	145	145	142	152	139	150	150	
20-39	461	431	469	503	512	483	502	483	496	478	+4%
40-44	164	171	161	185	175	160	154	127	120	142	
45-49	225	227	228	196	190	170	166	182	148	148	
50-54	264	253	250	241	228	237	235	213	199	185	
55-59	291	283	274	290	288	274	280	269	256	245	
40-59	944	934	913	912	881	841	835	791	723	720	-24%
60-64	208	228	242	252	248	253	252	256	260	262	
65-69	100	120	138	159	179	182	199	207	215	210	
70-74	80	75	78	88	82	94	111	118	127	142	
75-79	59	67	67	63	61	60	52	61	67	71	
80-84	37	35	32	51	50	55	56	48	40	41	
85+	31	31	30	37	39	42	40	46	54	53	
60+	515	556	587	650	659	686	710	736	763	779	+51%
Median Age, Haines	46.4	47.0	46.9	46.8	46.6	47.9	48.5	49.2	49.5	49.3	+3 yrs
Median Age, Alaska	33.9	33.9	33.8	33.9	34.1	34.3	34.3	34.5	34.7	34.9	+1 yr

Source: ADOL&WD.

Gender

Haines' population is about evenly split between males (49.4 percent) and females (50.6 percent). These percentages have stayed fairly steady over the last decade, with both male and female proportions staying between 49 and 51 percent.

Table 30. Haines Resident Count by Gender, 2008-2017

Gender	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Male	1,211	1,209	1,234	1,283	1,300	1,268	1,272	1,238	1,248	1,215
% of Total	50.9%	50.7%	50.8%	50.8%	50.1%	50.0%	50.1%	50.3%	49.4%	49.4%
Female	1,253	1,244	1,274	1,327	1,307	1,266	1,278	1,255	1,218	1,244
% of Total	49.1%	49.3%	49.2%	49.2%	49.9%	50.0%	49.9%	49.7%	50.6%	50.6%
Total	2,464	2,453	2,508	2,610	2,607	2,534	2,550	2,493	2,466	2,459

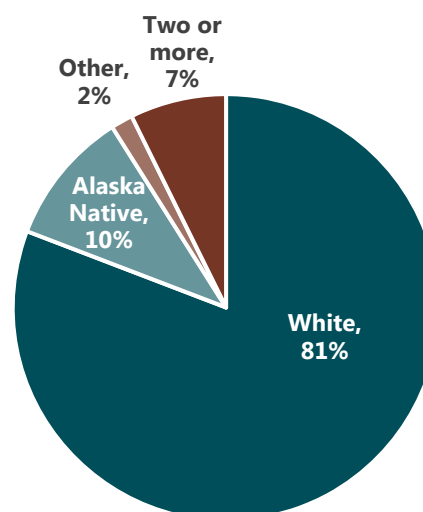
Source: ADOL&WD.

Race

In 2016, Haines' population was 81 percent White, 10 percent Alaska Native, 7 percent two or more races, 1 percent African American, and less than 1 percent Asian.

The White population decreased by 5 percent between 2010 and 2016; all other categories saw increases. While the percentage increases for Asian and African American appear high at 50 percent and 86 percent, respectively, these percentages only represent 5 and 11 additional people of those races. The largest increase in terms of numbers of people was in the Two or more races category, which saw an increase of 37 people.

Figure 8. Haines Population by Race, 2016



Source: ADOL&WD.

Table 31. Haines Borough Resident Count by Race

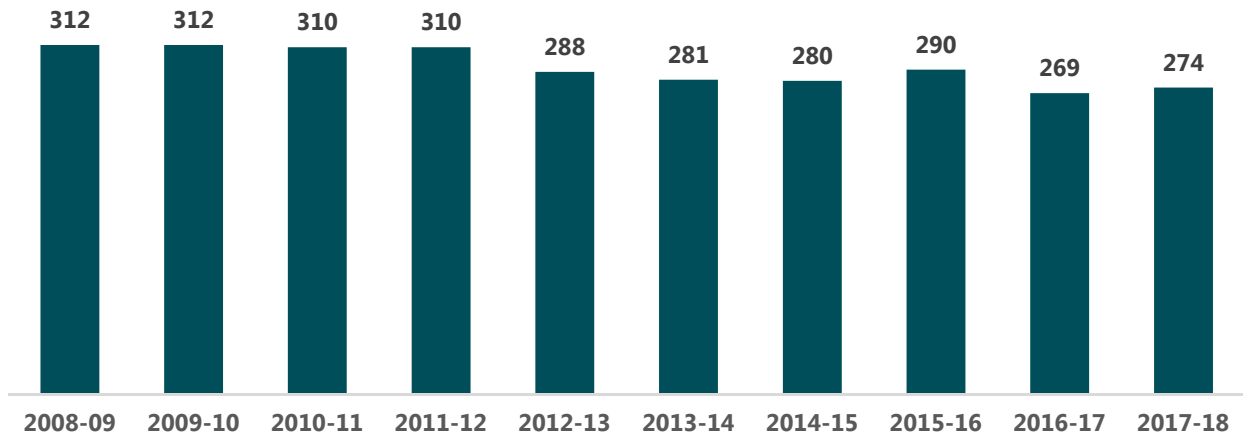
Race	2010	2011	2012	2013	2014	2015	2016	% change 2010-16
White	2,106	2,175	2,153	2,073	2,070	2,013	1,993	-5%
Alaska Native	235	245	246	247	263	253	252	+7%
Asian	10	12	12	12	15	14	15	+50%
African American	14	18	20	22	23	27	26	+86%
Two or More	143	160	176	178	179	185	180	+26%

Source: ADOL&WD.

School District Enrollment

Haines School District included 274 students in the 2017-18 school year, including 138 in pre-K through 5th grade, 53 in grades 6-8, and 83 in high school. While the overall enrollment of 274 was a slight bump up from 2016-17 (269), it represented 12 percent fewer students than in 2008-09, ten years earlier.

Figure 9. Haines School District Enrollment, 2008-2018



Source: ADEED.

In terms of changes by age group, the Pre-K through 5th grade enrollment level has stayed fairly steady over the last 10 years, ranging between 121 and 138, with 2017-18 matching previous peak levels. Both middle school and high school enrollment levels have been trending down: from a high of 75 in 2008-09 to 53 in 2017-18 for middle school students, and from 101 in 2008-09 down to 83 in 2017-18 for high school students

Table 32. Haines School District Enrollment, By Grade Level, 2008-2018

School Year	Pre-K – Grade 5	Grades 6-8	Grades 9-12
2008-2009	136	75	101
2009-2010	138	72	102
2010-2011	134	64	112
2011-2012	135	68	107
2012-2013	124	64	100
2013-2014	121	71	89
2014-2015	126	67	87
2015-2016	138	64	88
2016-2017	134	52	83
2017-2018	138	53	83
% change 2008-09 to 2017-18	0%	-29%	-18%

Source: ADEED.

Klukwan

While physically located within the Haines Borough, Klukwan is officially part of the Hoonah-Angoon Census Area. Therefore, the population of Klukwan is not included in ADOLWD, BEA, or U.S. Census data for the Haines Borough. This section of the baseline report provides available data describing the socioeconomic and demographic characteristics of Klukwan.

Klukwan's population was 93 in 2017, about the same as in 2015 (92) and 2016 (94), and significantly up from 2008 (75) and 2009 (76) levels.

Table 33. Klukwan Population, 2008-2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Population	75	76	95	96	92	92	84	92	94	93

Source: ADOL&WD.

In 2017, Klukwan had 77 residents 16 and older, including 46 employed. These workers earned \$873,098. While Klukwan's adult population has stayed fairly steady (between 75 and 81) over the last 10 years, employment has trended down. From 2007 to 2010, between 56 and 58 residents were employed; this compares to between 41 and 48 from 2011 to 2016. Total wages have fluctuated, with a low of \$675,490 in 2012 and a high of \$1,214,303 in 2007.

Table 34. Klukwan Labor Force Characteristics, 2007-2016

Year	Population Age 16 and Above	Males Employed	Females Employed	Total Employment	Total Wages (Nominal)	Total Wages (2016 dollars)
2007	77	30	28	58	\$1,010,314	\$1,214,303
2008	80	31	26	57	\$994,881	\$865,478
2009	81	30	26	56	\$994,790	\$875,660
2010	79	29	27	56	\$810,476	\$726,069
2011	81	26	20	46	\$794,500	\$734,673
2012	75	28	19	47	\$714,573	\$675,490
2013	77	24	22	46	\$834,988	\$814,101
2014	75	23	18	41	\$754,731	\$747,715
2015	79	25	23	48	\$908,822	\$904,979
2016	77	24	22	46	\$873,098	\$873,098

Source: ADOL&WD.

While the margin of error is high due to the small number of residents, the Census Bureau reports that over the 2012-2016 period, 63 percent of Klukwan residents were Alaska Native Alone; 23 percent were Alaska Native and White, and 14 percent were White Alone.

Table 35. Klukwan Demographic Characteristics, 2012-2016 Five-Year Estimates

Race	Percent (Margin of Error)
Alaska Native Alone	63% (±16.5)
Alaska Native and White	23% (±12.7)
White Alone	14% (±7.1)

Source: USCB, 2012-2016 ACS.

Chapter 3. Housing and Transportation

A broad range of infrastructure facilities and services support the Haines economy, including energy, water supply, wastewater treatment and solid waste disposal, public safety and emergency response, public education, housing, and a full spectrum of transportation facilities and services. While all of these are important in terms of community development, this baseline analysis focuses on housing and transportation. Housing costs and availability are often a barrier to economic development in Alaska. Transportation facilities and services are critical in many ways to Haines' current and future economic well-being.

Housing Market and Inventory

Home Sales Activity

Available data suggests housing in Haines is more affordable than other communities. Based on data compiled by Haines Real Estate, there were 40 home sales in Haines in 2017. Sales price data is available for 38 of the sales, which had an average value of about \$265,000. Data for the past three years is provided in the following table.

Table 36. Haines Home Sales, 2015-2017

	2015	2016	2017
Total Sales	39	35	40
Known Sales	29	35	38
Total Sales Value	\$7,330,700	\$7,524,500	\$10,076,500
Average Sales Price	\$252,783	\$214,986	\$265,171

Source: Haines Real Estate.

To place these sales prices in perspective, in Juneau single family homes sold for an average price of \$364,787 in 2015 and \$373,046 in 2016, according to Alaska Housing Finance Corporation data. Those averages are based on 304 sales in 2015 and 279 sales in 2016. Through the first three quarters of 2017, single family homes were selling in Juneau for an average price of \$393,548 (based on 155 sales).

Other comparative data also illustrates that Haines home sales are priced lower than elsewhere in the region and the state. Ketchikan had an average single-family home sales price of \$322,754 in 2016, Anchorage sales averaged \$383,830, and Mat-Su averaged \$283,204. The statewide average was \$323,909.

Inventory

The best available data indicates that Haines housing inventory include 1,200 occupied housing units. This estimate is from the Census Bureau's ACS, which has a substantial margin of error for smaller communities such as Haines. The data in the following tables is provided for informational purposes only. Further research is required to develop an accurate assessment of housing vacancy rates in Haines.

Table 37. Housing Units in Haines Borough

	2012-2016 Estimates
Owner-occupied	803
Renter-occupied	367
Occupied Housing Units	1,170
Vacant Housing Units	453
Total	1,623

Source: USCB, ACS Five-Year Estimates.

Table 38. Housing Units in Structure, Haines Borough, by Tenure

	Owner-Occupied	Renter Occupied
Single housing unit in structure	774	270
Multiple housing units in structure	9	96
Mobile home	20	1
Total	803	367

Source: USCB, ACS Five-Year Estimates.

Table 39. Number of Occupied and Vacant Housing Units, 2010-2016

Category	2010	2011	2012	2013	2014	2015	2016
Occupied Units	1,149	1,176	1,139	1,245	1,144	1,176	1,170
Vacant Units	482	492	451	431	427	414	453
Total Housing Units	1,631	1,668	1,590	1,676	1,571	1,590	1,623

Source: USCB, ACS Five-Year Estimates.

Table 40. Monthly Housing Costs of Owner-Occupied Housing Units, as a percent of Household Income

	2010	2011	2012	2013	2014	2015	2016
Less than 20 percent of income	58.0%	59.7%	60.2%	54.6%	54.5%	54.5%	56.5%
20 to 29 percent of income	13.0%	15.0%	14.9%	22.1%	22.9%	22.9%	20.4%
30 percent of income or higher	28.8%	25.4%	23.7%	21.4%	21.1%	21.1%	21.6%

Source: USCB, ACS Five-Year Estimates.

Table 41. Monthly Housing Costs of Renter-Occupied Housing Units, as a percent of Household Income

	2010	2011	2012	2013	2014	2015	2016
Less than 20 percent of income	30.6%	35.5%	26.9%	23.4%	40.4%	40.4%	39.2%
20 to 29 percent of income	17.4%	8.9%	14.6%	20.7%	18.9%	18.9%	26.7%
30 percent of income or higher	40.1%	38.7%	40.3%	38.8%	27.1%	27.1%	22.3%

Source: USCB, ACS Five-Year Estimates.

Transportation

Transportation facilities and services affect nearly every aspect of the Haines economy. This section provides statistics on air, ferry, and highway travel to and from Haines. It also provides an overview of key marine transportation related infrastructure.

Air Transportation

PASSENGER TRAVEL

The federal Bureau of Transportation Statistics (BTS) tracks air passenger traffic at the individual airport level. In 2017, 7,326 passengers arrived into Haines. While 2017 saw a small (3 percent) increase from 2016, both 2016 and 2017 are significantly down from previous years; between 9,000 and 11,000 passengers arrived between 2010 and 2015. In the ten years examined in the baseline study, arrivals peaked in 2012 at 10,939 passengers. Air passenger departures followed a similar trend.

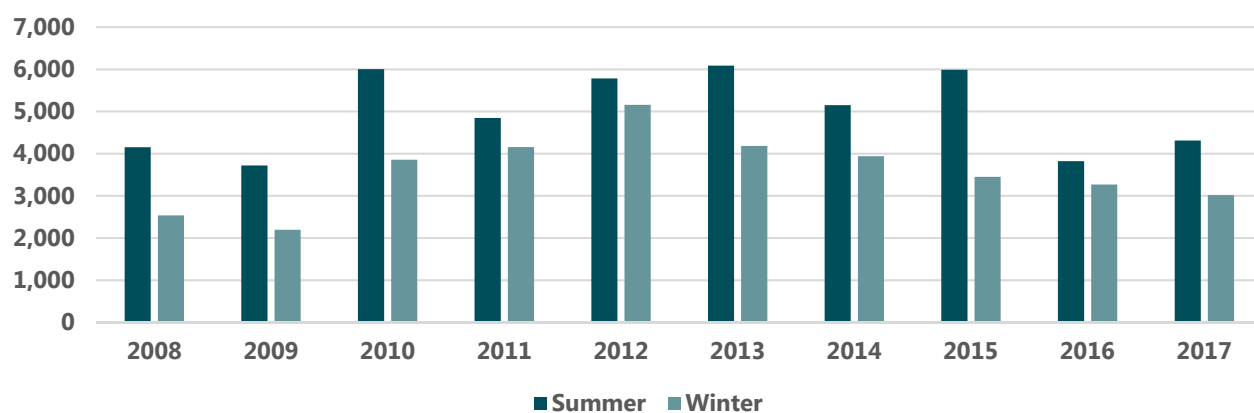
Haines air passenger traffic has a significant seasonal component, in parallel with the visitor industry. On average, summer outbound air passenger traffic is 30 percent higher than the rest of the year, accounting for 57 percent of annual departures in the five months between May 1 and September 30.

Table 42. Total Air Passengers Arriving in Haines, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	4,151	3,718	6,003	4,845	5,782	6,085	5,150	5,989	3,820	4,310
Winter	2,534	2,194	3,855	4,155	5,157	4,183	3,937	3,451	3,267	3,016
Total Inbound	6,685	5,912	9,858	9,000	10,939	10,268	9,087	9,440	7,087	7,326

Source: BTS, TranStats.

Figure 10. Total Air Passengers Arriving in Haines, 2008-2017 by Season



Source: BTS, TranStats.

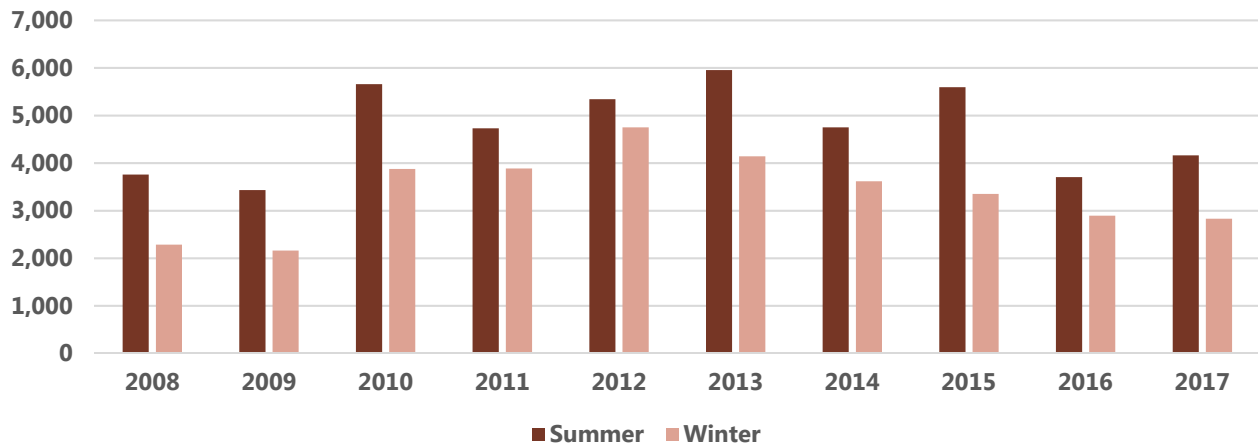
Table 43. Total Air Passengers Departing Haines, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	3,757	3,434	5,658	4,731	5,343	5,955	4,751	5,594	3,706	4,162
Winter	2,286	2,163	3,876	3,887	4,750	4,143	3,617	3,351	2,895	2,831
Total Outbound	6,043	5,597	9,534	8,618	10,093	10,098	8,368	8,945	6,601	6,993

Source: BTS, TranStats.

Note: The summer season is defined as May 1 through September 30.

Figure 11. Total Air Passengers Departing Haines, 2008-2017 by Season

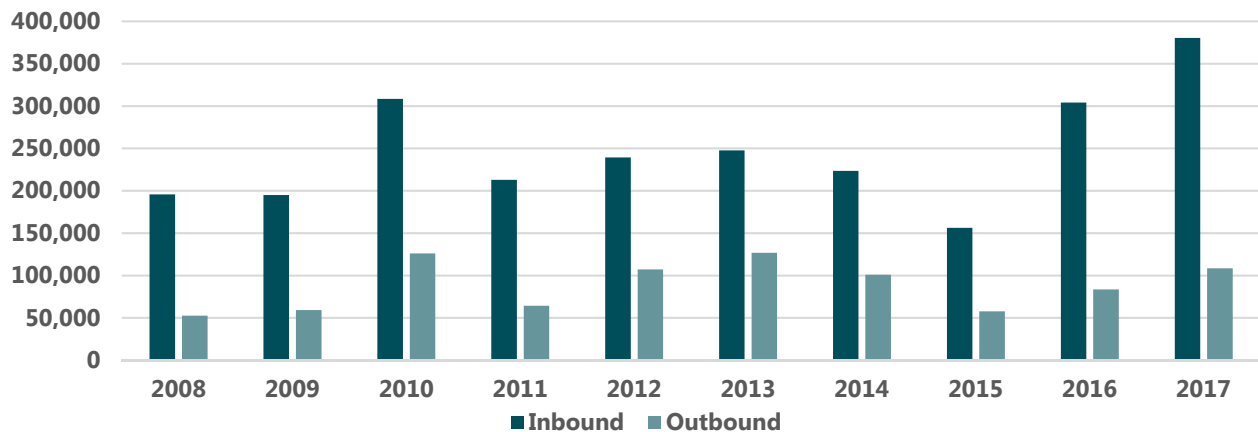


Source: BTS, TranStats.

AIR FREIGHT AND AIR MAIL

In 2017, 380,000 pounds of air freight arrived in Haines, while a much lower volume of freight (108,000 pounds) was shipped out of Haines by air. In 2017, inbound air mail totaled 399,000 pounds while outbound air mail totaled about 72,000 pounds. Air freight and air mail trends are detailed in the following chart and tables.

Figure 12. Total Air Freight Arriving in/Departing Haines, Pounds, 2008-2017



Source: BTS, TranStats.

Table 44. Total Air Freight Arriving in Haines, Pounds, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	98,422	100,629	170,283	104,216	115,966	114,186	98,189	53,741	146,486	192,210
Winter	97,292	94,262	138,122	108,617	123,292	133,442	125,297	102,565	157,610	188,180
Total Inbound	195,714	194,891	308,405	212,833	239,258	247,628	223,486	156,306	304,096	380,390

Source: BTS, TranStats.

Note: The summer season is defined as May 1 through September 30, and Winter as October 1 through April 30.

Table 45. Total Air Freight Departing Haines, Pounds, 2008-2017 by Season

Season	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	26,408	34,435	89,858	28,460	50,424	69,751	54,929	27,880	42,236	60,622
Winter	27,563	26,142	24,755	36,049	35,804	56,635	56,918	45,946	29,748	47,744
Total Outbound	52,550	59,190	125,907	64,264	107,059	126,669	100,875	57,628	83,446	108,366

Source: BTS, TranStats.

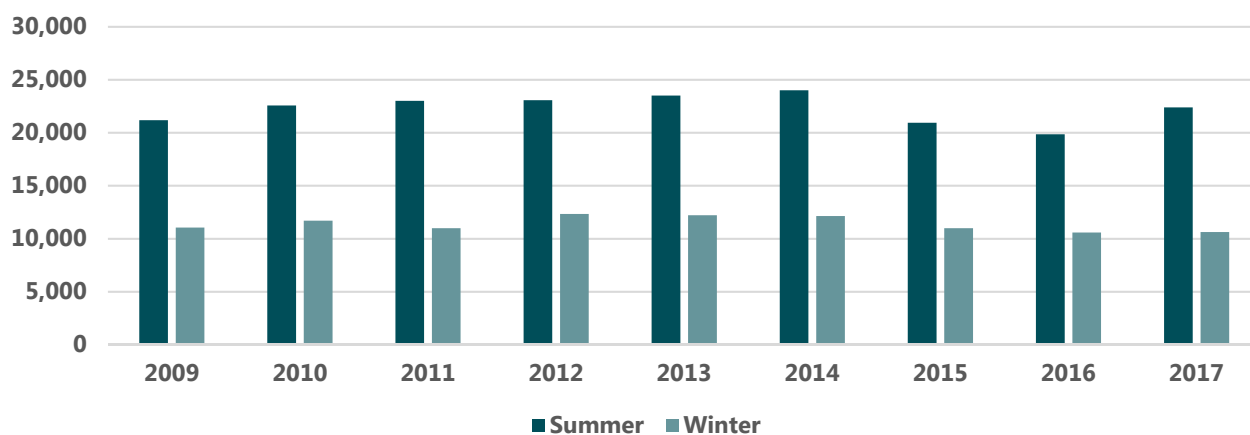
Table 46. Total Haines Inbound and Outbound Air Mail, Pounds, 2008-2017

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Inbound Mail	374,187	335,736	477,787	394,446	459,416	435,860	364,185	320,433	465,147	399,161
Outbound Mail	103,547	78,180	182,684	123,945	187,950	192,951	102,653	75,972	80,673	71,779
Total Pounds	477,734	413,916	660,471	518,391	647,366	628,811	466,838	396,405	545,820	512,554

Source: BTS, TranStats.

Alaska Marine Highway System (AMHS)

Over 33,000 Alaska Marine Highway passengers embarked at Haines in 2017, about two-thirds (68 percent) in the summer months. Over the last decade, annual passenger embarkations have fluctuated somewhat, ranging from 30,427 in 2016 to 36,134 in 2014. Between 2016 and 2017, embarkations increased by 8 percent. Nearly all of this increase is attributable to the summer months, which saw a 13 percent increase. Winter embarkations stayed about the same both years.

Figure 13. Seasonal AMHS Passenger Embarkations from Haines, 2009-2017

Source: AMHS ATVR.

Table 47. Seasonal AMHS Passenger Embarkations from Haines, 2009-2017

Season	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	21,190	22,574	23,013	23,071	23,504	23,999	20,948	19,850	22,393
Winter	11,051	11,699	10,992	12,340	12,218	12,135	10,991	10,577	10,620
Total	32,241	34,273	34,005	35,411	35,722	36,134	31,939	30,427	33,013

Source: AMHS ATVR.

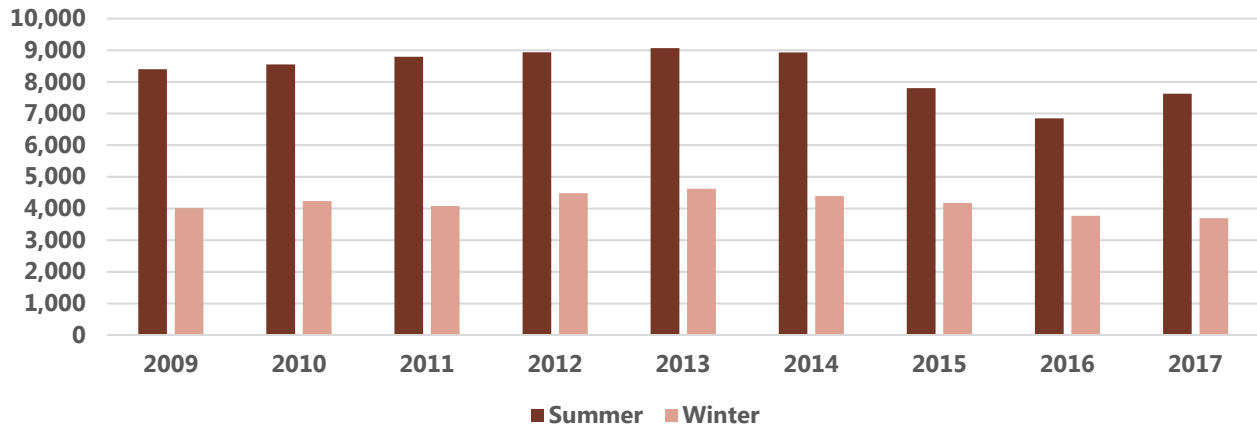
Table 48. Seasonal AMHS Passenger Disembarkations at Haines, 2009-2017

Season	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	19,807	21,321	22,266	21,961	21,783	21,273	20,495	19,275	21,044
Winter	11,113	11,622	11,018	11,614	12,028	11,651	10,873	10,373	10,203
Total	30,920	32,943	33,284	33,575	33,811	32,924	31,368	29,648	31,247

Source: AMHS ATVR.

Over 11,000 vehicles embarked at Haines in 2017, two-thirds of them (67 percent) in the summer months. Vehicle embarkations were up 7 percent in 2017 from 2016, but down 17 percent from the peak of 13,685 set in 2013.

Figure 14. Seasonal AMHS Vehicle Embarkations from Haines, 2009-2017



Source: AMHS ATVR.

Table 49. Seasonal AMHS Vehicle Embarkations from Haines

Season	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	8,398	8,549	8,791	8,935	9,064	8,926	7,800	6,848	7,624
Winter	4,012	4,233	4,077	4,479	4,621	4,392	4,171	3,767	3,693
Total	12,410	12,782	12,868	13,414	13,685	13,318	11,971	10,615	11,317

Source: AMHS ATVR.

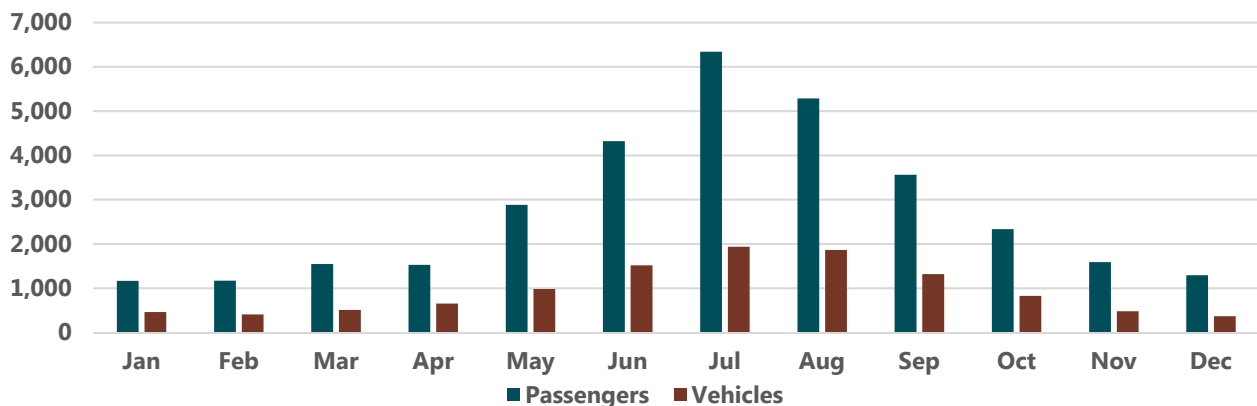
Table 50. Seasonal AMHS Vehicle Disembarkations at Haines, 2009-2015

Season	2009	2010	2011	2012	2013	2014	2015	2016	2017
Summer	7,572	7,767	8,149	8,162	8,082	7,641	7,545	6,378	6,886
Winter	4,083	4,166	4,046	4,207	4,456	4,324	4,027	3,659	3,359
Total	11,655	11,933	12,195	12,369	12,538	11,965	11,572	10,037	10,245

Source: AMHS ATVR.

Haines ferry traffic fluctuates widely by month. In 2017, July was the peak month at 6,341 passengers and 1,936 vehicles. This compares with 1,165 passengers and 460 vehicles in January, the slowest month.

Figure 15. Monthly AMHS Haines Embarking Traffic, Passengers and Vehicles, 2017



Source: AMHS ATVR.

Table 51. Monthly AMHS Haines Traffic, 2017

Month	Passenger Embarkations	Passenger Disembarkations	Vehicle Embarkations	Vehicle Disembarkations
Jan	1,165	1,052	460	341
Feb	1,168	1,234	406	388
Mar	1,544	1,721	507	542
Apr	1,529	1,552	652	637
May	2,883	3,206	983	1,103
Jun	4,320	4,752	1,516	1,628
Jul	6,341	6,049	1,936	1,749
Aug	5,287	4,494	1,865	1,499
Sep	3,562	2,543	1,316	907
Oct	2,332	1,876	826	643
Nov	1,590	1,421	479	429
Dec	1,292	1,347	368	379
Total	1,165	1,052	11,314	10,245

Source: AMHS ATVR.

Table 52. Annual AMHS Vehicle Embarkations in Haines, by Type

Vehicle Type	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal vehicles	10,954	11,317	11,429	12,002	12,280	11,942	10,909	9,312	10,051
Recreational Vehicles	1,062	1,076	1,062	1,027	1,004	1,003	770	1,100	1,013
Commercial Container Van	394	389	377	385	401	373	292	203	253
Total	12,410	12,782	12,868	13,414	13,685	13,318	11,971	10,615	11,317

Source: AMHS.

Note: The personal vehicles category includes a very small number of buses.

Table 53. Annual AMHS Vehicle Disembarkations in Haines, by Type

Vehicle Type	2009	2010	2011	2012	2013	2014	2015	2016	2017
Personal vehicles	10,715	10,931	11,227	11,477	11,613	11,129	10,731	9,051	9,267
Recreational Vehicles	700	808	769	662	712	635	690	865	795
Commercial Container Van	240	194	199	230	213	201	151	121	183
Total	11,655	11,933	12,195	12,369	12,538	11,965	11,572	10,037	10,245

Source: AMHS.

Note: The personal vehicles category includes a very small number of buses.

Table 54. Number of AMHS Voyages to Haines by Month, 2009-2015

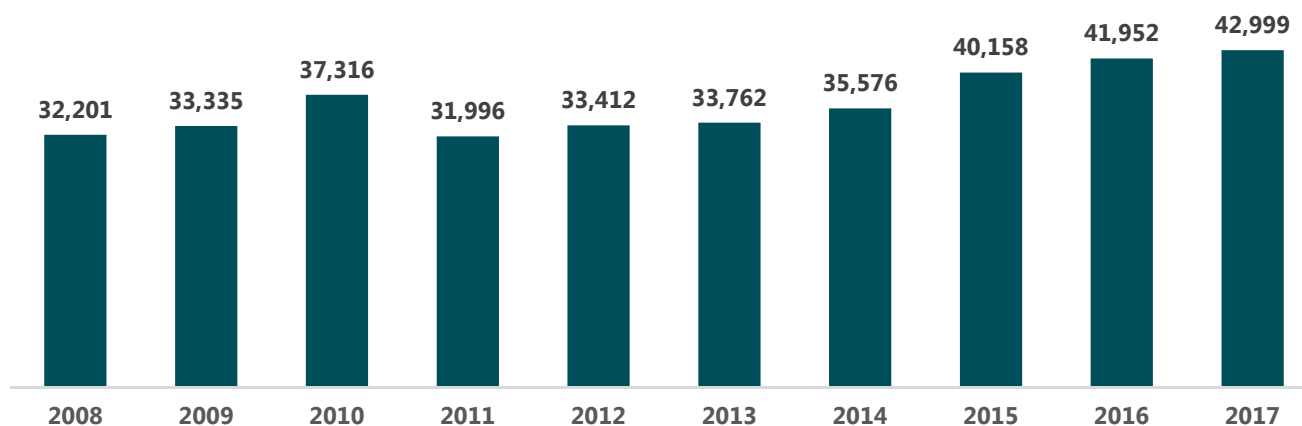
Month	2009	2010	2011	2012	2013	2014	2015
Jan	95	81	85	71	82	70	58
Feb	66	68	71	66	79	62	55
Mar	101	78	83	87	78	62	63
Apr	91	91	64	76	90	75	66
May	76	114	147	115	122	87	110
Jun	161	128	154	137	119	127	115
Jul	157	160	155	133	145	119	107
Aug	147	155	154	119	133	114	118
Sep	119	106	125	108	122	107	107
Oct	63	73	77	63	80	73	75
Nov	90	71	63	101	78	63	67
Dec	100	76	78	86	77	58	64
Total	1,266	1,201	1,256	1,162	1,205	1,017	1,005

Source: AMHS ATVR.

Highway Traffic

In 2017, 43,000 people crossed the U.S. border on the Haines Highway in some type of vehicle. Nearly all of these (94 percent) were in personal vehicles; 3 percent were in buses; and 3 percent were in commercial trucks. Traffic has been increasing annually since the low of 32,000 in 2011, for a total increase of 34 percent between 2011 and 2017. Note that these figures include Haines residents.

Figure 16. Highway Vehicle Passenger Entries at U.S. Border, Haines Highway, 2008-2017



Source: U.S. Customs and Border Protection.

(See table, next page)

Table 55. Highway Vehicle Passenger Entries at U.S. Border, By Vehicle Type, Haines Highway, 2008-2017

	Personal Vehicle Occupants	Bus Occupants	Truck Occupants	Total Number of Border Crossings
2008	30,365	530	1,306	32,201
2009	32,036	371	928	33,335
2010	34,654	492	2,170	37,316
2011	30,110	492	1,394	31,996
2012	31,776	481	1,155	33,412
2013	31,879	536	1,347	33,762
2014	33,026	971	1,579	35,576
2015	37,850	777	1,531	40,158
2016	39,942	683	1,327	41,952
2017	40,366	1,277	1,356	42,999

Source: U.S. Customs and Border Protection.

Transportation Infrastructure Assets

HAINES MUNICIPAL DOCK (LUTAK DOCK)

Ice-free and operated year-round, Lutak Dock is Haines’ primary industrial port facility for containerized and conventional cargo, petroleum products, and timber. While its major customers are both Alaska Marine Lines and Delta Western, Lutak Dock generates the majority of its revenues from bulk fuel shipped through Haines for export into Canada (80 percent) as well as for the local Haines market. In 2017, Delta Western bulk fuel shipments made up approximately 60 percent of Lutak Dock revenues compared to 40 percent for AML freight shipments.¹ Since FY2013, when Lutak Dock fees generated \$344,425 in revenue, revenues have increased by 39 percent, reaching \$478,431 in 2017. This growth is even more impressive if one considers that Lutak revenues effectively tripled between FY2009 and FY2012.²

First constructed in 1953, the Lutak Dock is today at the end of its service life and in dire need of repair, with reconstruction cost estimates ranging from \$21.2 million to \$61.8 million³. Given the scale and cost of the needed repairs, combined with strained Borough and State budgets, finding a quick funding solution is unlikely. Nevertheless, the ever-present risk of localized failures preventing use of the dock has led to plans focused on repairing and/or replacing roll-on roll-off infrastructure that could be used by AML for barge loading/unloading. By comparison, costs for these options range from \$2.3 million to \$14.0 million⁴. Roll-on, roll-off infrastructure would be used primarily by AML and directly support the economical supply of goods to the community of Haines.

¹ Shawn Bell, Haines Harbormaster

² Haines Borough Manager’s Budget, <http://www.hainesalaska.gov/finance/fy19-haines-borough-managers-budget>

³ http://www.lutakdock.com/wp-content/uploads/sites/21/2017/03/March_9_2017-Final-Report-Draft-Lutak-Dock.pdf

⁴ http://www.hainesalaska.gov/sites/default/files/fileattachments/ports_and_harbors/page/14161/2018-02-21_haines_lutak_dock_ro_ro_ramp_option_4.pdf

Should Lutak Dock not be repaired and suffer a failure that renders the dock inoperable, Haines residents would likely see significant freight disruptions and price increases. While there is no clearly defined contingency plan, the two most likely options are to rely on the Alaska Marine Highway System and/or barge freight to Skagway and then truck to Haines. In contrast to AML, Delta Western appears to be in a better situation as it would likely be able to continue to use its tank farm and related fuel infrastructure even in the absence of repairs.

ALASKA MARINE HIGHWAY SYSTEM, HAINES FERRY TERMINAL

Located adjacent to Lutak Dock, the AMHS Terminal is owned by the State of Alaska and is primarily used for AMHS ferries, with maximum berthing space of 640 feet and a depth of 23–25 feet. Beginning in Fall 2018, the terminal will be developed to add end-berthing capacity for use by the new Alaska Class Ferry (dayboat), with anticipated completion sometime in summer 2019. The M/V Tazlina, the AMHS' first dayboat, will be christened in June 2018 with delivery expected in the second half of 2018. The second Alaska Class vessel, the M/V Hubbard, is currently expected to be delivered in Summer 2019. As now planned, both will be deployed in Lynn Canal, one between Haines and Skagway and one between Haines and Juneau (or Skagway and Juneau). Barring delays in vessel delivery and/or dock construction, the new dayboats would be available for Haines service in the second half of 2019.

PORT CHILKOOT DOCK

Owned by Haines Borough, Port Chilkoot Dock is Haines' berthing space for large cruise ships. In good working condition and capable of receiving all but the largest cruise ships sailing Alaska's waters, its facilities are functional and effective for their intent. While not presently an issue, the cruise industry's transition to larger ships may eventually pose a problem for Haines. For example, while able to accommodate the Grand Princess (949 feet, 107,517 gross tons, 2,600 passengers), Port Chilkoot Dock would not likely accommodate the new Norwegian Bliss (994 feet, 168,028 gross tons, 4,004 passengers). Another issue is that the 100' long offloading deck does not always allow alignment with two vessel doors, making it difficult to place two gangways in position. With more large ships due to enter the Alaska market in the coming years, this may become a bigger issue for Haines' cruise sector.

Port Chilkoot Dock has offered some of the lowest docking fees of any major port of call in Alaska. To further incentivize cruise ships to call on Haines, Port Chilkoot fees were further cut by 50 percent for ships calling regularly in 2017, 2018, and 2019.

CHILKOOT SAWMILL/LUMBER DOCK

This former Chilkoot Lumber facility was last used in the 1990s, possesses roughly 25 acres of upland, and has a deepwater dock that is in a state of disrepair and currently unsuitable for use. With water depths ranging from 35 to 60 feet, it offers greater potential to large vessels than the Lutak Dock. This key factor has helped make it highly regarded by the minerals industry for its potential future use, and led to the site being identified as the preferred terminus in plans to build a railroad from the Yukon to Haines for minerals exports. While a rail connection is unlikely, the rationale for its selection remains. Today, its most likely immediate use is as a staging area and export port for timber supplied through a joint timber sale from the University of Alaska, State of Alaska Division of Forestry, and the Alaska Mental Health Land Office. This sale would be the largest in decades and is estimated to provide over 150 million board feet over ten years.

UA is anticipating releasing a Request for Proposals for design/build and repair for the dock in summer 2018 with the dock operational by spring 2019. Such repairs may also provide other opportunities for usage at the facility although it is currently unknown what these might be.

Chapter 4. Industry Profiles

Visitor Industry

Haines welcomes a wide range of non-resident and Alaska resident visitors each year. Non-resident visitation is documented in detail by the *Alaska Visitor Statistics Program (AVSP)*. Much less is known about the size and content of the Alaska resident visitor market, which includes a wide range of visitors and travelers.

Economic Impacts

While widely recognized as a critical component of the local economy, the economic impact of the visitor industry has not been measured comprehensively in more than 15 years. Published data provides only part of the picture. For example:

- Employment in Haines' Leisure and Hospitality sector averaged 210 jobs in 2016, with \$4.4 million in total wages. That represents 22 percent of all wage and salary employment in the Haines Borough, and 13 percent of total wages. This does not include wages and income generated by visitor spending in the retail sector or the transportation sector.
- Haines Borough tax revenue data indicates that Tourism and Lodging together accounted for 29 percent of taxable sales in Haines in 2017. This figure does not capture taxable sales in the retail sector attributable to non-residents, spending in restaurants and bars, or spending with certain visitor-affected businesses in the service sector.
- AVSP indicates that in summer 2016, 94,000 non-resident visitors to Haines spent an average of \$111 during their visit to the community, for total spending of about \$10.4 million. This excludes spending by fall/winter nonresident visitors and all spending by Alaska resident visitors.

Recognizing that the community lacks a complete understanding of the role of the visitor industry in the local economy, it is nevertheless important to understand the various components of the industry.

Visitor Industry Segments

For purposes of this report, Haines' visitor industry is described in terms of the following components:

- Non-Alaska residents
- AMHS Travelers
- Special events
- Winter visitors

While these categories have some overlap, and the list is not exhaustive or inclusive of *all* out-of-town travelers to Haines, it covers the markets representing the bulk of visitor-related economic activity. Following is a discussion of each market.

NON-ALASKA RESIDENTS

AVSP provides comprehensive data on non-resident visitors to Alaska. The periodic statewide research project overseen by the Alaska Department of Commerce, Community, and Economic Development and conducted by McDowell Group. The most recent edition of the program (the seventh since 1985) was summer 2016. The sample included 332 visitors to Haines; the sample was weighted by transportation mode to ensure representativeness of the entire visitor market. Survey results based to Haines visitors are presented in the following tables. Readers are reminded that this sample represents summer (May-September) and out-of-state visitors only.

Volume and Transportation Market

Haines received an estimated 94,000 out-of-state visitors in summer 2016, representing 4 percent of the overall Alaska visitor market. Three-quarters of visitors (73 percent) were cruise ship passengers, 18 percent were highway/ferry visitors, and 9 percent were air visitors.

Note that the AVSP transportation markets refer to methods of traveling in and out of Alaska, not necessarily in and out of Haines. Air visitors traveled in and out of Alaska via air; highway/ferry visitors traveled in and/or out of Alaska via highway or ferry; and cruise ship passengers overnighted onboard a cruise ship at some point in their trip. Therefore, if a visitor flew from their home state to Juneau, but took a ferry to/from Haines, they would fall into the "air" category.

Spending in Haines and Alaska

Haines visitors reported spending an average of \$111 per person while in Haines. The largest spending categories were tours/activities/entertainment (\$35) and food/beverage (\$30). While lodging spending might appear low at \$19 per person, it reflects the make-up of Haines visitors which is three-quarters cruise ship passengers. Haines visitors reported spending an average of \$966 per person on their entire Alaska trip.

Table 56. Haines Summer 2016 Visitor Volume, by Transportation Market

	% of Visitors	# of Visitors
Cruise ship	73%	69,000
Highway/ferry	18%	17,000
Air	9%	8,000
Total	100%	94,000

Source: AVSP 7.

Note: Cruise ship passengers include fast ferry passengers from Skagway.

Table 57. Haines Summer Visitors: Spending Per Person (%)

	Average Per Person
Tours/activities/entertainment	\$35
Food/beverage	\$30
Lodging	\$19
Gifts/souvenirs/clothing	\$15
Rental cars/fuel/transportation	\$7
Other	\$4
Total Spent in Haines	\$111
Total Spent in Alaska	\$966

Source: AVSP 7.

Visitor Activities

The most popular activities in Haines, among summer 2016 visitors, were wildlife viewing, hiking/nature walk, museums, and city/sightseeing tours.

Table 58. Haines Summer Visitors: Activities in Haines

	% of Visitors
Wildlife viewing	17
Hiking/nature walk	10
Museums	10
Camping	8
City/sightseeing tours	7
Birdwatching	6
Day cruises	5
Rafting	5
Biking	3
Fishing	3
Flightseeing	2
Historical/cultural attractions	2
Native cultural tours/activities	2
Kayaking/canoeing	2

Source: AVSP 7.

Note: Shopping was not recorded at the community level.

ADFG data provides detailed information on non-resident fishing activity. Non-residents purchased 2,435 fishing licenses in Haines in 2016. Nearly half of these (45 percent) were 1-day licenses, while one-third (31 percent) were for longer periods of time. The remainder (24 percent) were purchased by Yukoners in a “reciprocal fishing” system. The data is generally consistent with the AVSP measure of 3 percent of visitors sportfishing during their Haines visit.

Table 59. Non-Resident Fishing License Sales in Haines, 2016

	Number of Licenses
Non-resident 1-day fishing	1,089
Non-resident 3-day fishing	382
Non-resident 7-day fishing	146
Non-resident 14-day fishing	91
Non-resident Annual fishing	139
Non-resident Annual fishing and hunting	1
Yukon reciprocal fishing	587
Total non-resident fishing licenses	2,435

Source: Alaska Department of Fish and Game.

Non-Resident Visitor Demographics

Nearly one-half (47 percent) of Haines visitors were from the Western U.S. Visitors from the South represented 14 percent; from the Midwest, 12 percent; from the East, 5 percent; from Canada, 14 percent; and from other international countries, 8 percent.

The average party size of Haines visitors was 2.3 people; this is the number of people sharing expenses. The average group size was 4.1 people; this includes those in the travel party not necessarily sharing expenses. Visitors were slightly more likely to be female at 55 percent. Visitors reported an average age of 54 years old. One-quarter (23 percent) reported children living in their household, while 49 percent reported being retired or semi-retired. Over half (61 percent) reported having a college degree. The average household income was \$120,000.

Table 60. Haines Summer Non-Resident Visitor Demographics

	% of Visitors
Origin	
Western US	47
Southern US	14
Midwestern US	12
Eastern US	5
Canada	14
Other international	8
Average party size	2.3
Average group size	4.1
Male/female	45/55
Average age	54 years old
Children in household	23
Retired/semi-retired	49
College graduate	61
Average income	\$120,000

Source: AVSP 7.

CRUISE SHIP VISITORS

As noted above, cruise ship visitors represent about three-quarters of all summer out-of-state visitors to Haines. Haines receives two types of cruise ship visitors: those off ships calling directly at Haines, and fast-ferry passengers off cruise ships docked in Skagway.

Direct Calls

Haines will receive nearly 56,000 cruise ship passengers off ships calling directly at the port in 2018. The bulk of passengers (82 percent) will be attributable to ships over 1,500 passengers: the Noordam, the Westerdam, and the Grand Princess. There are two mid-size ships calling in 2018: the Seabourn Sojourn (capacity 450) and the Regatta (capacity 684); these ships will account for 9 percent of passengers. Smaller ships, with capacities of less than 400 passengers, will account for the remaining 9 percent of passengers. These include the Sea Bird (capacity 62), the Star Legend (capacity 212), and all Un-Cruise vessels (capacities range from about 60 to 90 passengers).

(See table, next page)

Table 61. Cruise Ship Traffic to Haines, 2018 (Planned)

Vessel	Capacity	# of Calls	Total Passengers
Noordam	1,916	10	19,160
Westerdam	1,916	9	17,244
Grand Princess	3,100	3	9,300
Seabourn Sojourn	450	8	3,600
Un-Cruise (several)	60 to 86	40	2,775
Regatta	684	2	1,368
Star Legend	212	6	1,272
Sea Bird	62	16	992
Total		94	55,711

Source: Cruise Line Agencies of Alaska; Un-Cruise Adventures; McDowell Group.

Direct cruise ship traffic has fluctuated widely over the last decade, from a low of 27,200 in 2011, to a high of 51,200 in 2017 – a difference of 88 percent. Between 2017 and 2019, traffic is expected to increase by another 33 percent, from 51,200 to 68,100. While the 2019 schedule is still preliminary, the distribution by ship size is projected to be similar to 2018: 80 percent to large ships over 1,500 passengers, 13 percent to mid-size ships (400 to 1,000 passengers), and 6 percent to small ships (less than 400 passengers).

Even with the projected growth over the next two years, passenger traffic will still be lower than previous levels. Cruise visitation was nearly 190,000 passengers in 2000.

Table 62. Cruise Ship Passenger Traffic to Haines, 2008-2017 (2018 and 2019 Projected)

	Cruise Passengers
2008	50,100
2009	43,600
2010	32,300
2011	27,200
2012	31,000
2013	34,400
2014	29,100
2015	42,500
2016	41,700
2017	51,200
2018 (proj.)	55,700
2019 (proj.)	68,100

Source: Cruise Line Agencies of Alaska; McDowell Group.

Skagway Fast Ferry

Passengers off the fast ferry between Haines and Skagway represented nearly as many passengers as those off ships calling directly in 2017: about 43,000, compared to 51,000 off direct calls. In 2017, 87 percent of fast ferry passengers (37,565) were on a tour package that included the fast ferry as a component, while the remaining 13 percent (5,429) purchased the ferry as a stand-alone tour. Total fast ferry traffic has ranged between 25,440

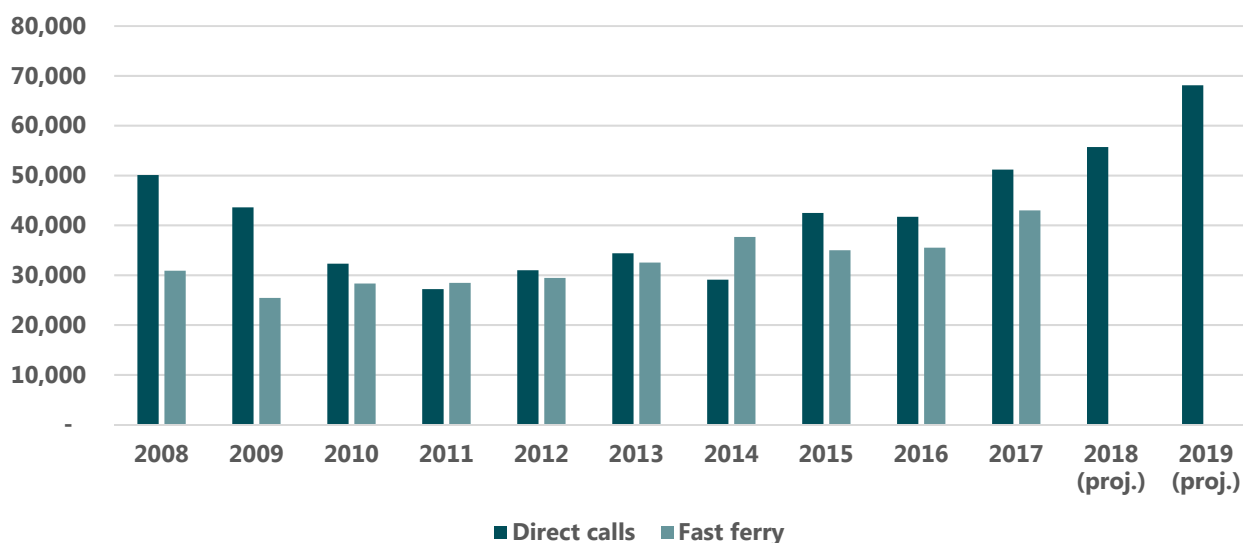
(in 2009) and nearly 43,000 (in 2017), a difference of 69 percent. Traffic was up by 21 percent between 2016 and 2017 alone. With Skagway cruise ship capacity projected to increase in both 2018 (by 4 percent) and 2019 (by 6 percent), it is likely that fast ferry traffic to Haines will increase proportionally.

Table 63. Fast Ferry Passenger Traffic to Haines, 2008-2017

	Tour Passengers	Non-Tour Passengers	Total Passengers
2008	28,122	2,771	30,893
2009	23,148	2,256	25,440
2010	26,156	2,161	28,317
2011	24,885	3,580	28,465
2012	25,062	4,380	29,442
2013	27,686	4,845	32,531
2014	31,343	6,326	37,669
2015	27,950	7,050	35,000
2016	27,135	8,328	35,523
2017	37,565	5,429	42,994

Source: Haines Convention and Visitors Bureau.

Figure 17. Cruise Ship Passenger and Fast Ferry Traffic to Haines, 2008-2017 (2018 and 2019 Projected)



Source: Cruise Line Agencies of Alaska; McDowell Group.

AMHS TRAVELERS

Visitors traveling to/from Alaska via highway or ferry represent about 18 percent of all summer out-of-state visitors to Haines. The highway/ferry market further includes a large number of regional residents who travel to Haines for business, special events, recreational activities, other trip purposes, or are just passing through.

The table below shows the distribution of AMHS passengers by place of origin, by year. In 2015 (the most recent year for which origin data is available), 60 percent of passengers departing Haines were Alaskan residents,

including 26 percent from Haines/Skagway and 18 percent from Juneau. One-quarter (23 percent) were from elsewhere in the US (most commonly Western states at 12 percent); 9 percent were from Canada; and 8 percent were from other international countries. The distribution of passengers by origin stayed fairly consistent over the seven-year period of 2009 to 2015.

Table 64. Number of AMHS Passenger Arrivals in Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	19,349	20,067	20,271	20,914	20,698	19,590	18,107
Haines/Skagway	8,266	8,402	8,831	9,082	9,486	8,712	8,107
Juneau	6,010	6,299	6,525	6,431	6,676	6,548	5,932
Other	5,073	5,366	4,915	5,401	4,536	4,330	4,068
US, not Alaska	7,339	8,084	8,116	7,757	7,991	8,504	8,675
West	3,770	4,264	4,095	3,907	3,936	4,127	4,515
South	1,730	1,856	2,001	1,909	1,954	2,072	2,039
Midwest	1,278	1,318	1,382	1,322	1,444	1,575	1,417
East	552	631	619	607	637	715	684
Canada	2,084	2,567	2,471	2,700	2,981	2,801	2,582
BC/Yukon	567	642	845	901	1,019	932	834
Other	1,517	1,925	1,626	1,799	1,962	1,869	1,748
Other int'l	2,014	2,291	2,342	2,243	2,052	2,010	2,061
Total	30,786	33,009	33,200	33,614	33,722	32,905	31,425

Source: AMHS.

Table 65. Percent of AMHS Passenger Arrivals in Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	63	61	61	62	61	60	58
Haines/Skagway	27	25	27	27	28	26	26
Juneau	20	19	20	19	20	20	19
Other	16	16	15	16	13	13	13
US, not Alaska	24	24	24	23	24	26	28
West	12	13	12	12	12	13	14
South	6	6	6	6	6	6	6
Midwest	4	4	4	4	4	5	5
East	2	2	2	2	2	2	2
Canada	7	8	7	8	9	9	8
BC/Yukon	2	2	3	3	3	3	3
Other	5	6	5	5	6	6	6
Other int'l	7	7	7	7	6	6	7

Source: AMHS.

Table 66. Number of AMHS Passenger Departures from Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	20,176	21,177	21,433	22,344	22,186	21,571	19,141
Haines/Skagway	8,424	8,516	9,060	9,343	9,480	9,111	8,231
Juneau	6,077	6,361	6,693	6,548	6,732	6,716	5,913
Other	5,675	6,300	5,680	6,453	5,974	5,744	4,997
US, not Alaska	6,968	7,745	7,260	7,112	7,237	8,019	7,360
West	3,533	4,098	3,684	3,651	3,628	3,934	3,814
South	1,506	1,472	1,579	1,506	1,505	1,580	1,376
Midwest	1,367	1,492	1,349	1,337	1,511	1,672	1,463
East	562	683	648	618	593	833	707
Canada	2,665	3,074	2,895	3,665	3,789	3,801	2,831
BC/Yukon	806	1,042	934	1,351	1,553	1,313	986
Other	1,859	2,032	1,961	2,314	2,236	2,488	1,845
Other int'l	2,413	2,263	2,359	2,253	2,474	2,642	2,612
Total	32,222	34,259	33,947	35,374	35,686	36,033	31,944

Source: AMHS.

Table 67. Percent of AMHS Passenger Departures from Haines, by Passenger Residence, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Alaska	63	62	63	63	62	60	60
Haines/Skagway	26	25	27	26	27	25	26
Juneau	19	19	20	18	19	19	18
Other	18	18	17	18	17	16	16
US, not Alaska	22	23	21	20	20	22	23
West	11	12	11	10	10	11	12
South	5	4	5	4	4	4	4
Midwest	4	4	4	4	4	5	5
East	2	2	2	2	2	2	2
Canada	8	9	9	10	11	11	9
BC/Yukon	3	3	3	4	4	4	3
Other	6	6	6	7	6	7	6
Other int'l	7	7	7	6	7	7	8

Source: AMHS.

SPECIAL EVENTS

Special events have become a mainstay of Haines' visitor economy, accounting for thousands of visitors every year. The bulk of special event visitors are from Southeast Alaska; however, other Alaska residents, as well as Lower 48 and international visitors, also attend.

Southeast Alaska State Fair (aka Haines Fair)

The Southeast Alaska State Fair serves as an umbrella organization for the Beer Fest (see below) as well as other community events such as Winterfest and Spring Fling; the main event sponsored by the organization is the annual State Fair, held annually for four days starting the last Thursday of July. While exact number of attendees is difficult to pin down due to the nature of ticket sales (four-day passes plus daily admission), Fair leadership estimates they get around 11,500 admittances over the four days; and about 5,000 to 6,000 individual people. These figures include Haines residents as well as non-residents.

Great Alaska Craft Beer and Home Brew Festival (aka Beer Fest)

The Beer Fest is held at the State fairgrounds every Memorial Day weekend. In 2018 the Beer Fest will welcome at least 20 brewers and distributors; attendance is capped at 1,700. The event typically sells out months ahead of time and is already sold out for 2018.

Kluane Chilkat International Bike Relay

The Chilkat Bike Relay is held every June between Haines Junction, Yukon Territory and Haines. The route covers 148 miles and is open to solo, 2-person, 4-person, and 8-person teams. Registration is capped at 1,200 riders.

Alaska Bald Eagle Festival

The Bald Eagle Festival is four-day event held in Haines every November, scheduled around the confluence of 2,000 to 4,000 bald eagles attracted by local salmon runs each fall. Attendance fluctuates; while participation has reached 300 in past years, it was down to 99 in 2017.⁵

WINTER VISITORS

Winter visitors are defined as those traveling in the October to April months. A McDowell Group report estimated that approximately 2,000 pleasure-related visitors traveled to Haines in the 2013-14 season, in addition to 7,000 non-pleasure visitors. The most substantial pleasure markets were heli-skiing (550 visitors), backcountry skiing (300 visitors), Yukon sportfishing (350 visitors), and special events (400 visitors). Non-pleasure visitors included those traveling for the purposes of visiting friends/relatives, business, attending sporting or other school-related events, or just passing through town.

⁵ <https://www.ktoo.org/2017/11/17/eagle-numbers-soar-near-haines-visitors-annual-festival-decline/>

Meetings/conferences are a subset of this non-pleasure, winter market. The Haines Convention and Visitors Bureau reports that only two groups scheduled their conferences through HCVB in 2017: Alaska Municipal League (roughly 100 participants) and Southeast Conference (roughly 200 participants).

Heli-Skiing Permits

Haines heli-skiing permits have stayed steady at 2,600 total days permitted between 2011 and 2017. The number of “days used” has fluctuated over the years, ranging from 563 in 2007 (the first year permits were issued) to 1,959 in 2012. Over the last several years, the number of days has been fairly consistent at around 1,600.

Table 68. Heli-Skiing Permits and Usage Days, 2007-2017

	# Days Permitted	# Days Used
2007	1,140	563
2008	1,140	895
2009	1,460	1,198
2010	1,340	1,351
2011	2,600	1,931
2012	2,600	1,959
2013	2,600	1,971
2014	2,600	913
2015	2,600	1,645
2016	2,600	1,606
2017	2,600	1,574

Source: Haines Borough.

Note: Between 2007 and 2010, photo days were allocated separately from skier days. Figures in this table are combined for those years.

Visitor Industry Outlook

The overall outlook for Haines’ visitor industry is positive. Cruise ship passenger volume (from ships calling directly at Haines) is projected to increase by 33 percent between 2017 and 2019. While Skagway cruise volume is projected to increase at a lower rate over the same time period (by 11 percent), fast ferry traffic from Skagway is also likely to grow. Highway border crossings on the Haines Highway have increased every year since 2011, for a total increase of 34 percent between 2011 and 2017. In general, the statewide outlook for tourism is positive, with 2018 likely to continue a several-year growth streak. Haines is well positioned to benefit from the state’s increasing popularity, particularly with recent expansion in lodging options, including new hotel rooms, additional vacation rentals, and upgrades to existing properties.

A few constraints exist as Haines looks to expand its visitor industry. One is the uncertainty in the ferry system, a major pipeline for both regional and out-of-state visitors. Another is the significant downturn in the State of Alaska’s tourism marketing budget: as a small town with a limited marketing budget itself, Haines is particularly reliant on the statewide program to reach a wide variety of potential visitors. It is also possible that the trend towards larger cruise ships may constrain Haines’ ability to accommodate certain vessels at the Port Chilkoot Dock. In terms of winter tourism, including meetings/conventions and recreational tourism, Haines is constrained by the large number of shuttered businesses, particularly restaurants.

Mining Industry

The most recent assessment of the economic impact of the mining industry in Haines found that in 2016 the industry accounted for 98 “full-time, contract, and temporary jobs.” This estimate included jobs related to Constantine Metals’ Palmer Project, local placer miners, gravel quarry operators, television production crews, Haines residents working at the Greens Creek and Kensington mines, and additional jobs created through local multiplier effects. These workers earned a total of \$4.1 million in wages, including multiplier effects.⁶

This baseline profile will focus on four aspects of mining industry-related economic activity in Haines:

- Current economic impacts and outlook for the Palmer Project
- Haines as home for regional mine workers
- Haines as transshipment center for Yukon mines
- Other Haines area mining-related activity and development opportunities

Palmer Project

Constantine Metal Resources, in a 51/49 percent Joint Venture partnership with Dowa Metals & Mining Alaska Ltd., is conducting detailed resource evaluation on the Palmer Property, located about 37 miles northwest of Haines. The property includes 340 unpatented federal lode claims and 63 state mineral claims. Constantine is also leasing surrounding property from the Alaska Mental Health Trust Authority, which owns the subsurface rights to large areas on both sides of the Haines Highway near the Alaska/B.C. border. The Trust further owns surface rights to property immediately adjacent to the project. If commercial production occurs, annual lease payments would be replaced by royalty payments to the lease holders based on the value of the mine’s output from their lands.

The Palmer prospect is a high-grade copper-zinc deposit with the potential for underground mining. Approximately \$38 million has been invested in the project since Constantine began work in 2006. The surface prospect was discovered in 1969 by Haines resident Merrill Palmer and the main drill discovery was made in 2007, 38 years later.

With a budget of \$7 million, work in 2017 included 7,000 meters of drilling, airborne geophysical surveying, geological mapping, and prospecting work. Other work included additional road construction, engineering, environmental studies, and evaluation of a potential exploration drift.⁷ Inferred resources include 8.1 million metric tons with metal grades of 1.41 percent copper, 5.25 percent zinc, 0.32 g/ton gold, and 31.7 g/ton silver.

Constantine’s work on the Palmer project is having an impact on the Haines economy. In 2017 the project employed 64 workers, including Constantine employees and contractor workers such as drillers, pilots, and road construction personnel. About half (33) of those workers are Haines-based.

⁶ “The Haines Mining Sector”, prepared by Raincoast Data, 2017.

⁷ <http://constantinemetals.com/projects/palmer/>

The economic impact of Constantine's current activity includes purchases of goods and services from Haines business. In 2017, Constantine made purchases with 65 Haines vendors. Over the 2013 through 2017 period, Constantine spent a total of \$3.3 million in Haines on a range of goods and services. Its Haines-based workforce earned a total of \$2 million in wages over the same five-year period. There are also multiplier effects associated with this spending and wages. Though beyond the scope of this study, a full measure of economic impacts would include indirect and induced jobs and wages created by company and employee spending. Indirect impacts include those resulting from local purchases of goods and services. Induced impacts stem from employee spending in the local economy.

FUTURE WORK ON THE PALMER PROJECT

Millions of dollars of additional investment and at least several more years will be required before enough is known about the Palmer deposit to fully determine the technical and financial feasibility of developing and operating a mine. In the meantime, spending on the project can be expected to gradually ramp up, assuming that deposit studies and exploration results continue to suggest that economic reserves exist.

The first indication of mine feasibility will be provided with the preliminary economic assessment (PEA). If the results of the PEA are positive, and as reserves are better understood and reclassified as Measured or Indicated, the project would be advanced to the pre-feasibility stage, which would include detailed mine and infrastructure planning, metallurgical testing, additional and more detailed environmental and socioeconomic baseline and impact analyses, and other work required to assess the feasibility of mine. A multi-year permitting process would parallel ongoing studies and planning efforts.

Conceptual Mine Development

If the Palmer project proves capable of supporting profitable mine operations, mine development would require two to three years and several hundred million dollars in construction expenditures. During development, the ore body is prepared for mining, an ore processing mill is constructed, and support infrastructure is developed—for example roads, electrical generation, marine facilities, etc. The construction phase would require a temporary workforce of several hundred. This labor force will include a variety of highly skilled and semi-skilled construction workers. It will also include professional/technical personnel, equipment operators, camp support workers, administrative personnel, and others. Nonresidents would play a role in filling specialized construction trade jobs. Residents could also fill some of the specialized jobs, as well as administrative, general labor, transportation, camp support, and other less specialized positions. Resident participation in the construction-phase labor force will also depend on the degree to which Alaska-based firms are contracted or subcontracted to perform various aspects of mine, mill, and infrastructure construction.

Conceptual Mine Operations

The potential scale of mining will first be formally considered in the PEA. Southeast Alaska's two operating mines can serve as examples.

Hecla Mining Company's Greens Creek Mine is an underground silver, gold, zinc, and lead mine located in the City and Borough of Juneau. The mine is located off the local road system. About half of its workforce of approximately 410 is composed of Juneau residents who make a daily ferry commute to and from the mine.

Workers who reside elsewhere in Alaska or the Lower 48 live in a camp at the mine for the duration of their shifts. Greens Creek commenced production in 1989, ceased operations temporarily in 1994 and 1995, and has been in continuous operation since then.

Coeur Alaska's Kensington Mine started operations in 2010 and now employs approximately 360 workers. Kensington is located in Juneau and is also off the local road system, with workers either making a daily commute or residing in a camp at the mine. About 45 percent of the Kensington workforce reside in Juneau, 25 percent reside elsewhere in Alaska, and the remainder are non-Alaskans.

Important economic characteristics of these mines include:

- Greens Creek and Kensington are Juneau's top two property tax payers, paying \$1.7 million and \$1.4 million in 2016, respectively, based on a tax rate of 6.7 mills.
- The mines are the largest private sector employers in Juneau, in terms of total annual payroll.
- The mines pay the highest wages in the community, at about \$100,000 per employee annually, double the community-wide average annual wage.

A hypothetical Palmer mine, employing 300 workers, would account for about \$30 million in annual wages. In 2016, Haines Borough had total wage and salary employment of 965, with \$34.5 million, including both resident and non-resident employment. A mine with a total taxable assessed value of \$150 million (Greens Creek and Kensington have assessed values of more than \$200 million) would generate approximately \$1.1 million in annual property tax revenues for Haines Borough, based on areawide (outside of service area) rate of 7.24 mills. Haines Borough now takes in a total of about \$2.3 million in property tax revenues (based on the FY2018 budget).

The scale and range of socioeconomic impacts associated with mine operations would depend to a large degree on how many mine employees reside in Haines. If half the workforce resides locally, about 450 residents would be added to Haines' current population of 2,500. That would include approximately 100 school-age children. As mine planning progresses to feasibility-level studies, careful analysis of potential impacts on housing, schools, health care, and other public services and facilities will be required to mitigate impacts and enhance local benefits.

An aspect of a potential Palmer mine that is different than Greens Creek and Kensington is its road accessibility. With road access, supplies needed for mine operations would be transported from a Haines dock to the mine, while mineral concentrates would be shipped out. A Palmer mine may produce copper and zinc concentrates for shipment to overseas smelters. Constantine is also studying the technical feasibility of producing a barite concentrate. Barite is primarily used as a drilling mud weighting agent in the oil and gas industry. The U.S. is highly dependent on imported barite (with 78 percent import reliance), mainly from China.⁸

⁸ <https://minerals.usgs.gov/minerals/pubs/commodity/barite/mcs-2017-barit.pdf>

Regional Mining Industry Workforce

Based on most recent available counts, Haines is currently home to 16 Kensington Mine employees and 15 Greens Creek Mine employees. Kensington and Greens Creek are at least as important to Haines as they are to Juneau, in terms of providing employment and wages to local residents. The two mines together directly account for about 3 percent of resident employment in both communities. The mines account for about 5 percent of Haines resident wages.

Haines has evidently proven to be an attractive place to live for mine workers seeking a more rural lifestyle and more affordable housing than available in Juneau.

Yukon Transshipment

The mining industry has long been a critical component of the Yukon economy, and recent increases in spending suggest further mine development and production can be expected in the future. Approximately \$90 million in exploration spending occurred in 2017, up more than 50 percent from 2016. Further, \$360 million in federal and territorial government funding has been committed for new and upgraded mining roads in the Yukon.

Haines may be in a position to take greater economic advantage of the Yukon mining industry. If port infrastructure capable of handling mineral concentrates is developed in Haines to meet the needs of the Palmer Project, that same infrastructure could serve Yukon mines. Mining projects in the Yukon that might someday seek access to a deepwater port in Haines includes the Nickel Shaw project (formerly known as the Wellgreen Project), located in southwest Yukon near Burwash Landing. The deposit is estimated to contain 2.1 billion pounds of nickel, 1.1 billion pounds of copper, 121 million pounds of cobalt, along with Platinum Group Metals and gold. A PEA was completed on the project in 2015 with positive results. Next steps include metallurgical testing, geotechnically drilling in support of a pre-feasibility study, mine planning optimization, and continuing baseline environmental studies. If developed the mine would produce a nickel/cobalt/copper concentrate that would, according to the PEA, be shipped through the port of Haines.⁹

The Skagway Ore Terminal (SOT) provides infrastructure needed to transship Yukon mine concentrates destined for overseas smelters, but the future of that facility is uncertain. Owned by Alaska Industrial Development and Export Authority (AIDEA), the SOT includes 6.7 acres of waterfront industrial property with a 42,000 square foot concentrate storage building and concentrate handling/shipload facilities. According to AIDEA, the facility's workforce includes three full-time jobs, two part-time jobs, and 18 jobs during ship loading operations, which occur six times a year over a 24-hour period.¹⁰

Capstone Mining Corp's Minto Mine produced 37,372 tons of copper concentrate produced in 2017 (down from 70,000 tons in 2016), which was shipped through Skagway to foreign smelters. Capstone planned to place the

⁹ Preliminary Economic Assessment Technical Report, Wellgreen Project, Yukon Territory, Canada, March 18, 2015.

¹⁰ <http://www.aidea.org/Programs/ProjectDevelopment/SkagwayOreTerminal.aspx>

Minto Mine in care and maintenance status in 2018, but as a result of rising copper prices has extended its planned operating life to mid-2021.¹¹

Other Haines Area Mining Activity

Extraction of construction materials is a component of the mining industry. Sand, gravel, and crushed rock are required for many different construction applications, including building pads, road work, concrete, marine infrastructure, etc. No data is available on the volume of construction materials mined from private and public quarries in the Haines area, but it is generally recognized that significant resources exist. The economic benefit of utilizing local resources is that money used to purchase those materials stays in the community rather than flowing out to owners of non-local supplies.

¹¹ Capstone Mining Corp Annual Information Form For year-ended December 31, 2017. March 19, 2018.

Seafood Industry

Commercial fishing and seafood processing are important sources of jobs, income, and tax revenue thanks to Haines' significant resident fleet and the importance of Ocean Beauty Seafoods' Excursion Inlet plant (XIP). While XIP effectively operates independent of the community of Haines in terms of operations and processing jobs, many Haines fishermen deliver fish there, its Fleet Manager is a Haines resident, and Ocean Beauty is the Borough's largest taxpayer. Within Haines proper, two small processors—Haines Packing Co. and Dejon Delights—purchase fish from the local fleet and support a modest but impactful number of full-time and seasonal jobs each year. Both of these also contribute to the appeal of Haines from a tourism standpoint, selling products to visitors and/or hosting tours. Haines also benefits economically from having a full-time ADFG Area Management Biologist based locally as well as numerous seasonal staff. In terms of regional importance, however, Haines falls significantly behind other Southeast communities in terms of gross earnings for resident permit holders. For example, Haines' total of \$6.0 million in 2016 ranked seventh behind Wrangell (\$11.3 million), Craig/Klawock (\$11.9 million), Juneau (\$16.4 million), Ketchikan (\$19.5 million), Sitka (\$37.9 million), and Petersburg (\$44.8 million).

Commercial Fishing

PARTICIPATION

In 2016, 103 Haines residents held 160 limited entry permits and owned 86 commercial fishing vessels; an additional 96 residents participated in the fishing industry as crew.¹² Of this total, Haines had 80 active fishermen (permit holders) fishing 113 permits, with 63 commercial fishing vessels homeported in Haines.

Table 69. Haines Commercial Fishing Fleet Characteristics, 2007-2016

Year	# of Vessel Owners living in Haines	# of Boats Homeported in Haines	Average Length (feet)	Average Age (years)
2007	83	56	33.4	27.2
2008	82	53	34.6	29.2
2009	85	59	34.6	30.9
2010	84	58	35.0	32.4
2011	89	60	34.7	33.1
2012	93	64	35.2	33.6
2013	88	63	34.6	35.3
2014	91	64	34.1	35.7
2015	90	64	34.2	35.8
2016	86	63	35.0	35.7

Source: CFEC.

Over the past ten years, the number of active fishermen living in Haines declined 5 percent from 84 (2007) to 80 (2016), with peak activity occurring in 2011, when 92 fishermen fished. The year 2016 had the fewest active

¹² Crew number includes all Haines residents that crewed in Alaska fisheries across the state over the course of the year. Some of these may be full-time fishermen while others may have crewed for just a single opening.

fishermen (80) and number of permits fished (113) of the 2007-2016 period, which averaged 87 active fishermen fishing 127 permits.

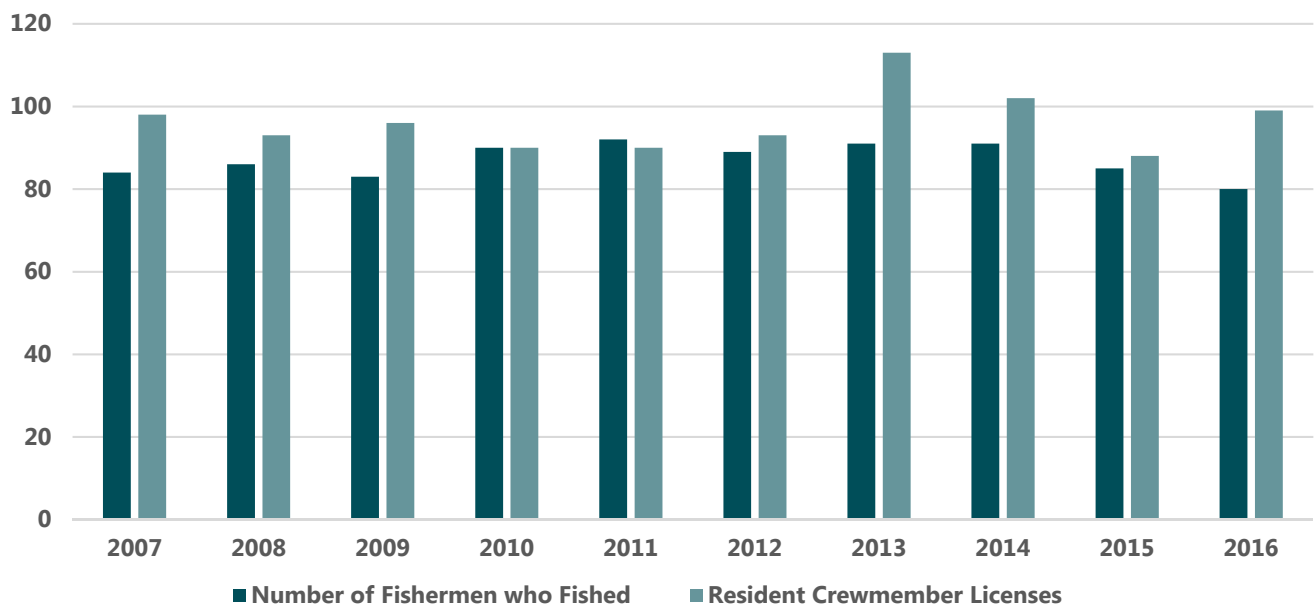
Table 70. Haines Resident Permit and Fishing Activity, 2007-2016

Year	Number of Permit Holders	Number of Fishermen Who Fished	Number of Permits Issued	Number of Permits Fished
2007	113	84	186	126
2008	109	86	182	124
2009	110	83	177	128
2010	107	90	177	130
2011	113	92	182	129
2012	112	89	177	132
2013	109	91	171	132
2014	112	91	171	128
2015	105	85	164	123
2016	103	80	160	113
Average	109	87	173	127

Source: CFEC.

Meanwhile, the trend for crew members is mostly stable, with the exception of the Resident Child category, which reached a ten-year high in 2016; 99 resident crew licenses were purchased in 2016, slightly above the ten-year average of 96. Of this total, 86 were Resident Annual Crewmember (ten-year average of 89), six were Resident 7-Day (average of five), and seven were Resident Child (average of two).

Figure 18. Haines Active Fishermen (Permit Holders) and Crew Member Licenses Purchased, 2007-2016



Source: CFEC.

Table 71. Haines Resident Crew Member Licenses Purchased, 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Resident Annual Crewmember License	91	88	92	87	83	86	101	93	81	86
Resident Child Crew License	1	1	-	1	2	1	3	1	3	7
Resident 7-Day Crew License	6	4	4	2	5	6	9	8	4	6
Total	98	93	96	90	90	93	113	102	88	99

Source: ADF&G.

Note: Crew license sales are categorized by address zip code reported to ADFG at the point of sale. Children under ten years old qualify for child crew licenses.

Of Haines' active fishermen (permit holders), 89 percent fished for salmon in 2016 (71 total), with 51 participating in the Southeast drift gillnet fishery and 15 participating in the statewide power troll fishery. Haines residents also participated in the Bristol Bay drift gillnet (3), statewide hand troll (1), and the Prince William Sound purse seine fisheries (1). Following salmon, the next most important fisheries in terms of active participation are: halibut (25); shrimp (6); crab (4); sablefish (4); herring (1); ling cod (1); and sea cucumber (1).

Over the 2007-2016 period, the total number of permits owned dropped from 186 to 160, a drop of 14 percent, with the total number of permit owners declining from 113 to 103, a drop of 9 percent. Despite this, the drop in active fishermen was less pronounced, declining by 5 percent. Of key importance is that while salmon fishery permit ownership declined (-1), active participation actually increased from 69 to 71. The biggest change in fishery participation can be traced to the decline in ownership and participation in the halibut fishery, which decreased from 38 permit holders to 30 (-21 percent), with active halibut fishermen declining even more sharply, from 34 to 25 (-26 percent). Also notable is that while sablefish permit ownership is unchanged from 2007 to 2016 (7), active participation decreased 57 percent over this period. Decreases in ownership of "Other Shellfish" permits—from 20 to 12—were due to drops in the pot shrimp fishery and much less impactful than they initially appear over this time period; active participation declined by just one.

Table 72. Haines Resident Fish Permits Issued, by Species, 2007-2016

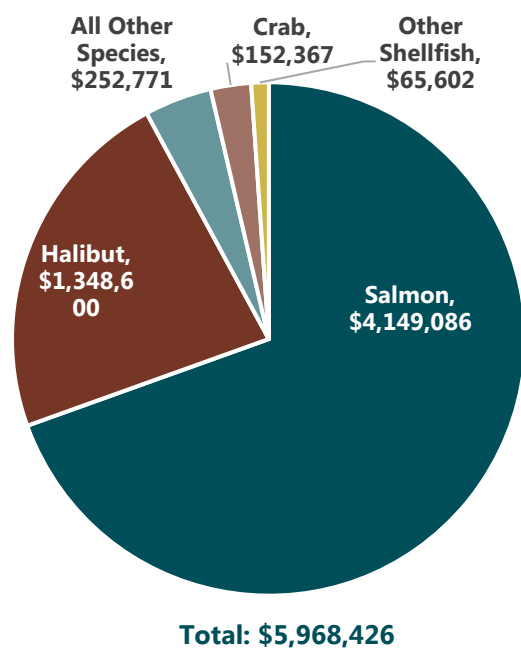
Year	Total Unique Permits	Salmon	Halibut	Other Shellfish	Crab	Sablefish	Other Groundfish	Herring
2007	186	89	38	21	13	11	8	6
2008	182	89	36	22	8	10	13	4
2009	177	87	37	21	8	10	10	4
2010	177	87	37	19	10	8	11	5
2011	182	88	39	21	11	8	9	6
2012	177	88	37	20	12	9	7	4
2013	171	89	32	18	11	10	7	4
2014	171	91	31	18	12	10	5	4
2015	164	86	30	16	10	10	8	4
2016	160	88	30	13	8	9	8	4
Average	173	88	34	19	10	9	9	4

Source: CFEC.

EARNINGS

Haines commercial fishermen earned nearly \$6 million in gross income in 2016 from a total harvest of 6.2 million pounds of fish. Of this, salmon accounted for nearly 70 percent of Haines' commercial fishing income, with \$4.1 million in gross earnings in 2016. Halibut was the next most important in terms of gross income, generating \$1.4 million in gross earnings (23 percent of total). Other fisheries of importance include crab (\$152,367) and shrimp (\$59,288); while sablefish earnings in 2016 are not listed due to confidentiality restrictions, in 2015 the total was at least \$541,952, albeit with eight active permits fished versus four in 2016.

Figure 19. Ex-Vessel Value of Seafood Harvest by Species, Haines Borough, 2016



Source: CFEC.

Table 73. Disclosable Haines Resident Seafood Harvest Value, by Species, 2007-2016

Year	Salmon	Halibut	Sablefish	Other Shellfish	Crab	Other Groundfish	Herring	Total
2007	\$2,961,877	\$1,846,446	\$370,982	\$85,371	\$140,370	XX	XX	\$5,840,615
2008	\$4,778,027	\$1,448,714	\$376,241	\$81,878	\$38,055	XX	XX	\$7,312,820
2009	\$3,206,535	\$972,654	\$377,671	\$73,922	XX	\$105,618	XX	\$5,273,373
2010	\$4,549,137	\$1,655,318	\$423,361	\$96,914	XX	XX	XX	\$7,120,681
2011	\$5,142,417	\$1,288,558	\$826,502	\$70,784	\$30,157	XX	XX	\$7,734,064
2012	\$6,430,938	\$1,068,363	\$766,354	\$88,953	\$47,674	XX	XX	\$8,806,407
2013	\$4,821,881	\$1,041,319	\$538,980	\$110,808	\$41,975	XX	XX	\$6,937,261
2014	\$5,209,853	\$1,018,141	\$690,369	\$84,088	\$98,383	XX	XX	\$7,272,535
2015	\$2,584,922	\$1,190,227	\$541,952	\$83,276	\$96,069	XX	XX	\$4,949,648
2016	\$4,149,086	\$1,348,600	XX	\$65,602	\$152,367	XX	XX	\$5,968,426

Source: CFEC.

Notes: For specific fishing activities, CFEC does not report ex-vessel value or pounds landed when less than four permits were fished, or when a single participant accounted for over 80% of the group activity.

The total column includes all earnings, including those which are confidential at the species level.

While Haines-based fishermen do participate in fisheries across the state, the vast majority of Haines-based fishermen participate in Southeast Alaska fisheries. Haines' resident commercial fishermen collectively grossed an annual average of \$6.7 million over the ten-year period. Active permit holders averaged gross earnings of

\$76,922. Peak earnings occurred in 2012, when 92 fishermen grossed \$8.8 million, or \$98,948 per fisherman. The worst year was in 2015, when 85 fishermen grossed \$4.9 million, or \$58,231 per fisherman.

Table 74. Nominal and Real Earnings per Haines Permit Holder, 2007-2016

Year	# of Fishermen Who Fished	Earnings Per Fisherman (nominal)	Earnings per Fisherman (2016 dollars)	Total	Total (2016 dollars)
2007	84	\$69,531	\$83,570	\$5,840,615	\$7,019,875
2008	86	\$85,033	\$97,747	\$7,312,820	\$8,406,210
2009	83	\$63,535	\$72,178	\$5,273,373	\$5,990,794
2010	90	\$79,119	\$88,316	\$7,120,681	\$7,948,479
2011	92	\$84,066	\$90,912	\$7,734,064	\$8,363,880
2012	89	\$98,948	\$104,673	\$8,806,407	\$9,315,933
2013	91	\$76,234	\$78,190	\$6,937,261	\$7,115,248
2014	91	\$79,918	\$80,668	\$7,272,535	\$7,340,777
2015	85	\$58,231	\$58,478	\$4,949,648	\$4,970,664
2016	80	\$74,605	\$74,605	\$5,968,426	\$5,968,426

Source: CFEC, McDowell Group estimates.

PERMIT VALUES

Haines residents own approximately \$7.6 million in limited entry permits for fisheries across the state (2016 values), with Southeast drift gillnet permits comprising roughly 60 percent of this value (\$4.6 million). Northern Southeast sablefish and statewide power troll represent the next most valuable components, being valued at \$0.8 and \$0.7 million, respectively. The remaining 40 permits across various fisheries are valued at \$1.6 million.

(See table, next page)

Table 75. Resident Ownership of State of Alaska Limited Entry Permits, Haines Borough, 2016

Species	Gear Type	Region	Permit Holders	Estimated Permit Value	Estimated Total Permit Value
Salmon	Drift Gillnet	Southeast	54	\$84,400	\$4,557,600
Sablefish	Longline	Northern Southeast	2	\$398,900	\$797,800
Salmon	Power Troll	Statewide	20	\$35,000	\$700,000
Salmon	Drift Gillnet	Bristol Bay	3	\$109,300	\$327,900
Herring Roe	Purse Seine	Southeast	1	\$239,000	\$239,000
Shrimp	Pot Gear	Southeast	11	\$18,500	\$203,500
Salmon	Purse Seine	Chignik	1	\$167,200	\$167,200
Salmon	Purse Seine	Prince William Sound	1	\$147,900	\$147,900
Salmon	Hand Troll	Statewide	9	\$10,200	\$91,800
Dungeness Crab (150 pots)	Pot Gear	Southeast	2	\$38,500	\$77,000
Dungeness Crab (75 pots)	Pot Gear	Southeast	5	\$15,200	\$76,000
Tanner Crab	Pot Gear	Southeast	1	\$70,000	\$70,000
Dungeness Crab (225 pots)	Pot Gear	Southeast	1	\$55,300	\$55,300
Herring Spawn On Kelp	Pound	Northern Southeast	1	\$43,100	\$43,100
Sea Cucumber	Diving Gear	Southeast	1	\$25,200	\$25,200
Shrimp	Beam Trawl	Southeast	1	\$24,300	\$24,300
Herring Roe	Gillnet	Southeast	1	\$13,400	\$13,400
Herring Roe	Gillnet	Norton Sound	1	\$1,600	\$1,600
Total	-	-	116	-	\$7,618,600

Source: CFEC.

Note: Fishermen harvesting halibut and sablefish hold individual fishing quota (IFQ) instead of limited entry permits (excluding the northern Southeast longline sablefish fishery).

Haines residents also own approximately \$10.2 million in halibut and sablefish quota across the state, with Areas 2C (Southeast Alaska) and 3A (Central Gulf of Alaska) valued at \$8.4 million. A total of 49,258 pounds of Southeast Alaska sablefish quota valued at \$1.8 million is owned by Haines residents. A very small amount (\$16,495) of Area 4B (Aleutian Islands) halibut is also held.

Table 76. Resident Ownership of Halibut and Sablefish Individual Fishing Quota, Haines Borough, 2018

Area and Species	IFQ (Pounds)	Estimated IFQ Value per Pound	Estimated Total Value
Southeast (2C) Halibut	104,433	\$70	\$7,310,326
Central Gulf of Alaska (3A) Halibut	24,544	\$45	\$1,104,472
Aleutian Islands (4B) Halibut	660	\$25	\$16,495
Southeast Sablefish	49,258	\$36	\$1,773,284
Total	178,895	-	\$10,204,577

Source: NMFS, Dock Street Brokers (IFQ value per pound).

Note: Value of halibut IFQ in area 2C will likely fall in 2018. Due to limited market activity in the 4B area, IFQ value for 4A is used in its place. Residency based on mailing address.

STATE SHARED TAXES

The State collects a 3 to 5 percent tax from seafood processors (onshore or in state waters) based on the price of fish paid to fishermen at the point of processing. Revenues from this Fisheries Business Tax are shared with communities impacted by the fishing industry. The amount of shared revenue Haines receives is directly linked to the amount of fish processing occurring in Haines Borough and the price of fish.

Between 2013 and 2017, Haines shared revenues fluctuated between a high of \$438,390 in 2014 and a low of \$121,208 in 2016. These revenues are most directly linked to production at Ocean Beauty's XIP plant and the value of pink salmon returns. While not reflected in this data, returns for 2018 and beyond are anticipated to be significantly higher due to Ocean Beauty's decision not to operate its Petersburg canning facility, diverting volume to XIP instead.

Table 77. Shared Fisheries Tax Revenue, Haines Borough, FY 2013-2017

Fiscal Year	Fisheries Business Tax	DCCED Shared Fisheries Tax	Total
2013	\$172,511	\$4,560	\$177,071
2014	\$438,390	\$2,407	\$440,797
2015	\$212,855	\$916	\$213,771
2016	\$121,208	\$2,071	\$123,279
2017	\$128,174	\$2,192	\$130,366

Source: DOR Shared Taxes Report, DCCED
Note: The State Fiscal Year is July 1 to June 30.

Table 78. Shared Fisheries Tax Revenue, Haines and Selected Municipalities, FY 2017

	Fisheries Business Tax	DCCED Shared Fisheries Tax	Total
Haines	\$128,174	\$2,192	\$130,366
Juneau	\$389,022	\$10,604	\$399,626
Petersburg	\$877,158	\$14,709	\$891,867
Wrangell	\$314,455	\$12,453	\$326,908

Source: DOR Shared Taxes Report, DCCED.

Seafood Processing

EMPLOYMENT AND WAGES

Haines Borough is home to three shore-based seafood processors, of which one is a large plant (Excursion Inlet), one is a small processor (Haines Packing Co.), and a third is a very small value-added processor and retailer (Dejon Delights). The number of workers employed in seafood processing in Haines fluctuates from year to year based on salmon run strength (XIP staff levels largely depend on pink salmon run strength). As with other areas in Alaska, the majority of Haines' processing workers are seasonal, non-resident workers who are brought into handle the summer rush of salmon.

These three processors employed 311 workers during the peak of the 2016 processing season. Wages and salaries were just \$2.6 million in 2016, the second-lowest amount during the 2007-2016 timeframe and largely attributable to meager pink salmon returns. Note that the vast majority of the processing workforce is attributable to Ocean Beauty Seafoods' XIP, and that total employment varies greatly from year to year,

depending on how many canning lines are operating. For example, average peak employment over this period was 369 although peak employment reached 458 in 2013. XIP employment fluctuations have little impact on the community of Haines due to the plant's remote location.

Table 79. Haines Seafood Processing Profile, 2007-2016

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Workers	441	383	405	238	448	257	458	345	408	311
Alaska Resident ^a Workers	39	26	39	24	32	25	39	29	27	32
Wages	\$3,396,483	\$2,904,106	\$2,757,181	\$1,916,365	\$3,769,791	\$2,459,589	\$4,741,367	\$3,461,400	\$4,654,722	\$2,613,642
Alaska Resident ^a Wages	\$303,380	\$226,168	\$273,732	\$217,791	\$322,339	\$258,325	\$386,629	\$340,098	\$359,168	\$398,227

Source: ADOL&WD.

Note: Data is not available on the number of Haines Borough residents employed by seafood processors.

Government Functions Related to Commercial Seafood

Government functions related to Alaska's commercial fisheries are also an economic driver in Haines, with the major government employer related to the commercial seafood industry being the Alaska Department of Fish and Game (ADFG). This agency employs one full-time fisheries biologist in Haines and up to 12 part-time employees during the summer.

Arts and Culture

Haines has a diverse and vibrant arts sector that includes visual arts, performing arts, and numerous arts organizations. The sector encompasses for-profit and non-profit activity, and great deal of part-time employment and volunteers. As such, much of the economic activity related to the arts is not captured in government employment and earnings data.

Community Facilities and Organizations

Traditionally, the Chilkat people lived in Klukwan and in several nearby villages. Their trade routes extended over the Chilkat Pass into Athabaskan country. The Chilkootee people had village sites at Chilkootee Lake and Tanani Point; their trade routes extended over the Chilkootee Pass and White Pass. Although Klukwan is the only original village that remains an active community today, art and culture from the region is recognized and celebrated worldwide.

The Jilkaat Kwaan Cultural Heritage Center provides an opportunity to experience art and culture in a village setting. The Heritage Center features the Whale House Collection, a highly acclaimed collection of Pacific Northwest Coast Art. Facilities include the Heritage Center, a traditional long house, a smoke house, an adzing shed with a 37-foot canoe, and trails. Programming includes guided and self-guided tours; traditional knowledge camps; and classes perpetuating traditional art, culture, language, and food preparation.

The Haines Sheldon Museum & Cultural Center houses thousands of artifacts and documents. Owned by the Haines Borough, the collection was donated to the community by the Sheldon family. The Chilkat Valley

Historical Society was instrumental in establishing the Sheldon Museum. The Historical Society sponsors programs during winter months and leads restoration efforts like the Charles Anway homestead project currently underway.

The Haines Arts Council is a non-profit bringing arts programming to the community and schools. The Alaska Arts Confluence is a non-profit helping the public appreciate the arts through workshops and projects like Art on Main Street and the interpretive sculpture garden at the Fort. The Confluence was awarded grants from ArtPlace America and National Association of Counties to help build arts engagement and a creative economy.

The annual Southeast Alaska State Fair is a multifaceted combination of exhibits, performances, contests, and vendors. The fairgrounds are also home to the Haines Farmers market; small businesses and galleries in Dalton City, and recently upgraded conference and event space at Harriett Hall.

The Chilkat Center for the Arts is used for performances, films, conferences, workshops, and other community gatherings. Also located at the Fort is Alaska Indian Arts, a non-profit dedicated to the preservation and continuation of Northwest Coast art and culture. The former hospital building houses a gallery, retail space, and artists' workshops.

Numerous additional entities support and present local arts including the Hammer Museum, Lynn Canal Community Players, Chilkat Valley Community Foundation, the American Bald Eagle Foundation, and more. The arts community also includes numerous individual artists, art galleries, teachers, event organizers, sponsors, and volunteers.

Economic Activity

As noted above, publicly available data does not fully capture the economic activity generated by the arts sector. The statistics provided below help provide some context about arts-related impacts in the community.

In 2016, ADOL reported average annual employment of 93 in arts, education, and recreation for the Haines Borough; peak employment was 190 in July. The Alaska Arts Confluence has compiled a list of 105 artists living in Haines.

Preliminary results from McDowell Group's *2018 Haines Household Telephone Survey* revealed that 18 percent of households earned income from home-based activities such as arts and crafts, firewood, wild plants, preserved foods, baked goods, or home maintenance/repair. On average, these activities represented a third of household income.

Southeast Conference produced a publication in 2015 titled *The Arts Economy of Haines, Alaska*, authored by Rain Coast Data. The study found that 80 individuals had full-time or part-time earnings from the arts including artists, museums, art galleries, teachers, and non-profits. Arts-related earnings by artists totaled \$1.4 million. On average, the percent of an artists' income derived from art was 41 percent. A total of 82 arts-related events were conducted in 2013 including performances, festivals, and camps. More than 23,500 volunteer hours were contributed to support the arts.

Arts and culture provide clearly direct employment and additional economic activity in the Borough. Likely even more important is their collective contribution to quality of life, community identity, and perpetuation of traditional culture.

The outlook for this sector is positive, given strong community pride in local arts and artists, high value placed on quality of life, and residents' personal support and volunteerism. Furthermore, arts and culture have a strong linkage with the visitor industry, which also has a favorable outlook in Haines and the region.

Forest Products

The forest products industry has a long history in Haines, and for a time, included the largest employer in the community. However, it currently represents a small part of the local economic base. Only one Haines business reports (to ADOLWD) employment in a sector related to the forest products industry. The number of workers employed by that firm is not published due to confidentiality restrictions. A number of self-employed residents earn income from forest products-related activity, including logging and manufacturing.

Though current economic activity is limited, the Haines area is rich in forest products resources and has significant potential for increased logging and manufacturing activity. The following narrative provides a brief history of the industry in Haines and an overview of current resource ownership and development plans.

History

The forests near Haines are primarily composed of western hemlock, Sitka spruce, and black cottonwood/willow with some lodgepole pine and paper birch. For generations, Tlingit people harvested trees for use as canoes, totem poles, longhouses, and smaller hand-carved items such as masks, bowls, rattles, and staffs. Beginning in the late 1800s, local Alaska Native people sold firewood to new settlers. In the early 1900s, Jack Dalton established a new community with a sawmill near the Porcupine gold fields that could cut 5,000 board feet per day. In addition to providing lumber to support community construction, the Dalton mill supplied between one and two million board feet for flume construction. During the early to mid-1900s, canneries often established small mills to supply lumber for cannery buildings, dock, and fish trap construction.

The first large-scale sawmill was constructed by the Schnabel family at Jones Point in 1939. The mill was destroyed by fire in 1961. The Schnabel Lumber Company built a new sawmill in 1967 at Lutak Inlet (approximately four miles from downtown Haines) designed to cut spruce and hemlock cants for the Japanese market. At peak production in 1968, the mill produced and exported 52 million board feet of lumber. Less valuable timber and sawmill waste was chipped and exported to Japanese markets. The mill closed briefly, then operated from 1979 until 1983. Pacific Forest Products reopened the mill in 1984 but closed within a year. Chilkoote Lumber operated the mill from 1987 through 1993, when weak market conditions forced its closure. Around the time of closure, the mill employed 145 workers with an estimated payroll of \$5.2 million. The mill and much of the facility were destroyed by heavy snowfall in 1993. The State of Alaska Department of Environmental Conservation (DEC) has since designated the site as contaminated. DEC is actively working with the responsible party and their environmental contractor to clean up the site.

Two other large-scale mills operated in the area in the 1960s and 1970s. Alaska Forest Products opened a mill at Jones Point in 1965 with a reported monthly payroll of \$50,000 in 1967. The mill closed in 1976. Buster Benson started a mill in 1976 providing approximately 250,000 board feet of rough-cut lumber annually for local construction projects. The mill closed upon his death in 2008.¹³

From the early 1900s to today, a few small mills have operated in the community to provide lumber for local construction. Over the last two decades, all timber sales have been relatively small (by industry standards) and processed locally. Most timber harvest in the Haines area is completed by clearcutting, with extraction by cable systems, ground skidding, or helicopter.

Local Timber Milling and Demand

LOCAL OPERATORS

In addition to a few individuals who operate small bandsaw mills primarily for personal use, there are currently three small commercial mill operators in the Haines area. The commercial mills provide rough-cut lumber for use in local construction projects as well as the manufacture of bowls, furniture, carvings, cabinets, skis, musical instruments, and boats. One mill operator produces logs for log home and cabin construction (primarily local construction). Local gardeners also use rough-cut lumber to build garden beds. One operator harvests timber and sells logs to local mills, exports cabin logs to the Yukon and Interior Alaska, and sells whole-log and cut firewood locally.

An estimated annual average of 75,000 board feet of cabin logs/packages were shipped to the Yukon and interior Alaska over the last decade. Annual volume can vary significantly. A small volume of rough-cut lumber and an unknown volume of manufactured goods are also exported. The sale of lumber, logs, and manufactured items outside the community brings new dollars to the local economy and supports local employment.

ESTIMATED LOCAL DEMAND

The Buster Benson mill operated from 1976 to 2008, reportedly cutting approximately 250,000 board feet of rough-cut lumber annually to supply local demand. Based on that production volume, estimated current mill operator demand, and timber sales volume, local demand for timber has likely ranged from 550,000 to 600,000 board feet annually over the last decade. Annual harvest and milling volume can vary significantly from year to year.

Forest Ownership and Timber Harvest

The State of Alaska, University of Alaska, and Alaska Mental Health Trust Authority are the primary owners of commercial-scale timber in the Haines area. Combined, these three entities own approximately 58,000 acres of timber land in the Haines area that is currently available for commercial activity. A small amount of timber is also harvested from privately owned lands.

¹³ Historical information courtesy of the Haines Sheldon Museum. <http://www.sheldonmuseum.org>

STATE OF ALASKA

The State of Alaska Division of Forestry manages the 286,000-acre Haines State Forest for multiple-use, including recreation, habitat protection, and timber harvest. Approximately 93,500 acres are forested, with 60,194 acres of predominantly western hemlock and Sitka spruce. The current base of operable timber (available for harvest) in the Haines State Forest is 41,650 acres. State foresters estimate the resource will support a sustainable annual harvest of 5.88 million board feet, or 58.8 million board feet per decade. Not included in these operable acres are pure stands of cottonwood that could be made available should market conditions become favorable in the future. In addition to commercial harvest, individuals are permitted to harvest 2,500 lineal feet (or 10,000 board feet) annually for personal use.

Historic Harvest

Over the last 40 years, about 10,150 acres have been harvested, the majority from 1963 to the early 1970s. Annual average sales over the last decade have been about 425,000 board feet. Most of this volume supplied local markets.

Potential Future Harvest

State foresters report the State is motivated to sell timber and generate income. The Haines State Forest Five-Year Forest Management schedule outlines proposed timber sales from 2018 to 2022. The plan proposes selling 50.9 million board feet over the five-year period.

Table 80. State of Alaska, Proposed Five-Year Timber Sales, Haines State Forest 2018 to 2022

Year	Volume (MBF)
2018	21,300
2019	4,600
2020	13,300
2021	5,500
2022	6,200
Total	50,900

Source: Alaska Division of Forestry, Five Year Forest Management Schedule, 2018-2022, Haines State Forest.

UNIVERSITY OF ALASKA

The University of Alaska (UA) is a Land Grant Institution. UA was granted land throughout the state by federal legislation for the purpose of generating revenue for higher education. UA owns about 13,426 acres of timber land in the Haines area; most of these acres have previously been logged. Revenue from the Land Trust funds university operations and scholarships for UA students. More than 9,000 students have received scholarships since 1987. Historic harvest data was not made available by UA.

ALASKA MENTAL HEALTH TRUST AUTHORITY

The Alaska Mental Health Trust Authority (AMHTA) owns approximately 2,000 acres of harvestable timber in the Haines area. Revenue from AMHTA lands are used to support providers in Alaska that treat mental illness, addiction, Alzheimer's and related dementia, developmental disabilities, and traumatic brain injuries. Most AMHTA timber parcels near Haines are relatively small parcels of five to 30 acres. The majority are located along the Haines Highway from mile 20 to 39. The biggest parcel, about 700 acres, is on the Chilkat Peninsula. Most of their previous sales have occurred along the highway, with no sales to date on the Peninsula.

Historic Harvest

To date, AMHTA timber sales have all supplied local mills and averaged approximately 50,000 board feet annually over the last decade. AMHTA partners with State Division of Forestry to manage its timber sales.

Haines Timber Development Project

In March 2018, UA, the State of Alaska, and AMHTA announced that they are working cooperatively to offer up to 150 million board feet of Haines area timber for sale over the next decade. The University is leading coordination of the project, which the State of Alaska will manage. Once local demand is met, the remaining timber will be exported. The Chilkoot Sawmill dock may initially be used for the movement of timber. The Haines Timber Project group is investigating the development of a new dock at the site. A modern dock facility could also be used for loading Canadian timber bound for export markets. Funding for a new dock has not yet been secured.

The local economic impact of the Haines Timber Development Project is yet to be fully assessed, pending further information about the timber sale. UA has estimated the project will create 55 to 60 new local jobs over a ten-year period (and perhaps longer), including 25 to 30 jobs in timber operations and road construction and 30 stevedoring jobs. These estimates are consistent with Southeast timber industry standards of about three to four jobs per million board feet harvested, as measured in previous McDowell Group research. These figures are based on harvests from private land in Southeast and therefore do not include any jobs associated with sawmill operations. Historical data for timber harvests from the Tongass National Forest, where primary manufacturing was generally required, indicates that about six to seven jobs were generated per million board feet of timber harvest, including construction, logging, transportation, and milling operations. These employment figures do not include indirect and induced employment (multiplier effects).

Statewide, monthly wages in the Forestry and Logging sector averaged \$5,103 in 2016, according to ADOLWD data. Monthly wages averaged \$4,790 in the Wood Products sector, which includes a variety of wood product manufacturing activities. A wide variety of occupations are included in the forest products industry, ranging from Fallers (\$4,964 per month), Foresters (\$5,841), Truck Drivers (\$4,688), Heavy Equipment Mechanics (\$5,258), and Construction Equipment Operators (\$5,885), among others.

The magnitude of local economic impacts of future logging operations will depend on a variety of factors, including:

- Availability of suitably skilled residents to fill workforce needs
- Training opportunities made available to develop a local workforce

- Utilization of local contractors for road and other transportation infrastructure construction
- The nature and amount of other local purchases of goods and services
- Whether logging operations are camp-supported or by daily commute from Haines
- The volume of timber that is locally processed
- How value is added to locally milled timber (and markets for value-added products)
- Disposition of low-value material, for chip production
- The likelihood that timber sales and harvests will continue beyond the ten years envisioned in the current plan
- Investment in and ownership of port infrastructure needed to support transshipment of logs, and how that infrastructure might be used for other purposes
- Investment in and employment related to forest restoration/regrowth, following logging operations

Given the substantial long-term opportunity this may present to the community, detailed socioeconomic impact analysis may be warranted. Depending on market conditions and how resources are managed, the forest products industry could grow to play a significant role in the local economy over many years.

Agriculture

Agricultural History

The Haines area has a long history of crop production beginning more than 115 years ago. Several larger scale operations grew crops to sell or barter, primarily within the community. Some crops, however, were shipped outside of Haines to Skagway, Whitehorse, Juneau, and Seattle. Strawberries were one of the earliest commercially successful crops sold in Haines and throughout the region. Charles Anway produced and shipped high quality strawberries for more than two decades beginning in the early 1900s.¹⁴

Crops

Haines is well suited to growing crops. The community receives about 50 inches of rain annually, significantly less than most of Southeast, which allows farmers to successfully grow crops that are challenging elsewhere in the region. Crops that grow well in Haines include: strawberries, raspberries, gooseberries, currants, elderberries, cherries, apples, herbs, garlic, potatoes, carrots, cabbage, turnips, rutabagas, beets, squash, onions, lettuces, kale, and other greens. Crops such as tomatoes, cucumbers, and green beans can be grown in greenhouses. A variety of flowers are also grown for personal use and sale.

¹⁴ Historical information courtesy of the Haines Sheldon Museum. <http://www.sheldonmuseum.org>

Current Production

Currently, about a dozen Haines growers sell some crops. Three active Haines farmers, one previous farmer, and the Salt & Soil coordinator were interviewed for this project. In addition to providing information regarding their operations, they provided general information regarding other growers in the community.

Most Haines commercial growers are small operations that grow primarily for their household and sell excess product. Except for the Covenant Life Farm, all active farms are reportedly less than one-half acre. The Covenant Life Farm has approximately five to seven acres of land currently or previously in production, including greenhouses. Four Winds Farm, Whiterock Nursery, and Covenant Life Farm combined likely account for the majority of commercial crop sales in the community.

Four Winds grows a mix of produce both outdoors and in greenhouses. The Covenant Life farm produces plant starts for sale each spring and has produced strawberries. Whiterock Nursery produces flower and vegetable plant starts and lettuce, cucumbers, and tomatoes.

Foundroot is a new farm that sells a variety of produce and herb seeds. The company shipped seeds to 63 communities around the state in 2017. Foundroot also sold some produce locally in 2017, as well as herbs to the local distillery. Gross sales (nearly all from seed sales) was about \$10,000. The company also shipped a small amount of produce outside the community.

Agricultural Sales

FARMERS MARKET

The Haines farmers market is held weekly at the fairgrounds. The market is open for a few hours Saturdays, June through mid-September.

CSA

Two farms offer small-scale community supported agriculture (CSA) programs that provide mixed boxes of produce to customers within the community.

ONLINE MARKETPLACE

A new online marketplace—The Salt & Soil Marketplace—was developed by Spruce Root with a USDA grant and introduced in Haines and Juneau in 2017. The purpose of the three-year grant is to increase commercial production in the region and strengthen food security. The market place operates weekly from May through September. Each week, farmers, fishermen, foragers, and crafters notify Salt & Soil of the products and volume available. Potential buyers (who have signed up for Salt & Soil) are sent an email notification that the buying period is open. The website tracks the number of available products and sales for each item. Purchased items are picked up by the buyers at a central location in each community.

Six Haines growers participated in 2017, with total sales of less than \$1,000. The Juneau marketplace had significantly higher participation with 24 vendors. The program met with greater success in Juneau for two reasons. One is the larger local market in Juneau. The second is that prior to launch of the online marketplace, Juneau's traditional farmers market operated bi-weekly, which was challenging for growers with product to sell

during the off weeks. Juneau farmers reportedly like the ability to list only the products available to sell and that sales occur each week, in the online market.

With a well-established, weekly farmers market, Haines growers already have weekly opportunities to sell. The Salt & Soil Marketplace may, at some point, offer Haines products to Juneau buyers, providing new sales opportunities for Haines growers. The long-term outlook for the Salt & Soil Marketplace is unknown, as the program must support itself after grant funding ends in 2019.

OUTSIDE SHIPMENTS

Currently, a small volume of Haines crops and some seeds are shipped outside the community. There may be some sales to visitors from Whitehorse and other regional communities, in addition to some crops sent to friends and relatives in the region. In the recent past, one Haines farm produced a significant volume of garlic and seed potatoes, much of it shipped to Juneau for sale; however, that farm has since ceased operation.

Farmers Summit

Haines hosted Farmer Summits in 2017 and 2018. The events brought farmers together from around the region to learn new skills for increasing commercial production and featured a series of lectures by industry experts. The 2017 event attracted 80 people from 13 communities in the region. Recognizing that successful commercial growing in the region is challenging, the goal of the Summit is to help farmers increase the efficiency and profitability of their operations. Additionally, the three-day event is one of several local events that attract visitors to the community who spent money for accommodations, food, and shopping at a time of the year when sales are typical slow.

Health Care and Social Services

Health care and social services are an important part of the Haines economy. It provides jobs and income for local residents and access to health care services support other sectors of the economy in attracting and retaining employees. In the first quarter of 2017 the Health Care and Social Assistance sector accounted for 131 jobs and \$1.2 million in total wages in Haines, according to ADOLWD data.¹⁵ Data for previous years and for the 2nd and 3rd quarters of 2017 are not available due to confidentiality restrictions. However, based on first quarter wages, the Health Care and Social Assistance sector accounts for an estimated \$4.8 million in annual wages.

Employment in 2017 included 56 workers in the Social Assistance area and 75 in Health Care. There are 14 employers in the Haines Health Care and Social Services sector including Southeast Alaska Regional Health Consortium, Haines Assisted Living, the Senior Center, Cornerstone Health, Hospice of Haines, and several others.

Table 81. Haines Health Care and Social Assistance 1st Quarter 2017 Employment and Wages

	Employers	Average Monthly Employment	Total Earnings	Average Monthly Wage
Health Care and Social Assistance	14	131	\$ 1,212,930	\$3,086
Out Patient Health Care	6	na	na	na
Nursing and Residential Care	1	na	na	na
Social Assistance	7	56	\$229,280	\$1,365

Source: Alaska Department of Labor Quarterly Census of Employment and Wages. Na: not available due to confidentiality restrictions.

The following entities are part of Haines' health care and social assistance sector.

SouthEast Alaska Regional Health Consortium (SEARHC)

With 59 employees, SEARHC is one of the largest employers in Haines and the primary health care provider in the community. SEARHC offers medical, physical therapy, dental, nutrition, behavioral health, pharmacy, and vision services. SEARHC also offers medical services at the Klukwan clinic on Tuesday and Thursdays. The non-profit health consortium is one of the oldest and largest Native-run health organization in the nation.¹⁶ SEARHC provides services to the entire population of Haines.

In 2018, SEARHC released a new strategic plan which includes seven objectives, including several that may impact the Haines economy: becoming the provider of choice, meeting the increasing health care needs of the elderly population, and expanding vital healthcare services to all members of the community.¹⁷

¹⁵ "Quarterly Census of Employment and Wages (QCEW)."

¹⁶ SEARHC, "Our Story."

¹⁷ "Our Story."

Haines Assisted Living

Haines Assisted Living offers personalized assistance for elders in the Haines community that do not need complex medical supervision. The \$10 million assisted living campus includes a Community Wellness Center which offers space for local health and social providers along with a dental clinic. Three buildings provide housing for up to 42 seniors. HAL employed 16 workers in 2017.

Table 82. Haines Assisted Living Facilities

Buildings	Description
Haines Assisted Living	Built-in 2009 and is LEED Certified
Soboleff/McRae Veterans' Village	Built-in 2014, eleven 1-bedroom units with 4 for low-income seniors
St. Lucy's Senior Living	Built in 2011, five 1-bedroom units for very low-income elders
Total Capacity (potential occupants)	42

Source: Haines Assisted Living.

Sector Outlook

The health care industry in Alaska continues to grow, and this is especially true for services related to seniors. Between 2007 and 2017, the relative importance of the Haines population 65 years of age or older nearly doubled, from 12 percent to 21 percent. The average median age in Haines is 49.3 years, 14.4 years higher than the statewide median. As of 2017 there were 517 residents over 65 living in the community.

Table 83. Haines Population Trends by Age

Age Groups(years)	2007	2007 Percent	2017	2017 Percent	Difference Between 2007 and 2017
0-19	538	22%	482	20%	-56
20-44	594	24%	620	25%	+26
45-64	963	39%	840	34%	-123
65-84	269	11%	464	19%	+195
85+	23	1%	53	2%	+30
Total	2,387	100%	2,459	100%	-72-

Source: ADOL&WD.