

GETTING SOUTHEAST BACK TO BUSINESS



SOUTHEAST
CONFERENCE

Presented to
PETERSBURG ASSEMBLY
May 16 2022





ABOUT SOUTHEAST CONFERENCE

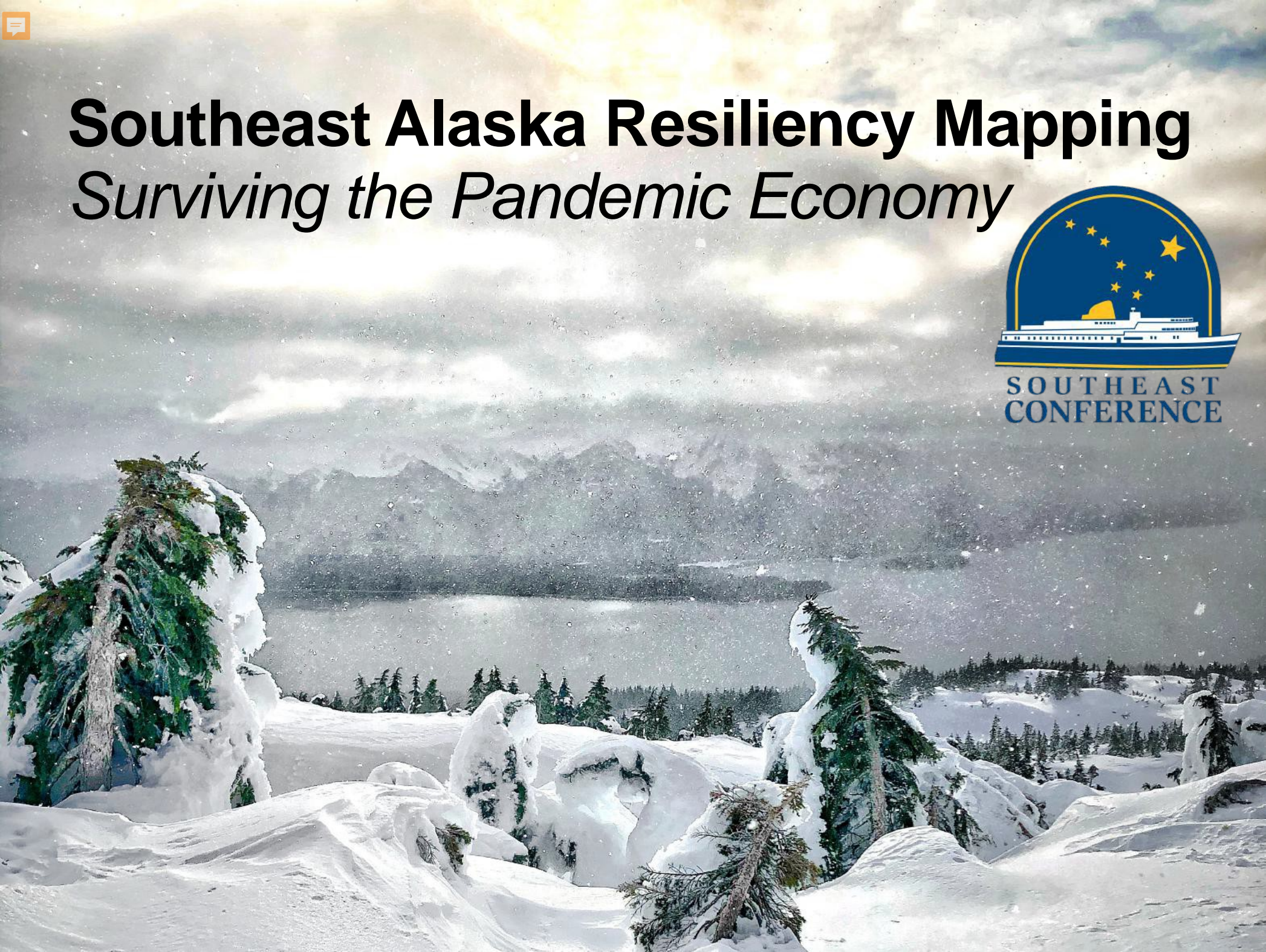
- Southeast Conference was incorporated in 1958, primarily to advocate for the creation of the Alaska Marine Highway System. First meeting held in Petersburg!
- After that success, stayed together to continue to advocate for issues that are key to the southeast region as a whole.
- Looks for consensus for the betterment of the region.
- Members from nearly every community, chamber of commerce, and economic development organization in the region.
- Conduct economic planning through CEDS process and implement CEDS, providing technical assistance and project development support.
- Southeast Conference is the federally designated Regional Economic Development District and the State-designated Alaska Regional Development Organization.





Southeast Alaska Resiliency Mapping

Surviving the Pandemic Economy



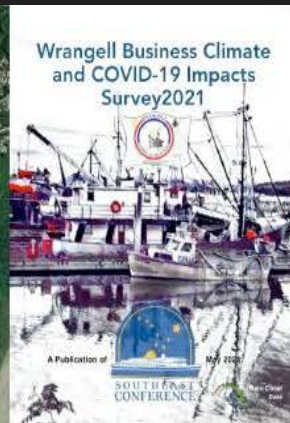
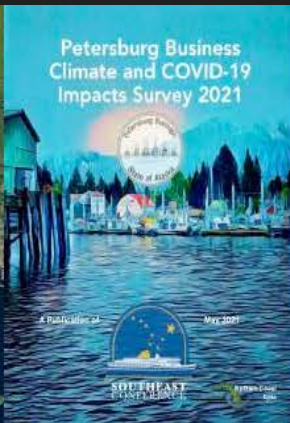
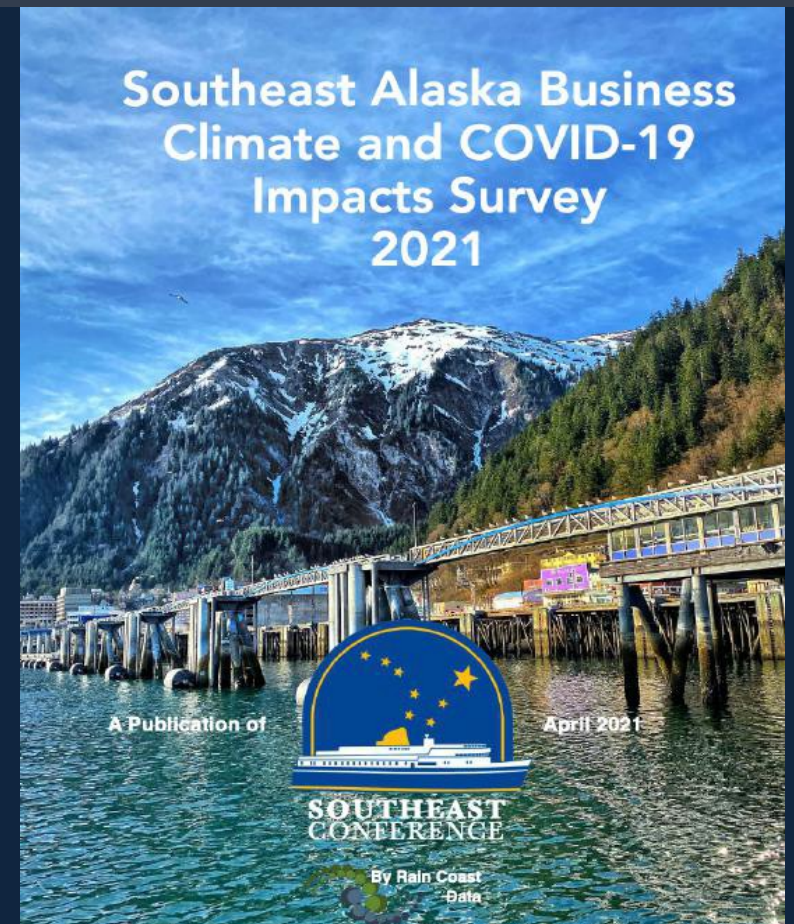


Getting to 2022: *Short-Term Southeast Alaska Resilience Plan* What do we need to do immediately?

- 1. Support Expedited Vaccine Distribution**
- 2. Revitalization of Air, Ferry, Cruise, and Freight Transportation Services**
- 3. Regrow the Visitor Industry**
- 4. Economic Disaster Declaration Request**
- 5. Plan for a post COVID-19 Southeast Alaska Health Care System**
- 6. Ensure the Short-term Viability of the Seafood Sector**
- 7. Keep Southeast Alaskans in their Homes**
- 8. Advocate for Childcare Prioritization in an Effort to Restart the Economy**
- 9. Support Expedited Resolution to Solid Waste Shipping**
- 10. Request Tariff Relief**

BUSINESS LEADER SURVEYS

Data is important, but the best understanding of the economy comes from taking the temperature of the business community.



Calling all business leaders in Southeast Alaska!



2022 SOUTHEAST ALASKA BUSINESS CLIMATE SURVEY

Please take a few minutes to provide feedback.



This critical data will be used to focus economic relief efforts moving forward and is open to all regional businesses.



PARTNERSHIPS ACROSS SOUTHEAST ALASKA



Southeast Businesses COVID-19 Impacts

Southeast Alaska business leaders were asked how COVID-19 is impacting their businesses. Responding employers have already laid off 30% of their total workforce due to the COVID-19 virus. Regional business revenue was down 42% so far due to the pandemic. Twenty-two percent of respondents say that they are at risk closing permanently, while 39% say that they are not at risk.

Total Businesses Responding = 440

Please estimate the percent revenue decline to your business due to COVID-19 so far.

= -42% overall

78% of responding businesses received COVID relief funding

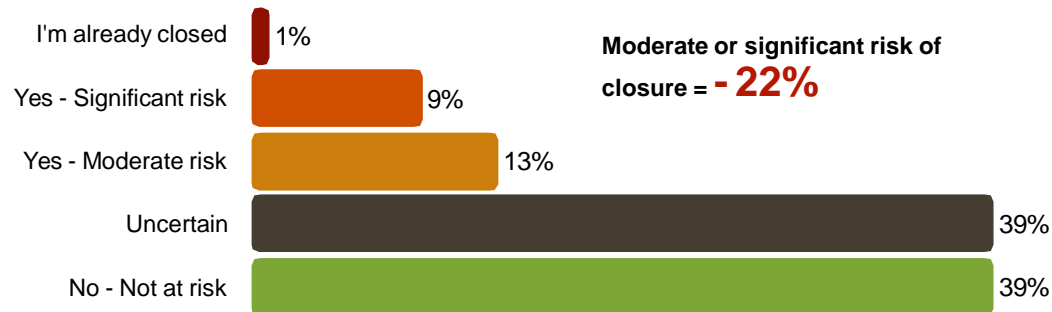
Respondents have laid off **30%** of existing staff so far due to COVID-19

15% expect to make more employment cuts in the future due to COVID-19

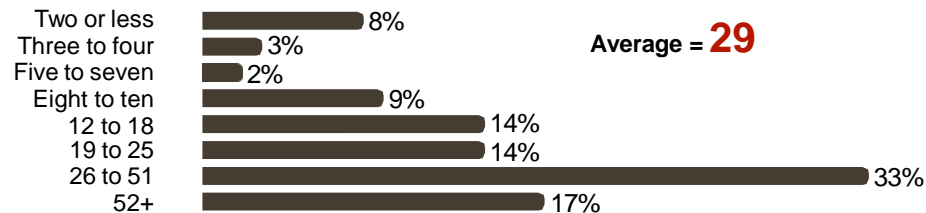
Average current workers per organization = **15**

Average workers laid off so far per business = **-7**

Is your business at risk of closing permanently because of impact caused by COVID-19?

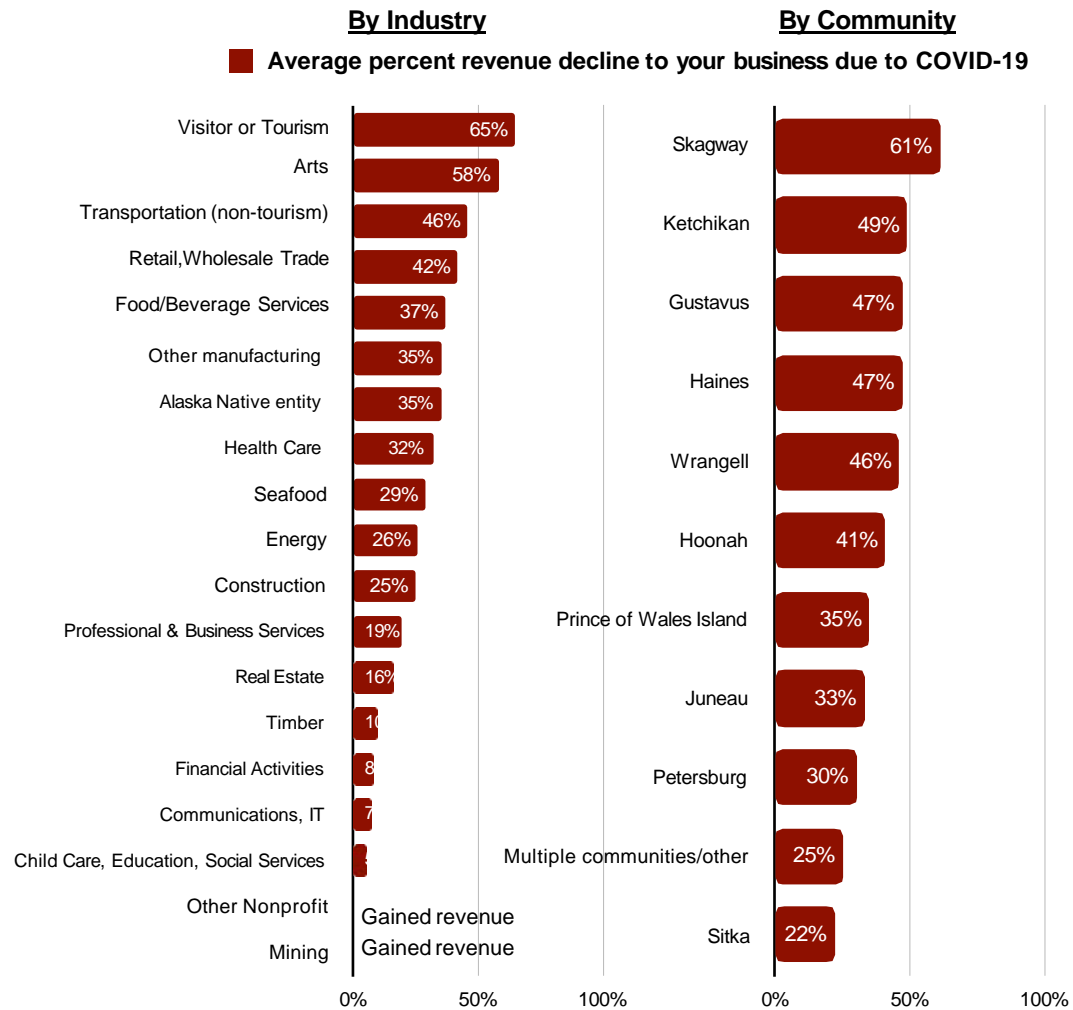


If you answered "yes" above, how many weeks of the current situation do you think you will be able to survive?



Please estimate the percent revenue decline to your business due to COVID-19: By Industry and Community

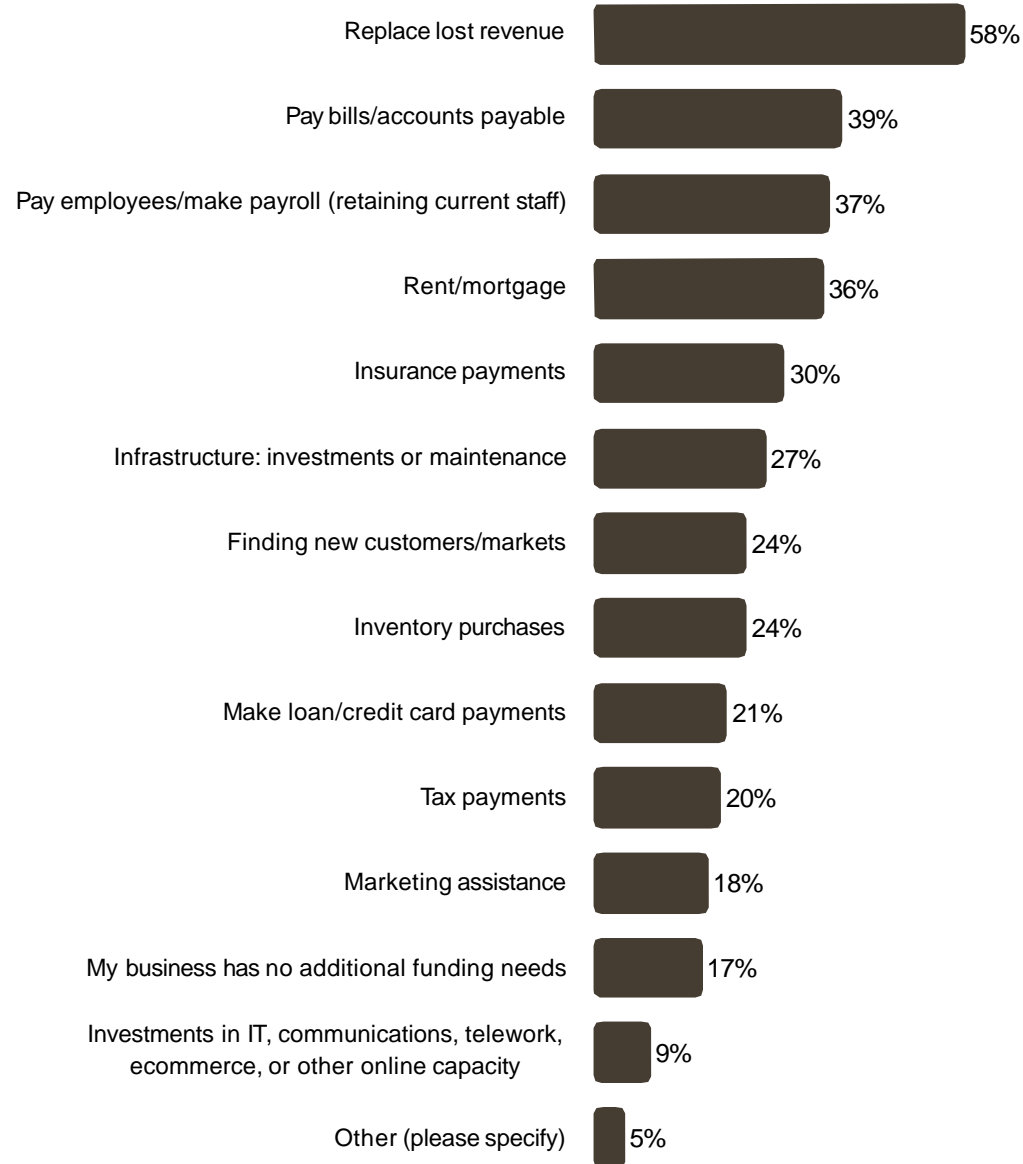
On average, reporting businesses have lost **42%** of their revenue due to COVID-19. However, there is significant variation between industry in community impacts. Businesses in the tourism sector are down by 65%, while arts sector is down by 58%. The mining and nonprofit entities were the only sectors to be revenue positive. By community, Skagway businesses have lost the most, with reported average revenue loss of 61%, followed by Ketchikan, Haines, and Gustavus. Sitka businesses report the smallest average revenue decline of “only” 22%.





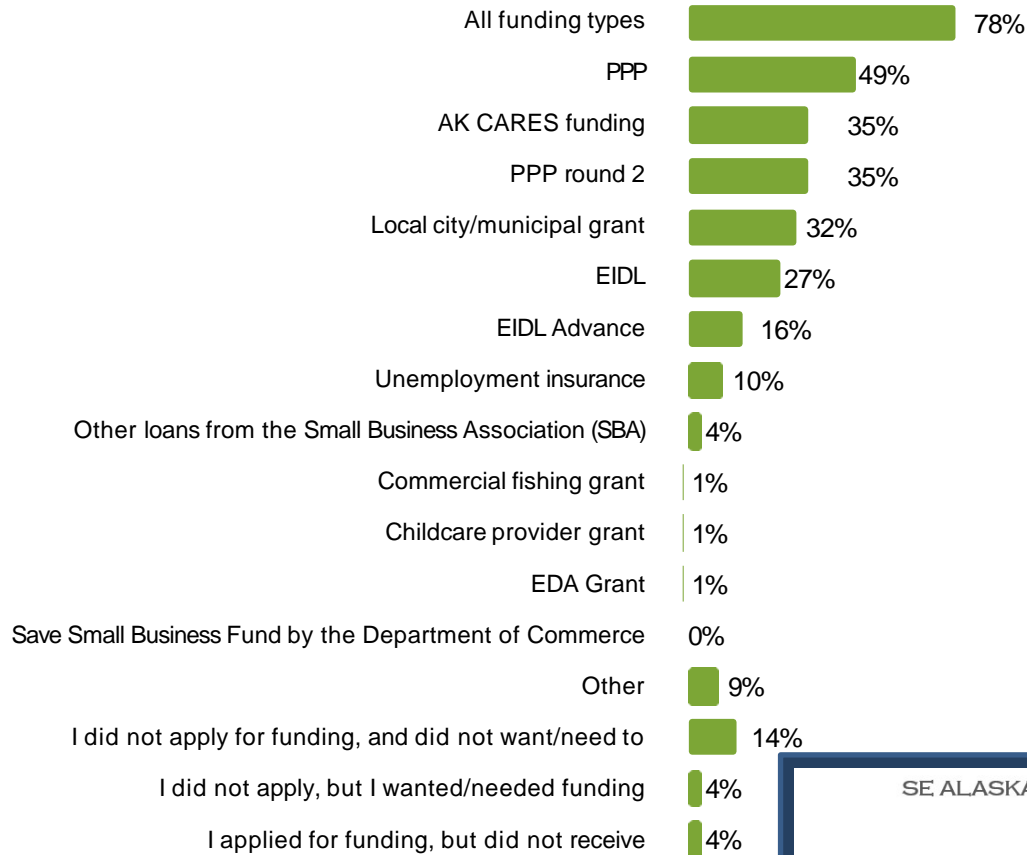
What does your business need funding for most moving forward? (check all that apply)

Business leaders were asked what help they most want and need moving forward. Top answers include replacement of lost revenue, help paying bills, making payroll, and mortgage and rent payments.



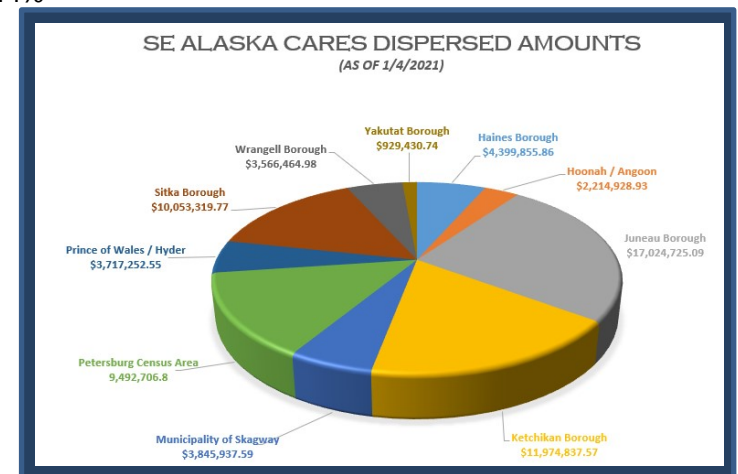
Did you receive any COVID-19 grants or loans to support your business? (check all that apply)

More than three-quarters of all reporting business leaders had received COVID relief funding for their organizations, including 49% who received the funds from the Payment Protection Program. Not everyone applied for funding, with 18% reporting not applying at all. An additional 4% said that they had applied for funding, but not received the funds.



Businesses receiving grants or loans = 78%

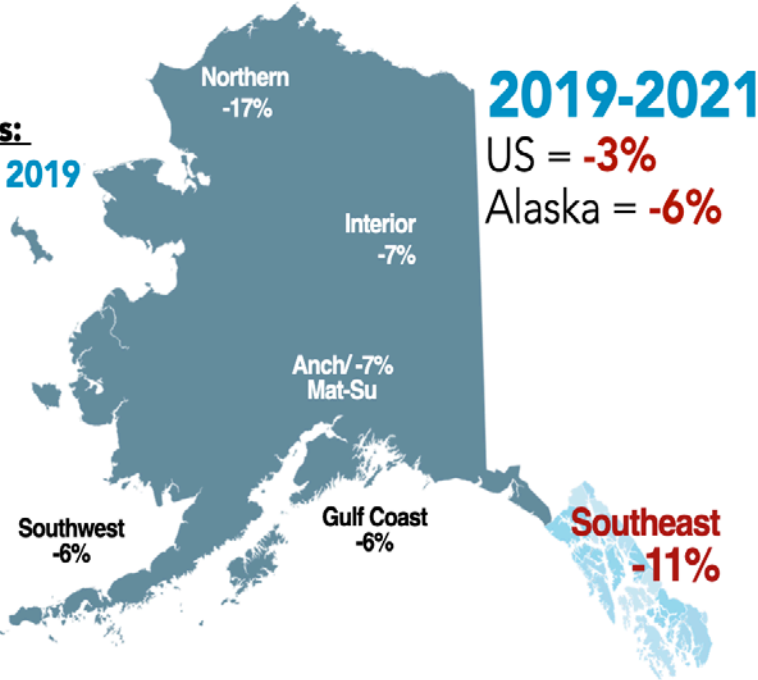
SE Conference provided technical assistance to businesses to access the Alaska CARES program which distributed 67.2 million dollars in aid to the region, helping 1,388 individual businesses.



How do COVID Southeast job losses compare statewide?

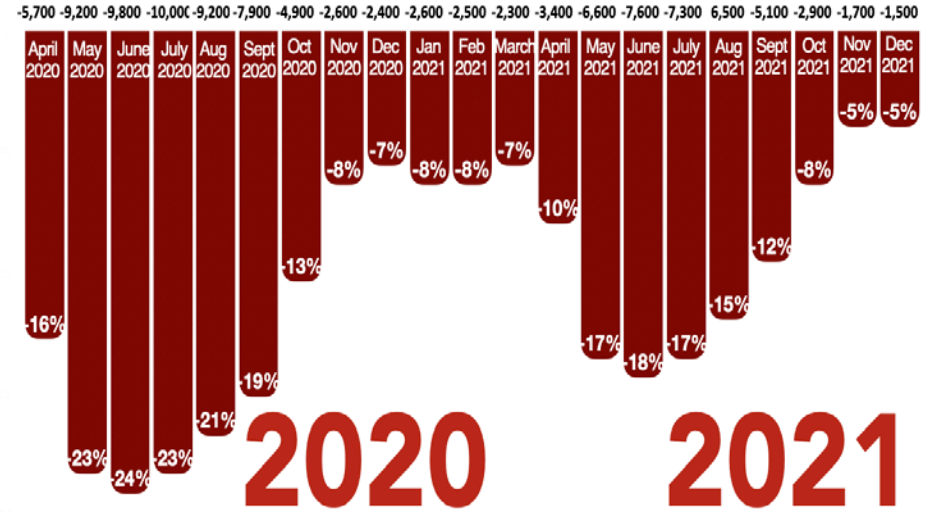
Loss of Alaska Jobs:
2021 compared to 2019

2021



21 Months of COVID-19 Job Losses

Compared to the same pre-pandemic month in 2019



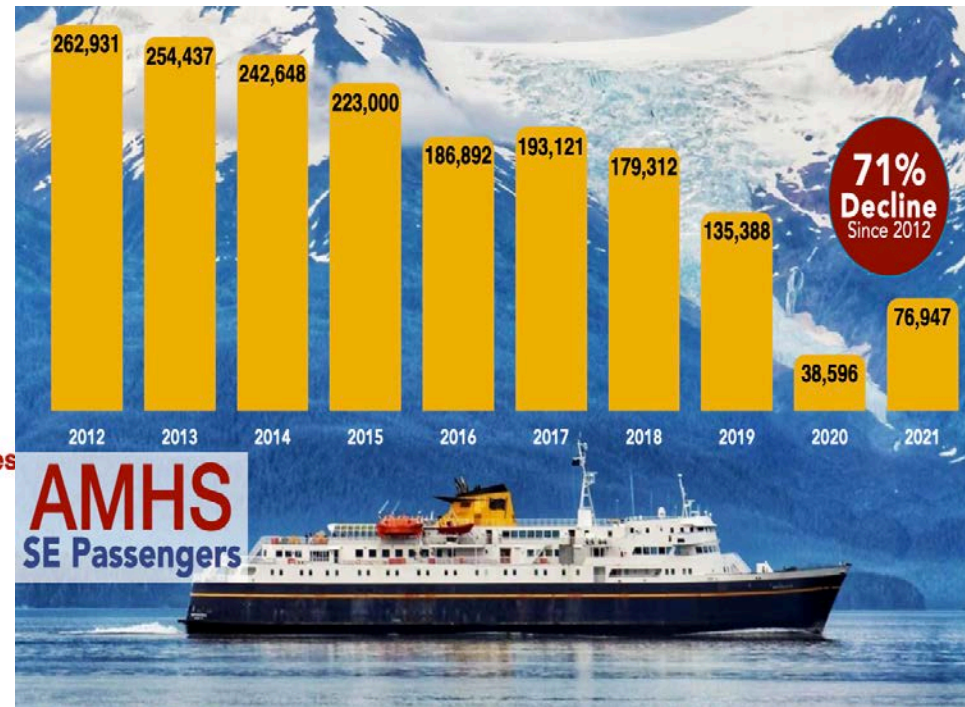
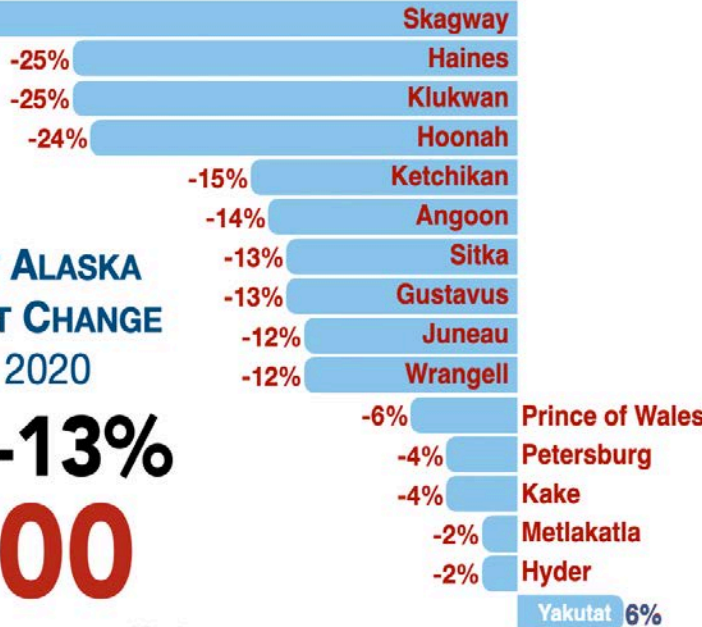
-48%

2020

SOUTHEAST ALASKA EMPLOYMENT CHANGE
2019 TO 2020

Jobs -13%
-6,000

Source: Alaska Department of Labor



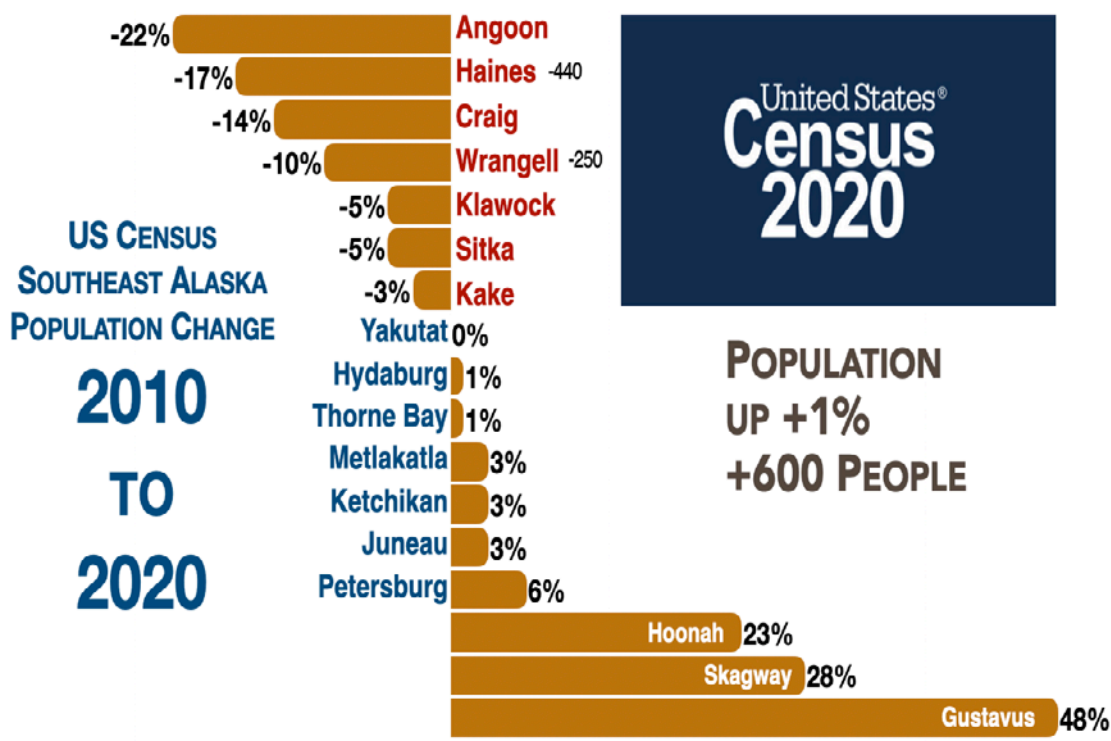
Cruise Passengers



2021 SALMON CATCH COMPARED TO 2020

+44 million fish X 4
+124 million pounds X 2.7
+\$82 million value X 2.6

The Southeast Alaska pink salmon harvest in 2022 is predicted to be weak



Infrastructure Bill: Alaska

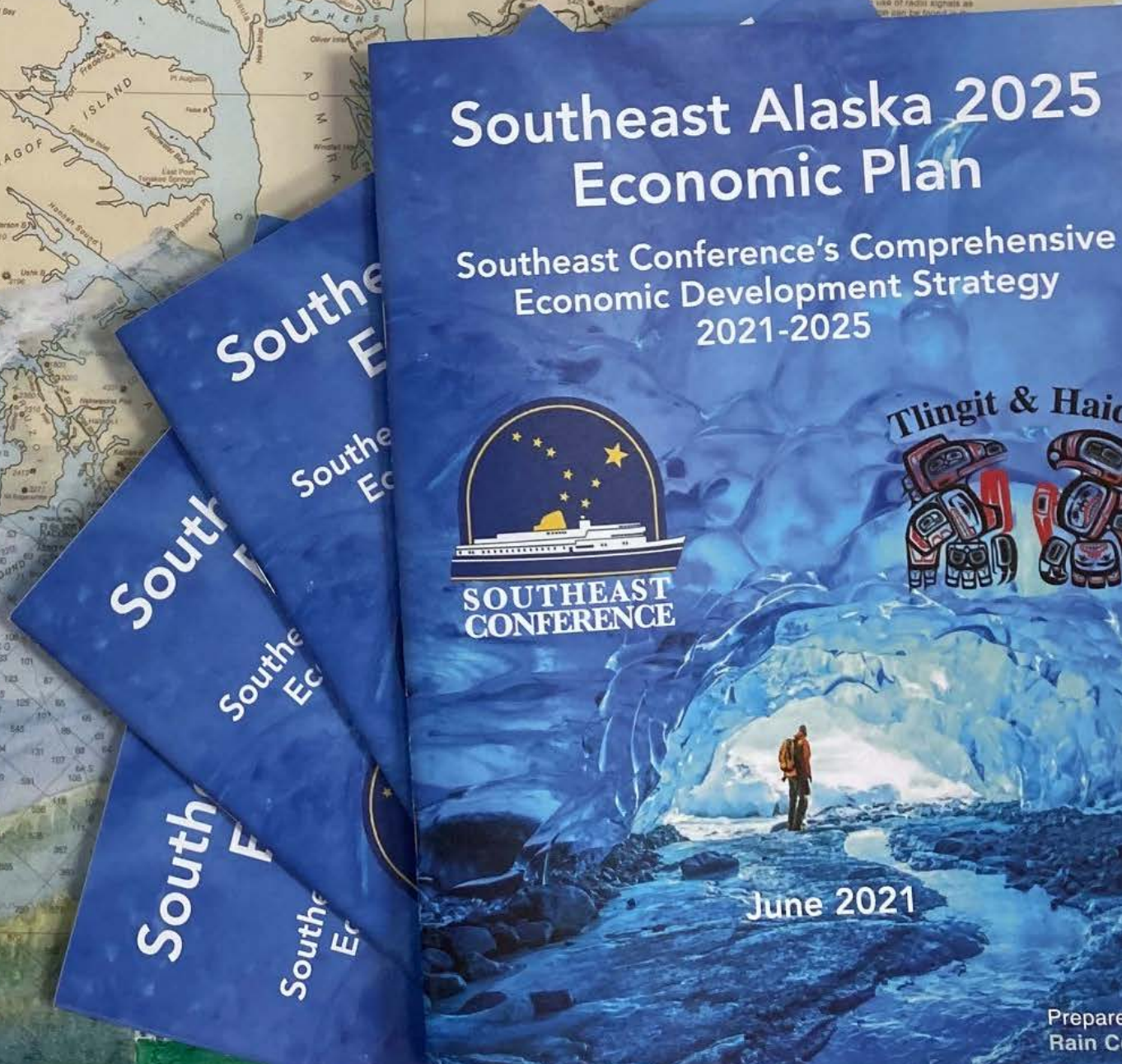
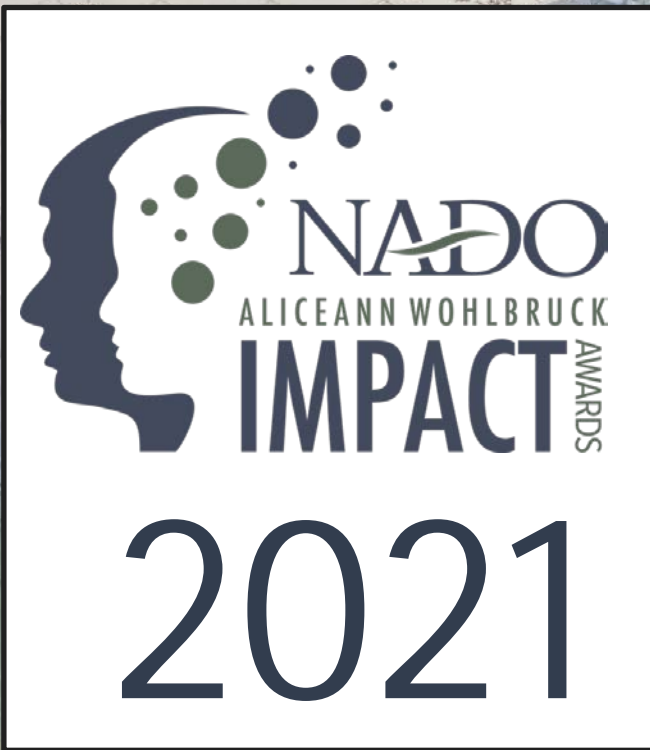
\$5 Billion

\$3.5 billion for highways
\$1 billion for the ferry system +
\$73 million for new ferries
\$225 million for bridges
\$180 million for water, wastewater projects

Highest spending per cap. benefit **5 YEARS**

2025 SOUTHEAST ALASKA ECONOMIC PLAN

Recipient of the 2021 NADO Impact Award





1
YEAR

9
COMMITTEES

36
MEETINGS

400
STAKEHOLDERS

50
ECONOMIC
INITIATIVES

4
PRIORITY
OBJECTIVES



USE OF COMMITTEES

	Transportation	Energy	Timber	Seafood	Health Care	Tourism	Mining	Other CEDS
Winter 2020	●	●	●	●	●	●	●	●
Spring 2020	●	●	●	●	●	●	●	●
Summer 2020		●	●	●				
Fall/Winter 2020	●	●	●	●		●	●	●
Spring 2021	●	●	●	●		●	●	●

SOUTHEAST ALASKA'S STRENGTHS, WEAKNESSES, OPPORTUNITIES & THREATS

Southeast Alaska SWOT Analysis: Strengths, Weaknesses, Opportunities and Threats 2020

At Southeast Conference's February 2020 Mid Session Summit, nearly 300 people representing small businesses, tribes, native corporations, municipalities and community organizations participated in two types of SWOT analyses: one for the region overall, and sector specific SWOTs within the Southeast Conference committee areas. Follow up work occurred between March through October in Zoom meetings and through surveys to improve and prioritize the sector-specific SWOTs. **This document is a summary of each of these Southeast Alaska SWOT analyses.**

A SWOT analysis is an in-depth analysis of strengths, weaknesses, opportunities, and threats. These regional SWOT analyses identify the region's competitive advantages along with internal or external factors that keep us from realizing our potential. It helps answer the question, "Where are we now?" by identifying critical internal and external factors that speak to the region's unique assets that we can leverage to maximize the economic potential of Southeast Alaska.

The sectors that received their own SWOTs include seafood, mining, energy, transportation, health care, tourism, and timber.

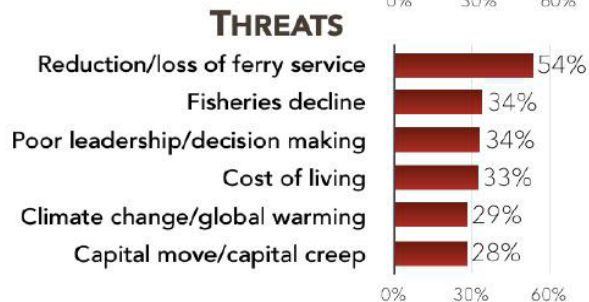
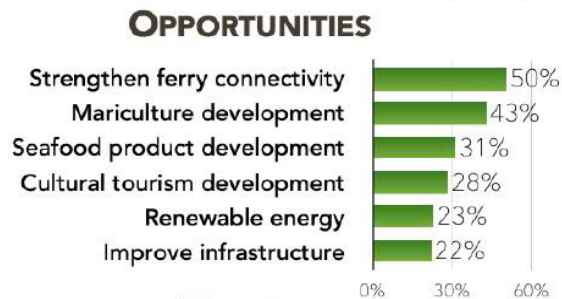
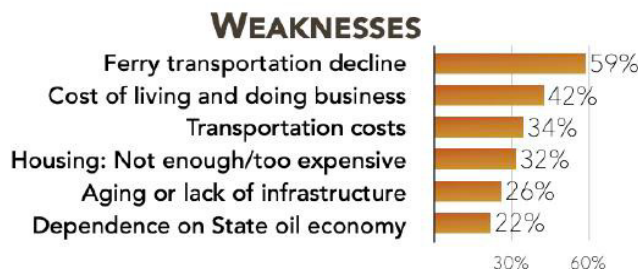
Conducting a SWOT analysis was the first step in a year long planning effort to develop the Southeast 2025

Economic Plan: A five-year economic development strategy that will act as a blueprint for regional collaboration and growth. In order to develop the elements of this plan—a clearly defined vision with prioritized goals & measurable objectives and a strategy-driven Southeast Alaska action plan—it was critical that an analysis of the region's competitive strengths and weaknesses were assessed so that the foundation of the plan could be built upon a common understanding and set of goals.

The first step for each SWOT was asking participants to write down their thoughts, and in doing so generated more than **2,500 individual written comments** that became part of this analysis. Once categories were solidified, Southeast Conference members participated in a series of prioritization exercises to determine the most significant components of the SWOT.

A full analysis of all 2,500 comments was conducted, and is presented on the following pages. A radical decline in ferry service drove three of the four top responses for each overall regional category:

- Top Strength: **Beauty and Recreation Opportunities**
- Top Weakness: **Decline of the Ferry Transportation**
- Top Opportunity: **Strengthening Ferry Connectivity**
- Top Threat: **Loss of Ferry Service**



REGIONAL SWOT SUMMARY

This page provides a summary of the full SWOT process, both for the overall SWOT of the Southeast Alaska economy, as well as for the sector specific SWOTs for seven regional industries.

Seafood

- Top Strength: **High quality product**
- Top Weakness: **Changing ocean conditions**
- Top Opportunity: **Increase value added processing**
- Top Threat: **Ocean acidification & changing conditions**

Health Care

- Top Strength: **Personalized care delivery**
- Top Weakness: **State budget cuts reduce workforce development options**
- Top Opportunity: **Development of health care courses at the university**
- Top Threat: **Growing health care costs**

Visitor Industry

- Top Strength: **Natural beauty of region**
- Top Weakness: **Community communications**
- Top Opportunity: **Collaborate with Alaska Native entities on cultural tourism**
- Top Threat: **COVID 19**

Mining

- Top Strength: **Provides high paying jobs**
- Top Weakness: **Extreme opposition by environmental groups**
- Top Opportunity: **Explore and develop new mineral deposits and expand existing mines**
- Top Threat: **Environmental groups/lawsuits**

Timber

- Top Strength: **High quality wood**
- Top Weakness: **Frequency of litigation**
- Top Opportunity: **Increased state and private lands**
- Top Threat: **Environmental litigation**

Transportation

- Top Strength: **Strong reliable airline services**
- Top Weakness: **AMHS service reductions**
- Top Opportunity: **Improve ferry service**
- Top Threat: **The demise of ferries**

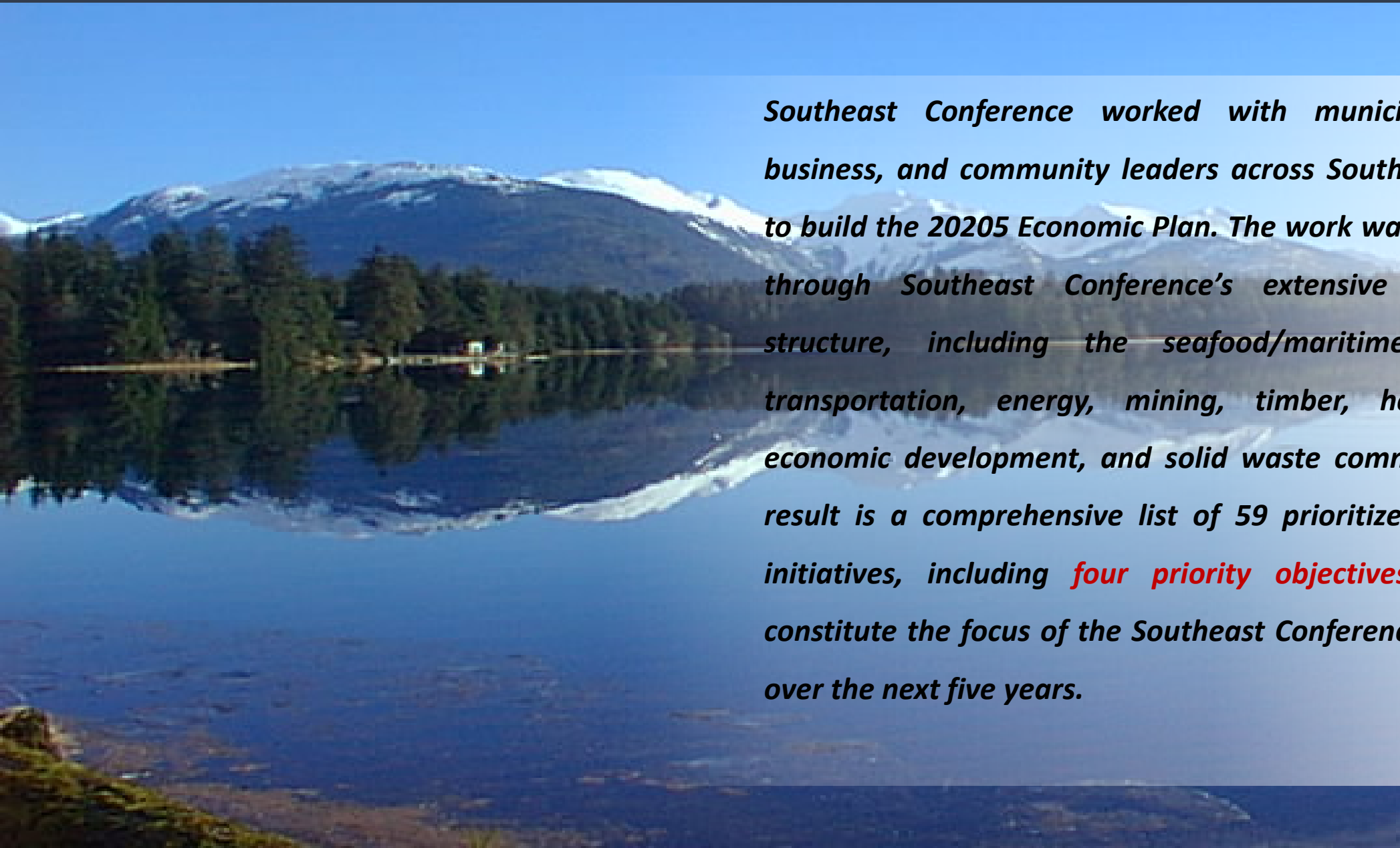
Energy

- Top Strength: **Abundant hydropower**
- Top Weakness: **High costs of infrastructure**
- Top Opportunity: **Expand regional intertie**
- Top Threat: **An economic downturn**





COMPREHENSIVE ECONOMIC DEVELOPMENT STRATEGY (C INITIATIVES



*Southeast Conference worked with municipal business, and community leaders across South to build the 20205 Economic Plan. The work was through Southeast Conference's extensive structure, including the seafood/maritime transportation, energy, mining, timber, health economic development, and solid waste comm result is a comprehensive list of 59 prioritized initiatives, including **four priority objectives** constitute the focus of the Southeast Conference over the next five years.*

TOP 50 ECONOMIC INITIATIVES

TRANSPORTATION

1. **Priority** Sustain and support the Alaska Marine Highway System
2. Develop a long-term, strategic, multi-modal, regional transportation plan
3. Ensure the stability of regional passenger transportation services
4. Move freight to and from markets more efficiently
5. Ports and harbors infrastructure improvements
6. Road Development



SEAFOOD & MARITIME

Seafood

1. **Priority** Mariculture development
2. Work to promote a year-round seafood economy
3. Further develop seafood markets
4. Maintain a stable regulatory regime
5. Research the effects of changing ocean conditions on the marine environment
6. Support regional processors becoming economically competitive
7. Communicate the importance of salmon hatcheries
8. Seafood sector workforce development
9. Full resource utilization & ocean product development

Maritime

1. Increase employment & training opportunities for Southeast Alaska residents in the Marine Industrial Support Sector
2. Increase energy efficiency & reduce energy costs

VISITOR INDUSTRY

1. **Priority** Market Southeast Alaska to attract more visitor spending and visitor opportunities
2. Grow cultural and arts tourism opportunities
3. Increase access to public lands and expand trail network
4. Increase yacht and small cruise ship visitation
5. Educate public on the economic value of tourism



ENERGY SECTOR

1. **Priority** Promote beneficial electrification
2. Continue to support rural Southeast communities with high-cost electric rates without access to lower cost hydroelectricity

3. Work with communities to create energy systems that provide sustainable, affordable, renewable thermal energy
4. Implement regional energy plan with a focus on "committed units" and deployment of renewables
5. Energy workforce development

MINING INDUSTRY

1. Proactively support mining operations and mineral exploration projects
2. Support efforts to increase access to minerals and energy sources for mining on state and federal lands
3. Mining and exploration workforce development
4. Preserve access to reliable, year-round transportation for miners living in rural Southeast Alaska
5. Attract mining capital

HEALTH CARE

1. Plan for a post COVID-19 health care system
2. Retain Alaska-trained health care students
3. Meet the health care needs of an aging population
4. Increase health care training within the region and state



TIMBER INDUSTRY


1. Provide an economically viable and dependable supply of timber from the Tongass National Forest to regional timber operators
2. Revise the Tongass National Forest Land Management Plan
3. Support an integrated timber industry that includes harvest of young growth and old growth
4. Community-based timber workforce development
5. Work with USFS to direct federal contracts and timber sale opportunities toward eligible locally owned businesses

OTHER OBJECTIVES

1. **Child Care:** Increase child care capacity
2. **Housing:** Support the sustainable development of housing
3. **Communications:** Improve communications access
4. **Education Objective:** Partner with University of Alaska Southeast and K-12 school districts to build career pathways and meet employer needs for a skilled workforce



2025 CEDS PRIORITY INITIATIVES

1. **Transportation:** Sustain and support the Alaska Marine Highway System
 2. **Seafood:** Mariculture development
 3. **Visitor's Industry:** Market Southeast Alaska to attract more visitor spending and opportunities.
 4. **Energy:** Promote Beneficial Electrification
- 

Welcome to

2022 SOUTHEAST CONFERENCE MID-SESSION SUMMIT

**GETTING BACK TO
BUSINESS**

February 8-9, 2022



COVID- SAFE TRAVEL GRANT



\$253,415.00

Awarded June 7 -Aug 31

**HAINES ♦ WRANGELL
GUSTAVUS ♦ SKAGWAY**

Used funds to promote and build promotion portfolio for under-represented communities

MISSION

Target Independent Travelers
Online Focus - social media
and electronic advertising
Build image portfolio to use in
promotions for future

DISASTER RECOVERY EFFORTS





SEASWA TIRE CUTTER



REDA PROGRAM

Renewable Energy Development Assistance



BENEFICIAL ELECTRIFICATION

Priority objective

STATEWIDE ASSISTANCE

for renewable energy adoption in the private sector

PARTNER ORGANIZATIONS

Innovation Insights, REAP, ACEP

GOALS

Renewable Energies in Rural Alaska

Tools for small businesses

Increase Capacity Building

Empower Local Champions

Fill in funding gaps

Bolster opportunities for success



TRANSPORTATION SYMPOSIUM



FEBRUARY 10, 2022 JUNEAU, ALASKA

Transportation Resolutions

- 1 Supporting Funding for the Community Transportation Program
- 2 Supporting Direct Funding to Communities for Transportation Projects
- 3 Supporting Efforts to Implement in Alaska the Electric or Low-Emitting Ferry Pilot Program
- 4 Supporting changes to the Governance Structure of the Alaska Marine Highway System by Evaluating the Reassignment of the AMHS to the AK Dept of Commerce, Community and Economic Development
- 5 Supporting Multi-Use Waterfront Infrastructure
- 6 Supporting Strategic Use of Funds

LOW-EMISSIONS FERRY OPERATIONS FEASIBILITY

within the AMHS Service Area

1. Concept Vessel Design and Operation Analysis

Route and Service area, vessel needs assessment, propulsion systems, vessel construction, crew requirements, operational costs

2. Shoreside Infrastructure Analysis

Generation Capacity, Electrical Grid capacity, and port infrastructure

3. Financial and Economic Analysis.

Operating revenue and expenses, assessment of port community economic benefit analysis



COMING IN 2022

Reinventing the Tongass Economy

MARICULTURE COMMUNITY
PROCESSING FACILITY

An Industry "Incubator"



NATURAL RESOURCE DEVELOPMENT COMPLEX



KETCHIKAN

Gravina Island

DECREASE FOREIGN DEPENDENCE

80% of metals currently coming from China –
used in screens, car computers,

UAS TRAINING FACILITY

Lab for mining students

BOLSTER ECONOMY

65 year-round, high paying jobs
Increase Tax Base



COMMUNITY WOOD PELLET MILL



SMALL SCALE

containerized pellet mill

KETCHIKAN

Gravina Island

PROJECT BENEFITS

Fill need of regional demands

Utilize wasted biomass

Lower energy costs

Create local jobs

If successful, this mill can serve as
a prototype for other locations

MARICULTURE IS...



Enhancement, restoration and farming of shellfish and seaweeds.

WHY MARICULTURE?

Mariculture = Opportunities & Benefits for Alaskans

economic, industrial, environmental, cultural, and food security



Seagrove Kelp Company harvesting near Craig, Alaska



MARICULTURE'S MOMENT

USDA \$500,000 award for pre-construction activities for a shared processing facility on POW (funding proposed in Governor's budget)

BBB Finalist with Application for Mariculture support and development in the region.

International interest in coming to the region to invest in mariculture.

AK Mariculture Cluster – statewide!



ALASKA MARICULTURE CLUSTER

\$500,000 planning grant; chance for Phase 2 of \$50 million

(SEC = Lead, Coalition Steering Committee = KPEDD, PWSEDD, SWAMC, AFDF, AMA, University, ASG, ALFA, Central Council, State of Alaska)

FINALIST
\$1 Billion
Build Back Better
Regional Challenge

- 1) Alaska Integrated Hatchery Network
- 2) Capital to expedite private investment in mariculture development
- 3) Workforce development to support the mariculture industry
- 4) Vessel energy audits and efficiency improvements
- 5) Innovation Fund
- 6) Product and market development
- 7) Coordination between industry, university, government & Alaska Native participants
- 8) Public education & outreach for continued acceptance and support



SUPPORT FOR REGIONAL PROJECTS



Supporting

SOUTHEAST ALASKAN COMMUNITIES

Metlakatla ♦ Sitka ♦ Wrangell ♦ Petersburg
Yakutat ♦ Hoonah ♦ Ketchikan ♦ Haines
Angoon ♦ Juneau ♦ Gustavus



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SOUTHEAST ALASKA REGIONAL DEVELOPMENT ORGANIZATION

April 13, 2022

Senator Lisa Murkowski
522 Hart Senate Office Building
Washington DC 20510

Dear Senator Murkowski,

Southeast Conference supports federal funding for the "Capital City Civic Center" that, while located in Juneau, would be a regional asset for Southeast Alaska. This facility will be competitive for attracting conventions and serve a multitude of needs for the community, the region and all Alaskans that visit the capital city. Attracting visitors and economic development to the region begins in Juneau, then flows to the rest of the region. Southeast Conference supports and recognizes the value of this priority project of the City and Borough of Juneau, the Greater Juneau Chamber of Commerce and Travel Juneau.

The mission of the Southeast Conference is to undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska. Since 1958, Southeast Conference has advocated for issues that are key to the southeast region as a whole - looking for consensus and areas that can work together for the betterment of the region. Southeast Conference is the State of Alaska Regional Development Organization for Southeast Alaska and the US Economic Development Administration's (EDA), designated Economic Development District (EDD) for the region.

Southeast Conference is responsible for developing a Comprehensive Economic Development Strategy (CEDS) for Southeast Alaska that is designed to identify regional priorities for economic and community development. Among the economic initiatives identified in Southeast Conference's 2025 Southeast Alaska Economic Plan are to market Southeast Alaska to attract more visitor spending and visitor opportunities, support the arts and grow cultural tourism opportunities. This Capital City Civic Center project is consistent with these regional priority initiatives.

The current outdated and poorly functioning facility, Centennial Hall, is nearly 40 years old. This Civic Center would be a centerpiece for the development of the Auke Village Arts District and a keystone for community events and competitive convention business. We encourage you to support funding for this project.

Sincerely,

Robert Venables
Executive Director





THANK YOU!



SOUTHEAST
CONFERENCE

Robert Venables

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