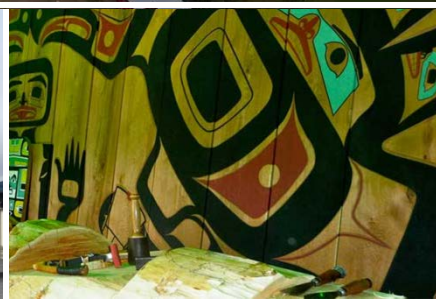


Hoonah Economic Snapshot



City of Hoonah
Economic Development Committee



May 2016

prepared by:



HOONAH ECONOMIC SNAPSHOT

EXECUTIVE SUMMARY: HOONAH COMMUNITY + ECONOMIC INDICATORS	1
INTRODUCTION	3
“GROWING” HOONAH’S ECONOMY	5
DEMOGRAPHICS	7
Population.....	7
Migration	9
COMMUNITY INCOME	10
Unemployment	12
Poverty	13
BUSINESSES IN HOONAH	14
TOP JOBS IN HOONAH	15
HOONAH WAGES AND EMPLOYMENT	17
Hoonah Wages and Employment, 2006-2015	17
Significant Growth Occurred between 2014 and 2015	19
2015 Wage and Employment Detail.....	20
MAJOR MUNICIPAL GOVERNMENT REVENUE SOURCES.....	22
COST OF LIVING	23
Electricity	23
Gasoline and Heating Fuel	25
HOUSING.....	26
AIR AND MARINE FREIGHT.....	28
COMMERCIAL FISHING, MARITIME INDUSTRY	29
Commercial Fishing and Seafood Processing.....	29
Hoonah Marine Industrial Center	31
Docks and Harbors.....	32
VISITOR INDUSTRY	33
Cruise Traffic and Icy Strait Point	33
Independent Visitors.....	34
AMHS Ferry Transportation.....	35
FOREST PRODUCTS.....	37
HEALTH CARE	39
CULTURE	40
FOOD.....	42

Acronym Guide

ACS	US Census American Community Survey
ADEC	Alaska Department of Environmental Conservation
ADEED	Alaska Department of Education and Early Development
ADF&G	Alaska Department of Fish and Game
ADOLWD	Alaska Department of Labor and Workforce Development
ADOR	Alaska Department of Revenue
ADOT&PF	Alaska Department of Transportation and Public Facilities
AHFC	Alaska Housing Finance Corporation
ALARI	Alaska Local and Regional Information
AMHS	Alaska Marine Highway System
AML	Alaska Marine Lines
ANB/ANS	Alaska Native Brotherhood/Alaska Native Sisterhood
BTS	US Bureau of Transportation Statistics
CFEC	Commercial Fisheries Entry Commission
DCCED	Department of Commerce and Community Economic Development
DCRA	Division of Community and Regional Affairs
HIA	Hoonah Indian Association
HTC	Huna Totem Corporation
IPEC	Inside Passage Electrical Cooperative
ISP	Icy Strait Point
NAICS	North American Industry Classification System
NOAA	National Oceanic and Atmospheric Administration
NPS	National Park Service
PFD	Permanent Fund Dividend
PK-12	Preschool through 12 th Grade
QCEW	Quarterly Census of Employment and Wages
SSA	Statistical SubArea
SEARHC	Southeast Alaska Regional Health Consortium

Cover photos from City of Hoonah website (aerial shot), Icy Strait Point website (cannery), National Park Service (image from Huna Tribal House), Haul-out and SEARHC Medical center by Barbara Sheinberg. Photos in report by Barbara Sheinberg unless noted otherwise.

NOTE: This report was updated June 1, 2016

EXECUTIVE SUMMARY:

HOONAH COMMUNITY + ECONOMIC INDICATORS

Six Years of Change: 2010 to 2015

DEMOGRAPHICS	2010	2015	CHANGE
Population ¹	760	783	+ 3%
Net In/Out Migration ²	+ 14	- 4	
Median Age ³	44.6	N/A	
K-12 School District Enrollment ⁴	124 ('10/'11)	119 ('15/'16)	- 4%
Total PFD Applications ⁵	820	846	+ 3%
Child PFD Applications	166	191	+15%
Dwelling Units ⁶	399	417	+5%
Seasonally Occupied Dwelling Units ⁷	34	N/A	
Number Residential Electric Customers ⁸	365	377	+ 3%
EMPLOYMENT + BUSINESSES	2010	2015	CHANGE
Total Employment ⁹	335	375	+ 12%
Total Wages	\$10,697,792	\$13,382,631	+ 18%
Average Annual Wage ¹⁰	\$31,934	\$36,912	+ 16%
Percent Private Sector Jobs	59%	63%	+ 4%
Number of Businesses in Hoonah (per AK biz licenses)	-	100	
Unemployment Rate ¹¹	14.1%	15.0%	+ 0.9%
Free/Reduced Price Lunch Eligibility (% of students) ¹²	58% ('10/'11)	62% ('15/'16)	+ 4%
RESIDENT INCOME ¹³	2010	2014	CHANGE
Per Capita Income ¹⁴	\$24,426	\$26,050	+ 7%
Median Household Income ¹⁵	\$50,511	\$52,125	+ 3%
Median Family Income ¹⁶	\$54,792	\$63,250	+ 15%
COMM. FISHING & MARINE INDUSTRY	2010	2015	CHANGE
Number Haul-Outs at HMIC	2	120	+ 5900%
Percent Haul-outs that are Not Hoonah Residents	-	77%	
Number of Comm. Fishing Permits Issued ¹⁷	129	113	- 12%
Pounds Comm. Fish Landed by Hoonah Residents ¹⁸	2,533,594	3,429,800	+ 35%
Estm. Gross Earnings Comm. Fishing (Ex-Vessel Value) ¹⁹	\$2,695,176	\$1,740,171	- 35%
State Fisheries Business Tax to City ²⁰	\$108,022	\$76,574	- 29%
Number Comm. Vessels Homeported in Hoonah ²¹	88	74 (2014)	- 16%
VISITOR TRENDS	2010	2015	CHANGE
Cruise Ship Port Calls ²²	63	76	+ 21%
Cruise Ship Passengers ²³	122,974	150,434	+ 22%
State Commercial Passenger Vessel Excise Tax to City ²⁴	\$640,015	\$688,980	+ 8%
Sales Tax by ISP to City	\$326,581 (2009)	\$453,642	+ 39%
MUNICIPAL GOVERNMENT	2010	2015	CHANGE
Total Sales Tax Revenue ²⁵	\$998,211	\$1,460,208	+ 46%
Local Government Employment	104	111 (2014)	+ 7%
Local Govt. Employment as a % of Total Employment	33%	30% (2014)	- 3%
HOONAH TRANSPORTATION	2010	2015	CHANGE
Airport Passenger Arrivals ²⁶	8,748	9,780	+ 12%
AMHS Passenger Arrivals ²⁷	5,040	5,453	+ 8%
Air Freight Arrivals (in pounds) ²⁸	208,939	178,570	- 15%
Marine Freight (in pounds) ²⁹	6,915,496 (4/11 -3/12)	8,431,571 (4/15-3/16)	+22%

Growth and economic gain characterizes the last 5-6 years in Hoonah.

Since 2010 Hoonah's overall population, the number of children, number of homes and electrical customers, number of jobs, total wages, and average annual wages are all up. The number of visitors, pounds of marine freight being shipped, number of ferry and airplane passengers, and the number of vessel haul-outs at the Hoonah Marine Industrial Center's 220-ton travel lift all increased during this period. Icy Strait Point brought in 76 cruise ships and 150,000 visitors in 2015.

Growth in 2015 in particular was significant, with a 10% increase in wages and a 3% increase in employment in the Hoonah area. This compares to a ½ of one percent inflation rate for Alaska that year.

Despite this generally bright story, the number of residents who are commercial fishing and the amount of revenue generated from local seafood processing is on a downward trend.

Private sector jobs dominate the economy providing 63% of all wage and salary employment. In addition, 100 have a state business license indicating their business is physically located in Hoonah. Sales of goods and services in Hoonah that were subject to sales tax in 2015 totaled \$22.5 million.

The nature of work in town is changing. Today there are fewer goods-producing jobs like commercial fishing, seafood processing, and timber harvesting compared to a decade ago. Hoonah residents do still have 74 fishing vessels homeported in town and two small mills producing value added products sold around the region. Today service-providing jobs dominate including health care, retail, and jobs that cater to visitors such as offering lodging, restaurants (locals enjoy this too), to selling goods and experiences like whale watching and guided fishing and hunting, and photography. Shifts like this are occurring in many Southeast Alaskan communities.

New types of economic opportunities are occurring in Hoonah. A reality TV show has been filming in town for 3 years that includes a crew of 20-25 young people. In 2015-2016 an oyster farm, brewing company, and a commercial greenhouse all are starting up. A tribal long house for installation in Hoonah people's ancient home in Glacier Bay and two large dugout canoes to make the trip are being created in the center of town, strengthening cultural identity and pride for all involved, which in turn creates a healthier more resilient community and workforce.

Per capita income in Hoonah is up approximately 7% over the last five years, but a look at income distribution shows that while 18% of Hoonah households earn \$100,000 or more, 24% earn \$25,000 or less. During the 2015/2016 school year almost two-thirds of students qualified for a free or reduced fee school lunch. To qualify for a free lunch a family of four is earning less than \$39,500.

This Economic Snapshot is one part of the City of Hoonah Economic Development Committee's 2016 work to develop economic priorities for the community.

INTRODUCTION

Hoonah is a 1st class city in Southeast Alaska. It is 40 miles west of Juneau on Chichagof Island, the 5th largest island in the United States. The City of Hoonah was incorporated in 1946. The tribal government is the Hoonah Indian Association, the Village Native Corporation is Huna Totem Corporation, and the Regional Native Corporation is Sealaska. Hoonah (Xu.naa; Huna) means "place protected from the north wind" in the Tlingit language. Huna people occupied the Glacier Bay/Icy Strait area since prehistory.

Hoonah is within the Hoonah-Angoon Census Area. The Hoonah-Angoon Census Area includes the cities of Hoonah, Angoon, Tenakee Springs, Gustavus, and Pelican; the communities of Game Creek, Elfin Cove, Funter Bay, and Gull Cove; and all surrounding land and residents (see map on next page).

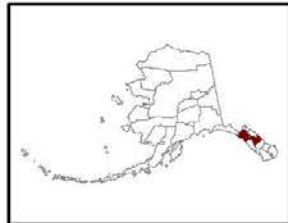
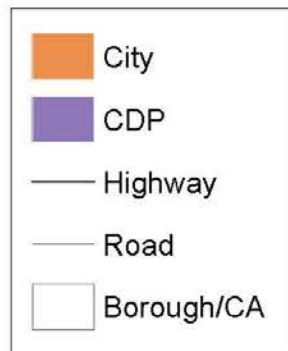
The City of Hoonah contracted with Sheinberg Associates to assist the Hoonah Economic Development Committee and community set economic development priorities. Work included:

1. **Hoonah Economic Snapshot:** Prepare a baseline report of current economic conditions.
2. **Community Workshop:** Engage the public to review current conditions and how economies diversify, discuss Hoonah's economic opportunities and challenges, community economic goals, and the final plan.
3. **Hoonah Economic Plan:** Understanding current economic conditions, and information from the public and business owners, work with the Hoonah Economic Development Committee to prepare an Economic Development Plan that identifies economic goals and priorities.

This Hoonah Economic Snapshot:

- **Provides information about Hoonah's current economic conditions and change over the last five-ten years;**
- **Is a baseline for the economic planning process; and**
- **Will be used to help make informed fact-based decisions and to set priorities.**

Hoonah-Angoon Census Area



Prepared by:
Alaska Department of Labor
& Workforce Development

September 2011

Source: US Census
2010 TIGERline



“GROWING” HOONAH’S ECONOMY

Hoonah is looking to make its community and local economy more “resilient.” Resilience is about strength + flexibility. If you bend a stick, it will break if it is not resilient; but if it is resilient, it can bend under stress but retain its shape, bounce back, and continue to be strong.

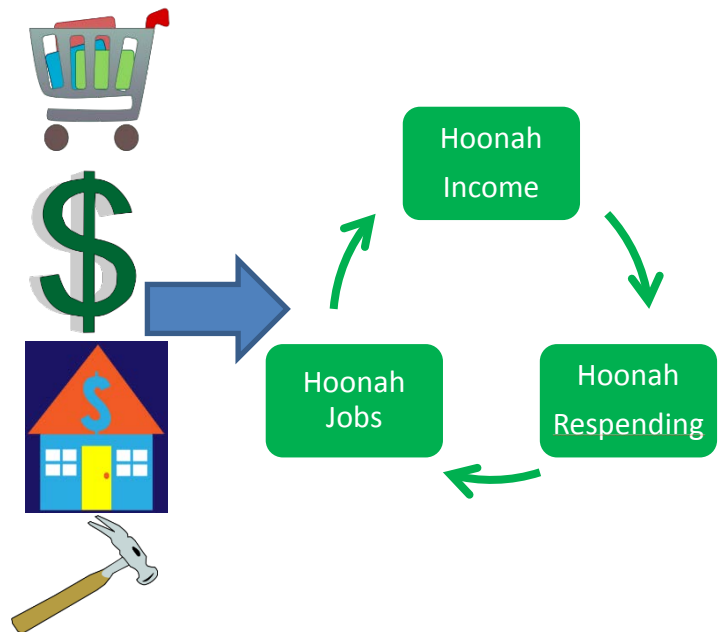
Economies work and grow in two ways: (1) bring money into town, and (2) keep money recirculating around town (and delay it from “leaking out” as long as possible).

Some examples of bringing money to town are:

- When tourists visit and spend money in Hoonah (including at Icy Strait Point) shops and on local experiences, their money helps create and keep jobs in Hoonah.
- When an entity (e.g. City, Hoonah Indian Association, US Forest Service, Huna Totem Corporation) gets a federal, foundation, or other grant and spends it in town, this creates and keeps jobs in Hoonah.
- When Hoonah Cold Storage buys fish and Icy Straits Lumber harvests wood, and then sells it or adds value to it by turning it into a product and then selling it, the money that is paid for these products is new money brought to town. This money and activity creates and keeps local jobs.
- When someone from Juneau hauls their boat out in Hoonah, this brings new money to town and helps support the city and keeps harbor staff working. When a Hoonah resident hauls their boat out in town their fees keep money re-circulating in town and supports harbor staff. If a local worker is hired by anyone to work on a boat this re-circulates money in town (see below).

Some examples of keeping money recirculating in town are:

- When someone goes to the SEARHC clinic go for a health care matter (rather than somewhere outside of Hoonah), this spends money in town and creates and keeps jobs in Hoonah
- When someone goes out to eat or buy a drink at the Lodge, Marys, Fish Chipper, the Office, Icy Strait, Brewing, ISP or other local place, this helps support that restaurant so they can keep people employed.
- If that Hoonah restaurant (or store) can buy their food or supplies locally in Hoonah, that recirculates the money again – putting that money “harder to work” and keeping local jobs and opportunities for residents.



With this basic understanding of local economies, it should be clear that the three ways to make the Hoonah economy stronger and more resilient are to:

1. **Support Local Businesses** (through individual and group purchases, good word-of-mouth, business-friendly local regulations and policies, etc.)
2. **Bring Additional Money into Town** (for example, increasing visitors that spend money locally, creating more ways/making it easier for visitors to spend money locally, manufacturing and selling local products and services to those that live outside of Hoonah, bringing in funding from outside of Hoonah that supports businesses and jobs, etc.)
3. **Have more Goods and Services Available for Purchase in Town**, to keep money circulating through Hoonah, which supports local businesses and employment.

For the City of Hoonah specifically, its' roles can include:

- Setting city and community short and long term priorities
- Promoting priorities
- Strategic investments in infrastructure
- Land supply and zoning
- Permitting and tax policies
- Workforce development, as appropriate and in partnership
- Maintaining good communication with residents and businesses
- Promoting Hoonah as a good place to work, live, visit, and invest
- Supporting local business alliances and information sharing, like the City's Hoonah Economic Development Committee and the local Hoonah Economic Development Council

Everyone has a role to play in Hoonah's economic success:

- Individuals make decisions many times a day on where to buy goods, where to go for needed services, and whether to be positive or not when talking about new or different opportunities and businesses in town. These individual choices add up and make an economic difference.
- Good communication and alignment among Hoonah "entities" (City of Hoonah, Hoonah Indian Association, Huna Totem Corporation, Sealaska Corporation, US Forest Service, ANB/ANS, etc.) makes the economy and community more resilient and stronger. Each entity has a different mission, interests, and responsibilities. It is thus not surprising that alignment can be hard to achieve. However, elected officials and decision-makers pay attention when multiple entities agree on a course of action and speak with a united voice, often translating into political support and funding. Since each has access to different types of funding agreement on a priority can also lead to building upon or leveraging each other's project funding.
- It is not unusual for new enterprises, people, and change to be greeted with doubt - especially in small towns. However, it is important to keep in mind that as individual businesses succeed the economic tide in town rises and almost everyone rises with it; likewise when businesses fail the community's economic tide turns down and the trickle effect will cause others to struggle too. Remember that, "we're all in this together".

DEMOGRAPHICS

Population

According to the Alaska Department of Labor and Workforce Development (ADOLWD), an estimated 783 people lived in Hoonah in 2015. Hoonah residents make up 36% of the population of the Hoonah-Angoon Census Area. The 2010 US Census documents that the majority of Hoonah residents are Alaska Natives (Figure 1).

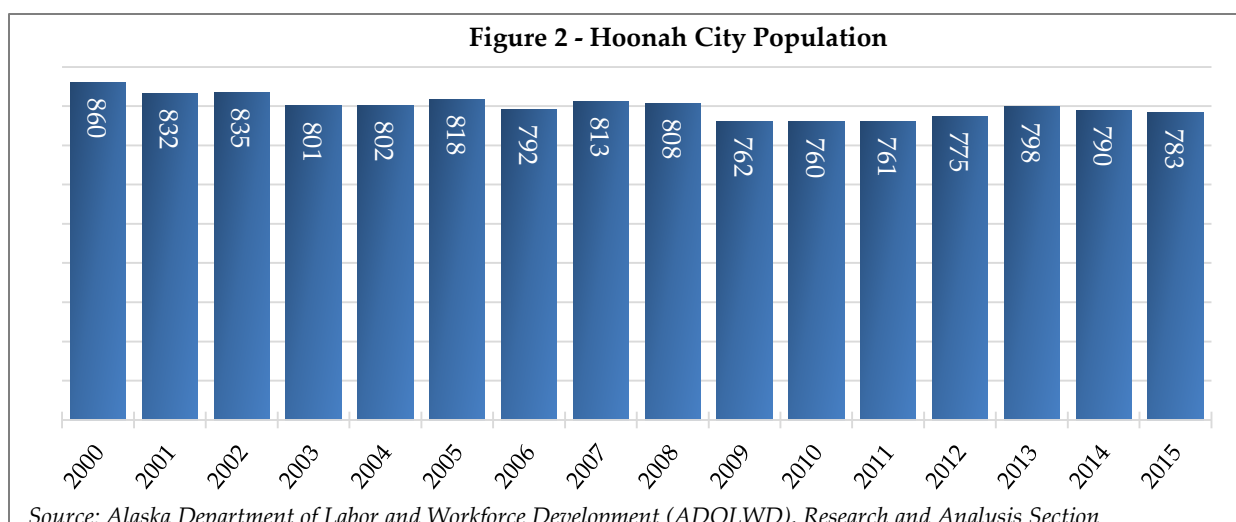


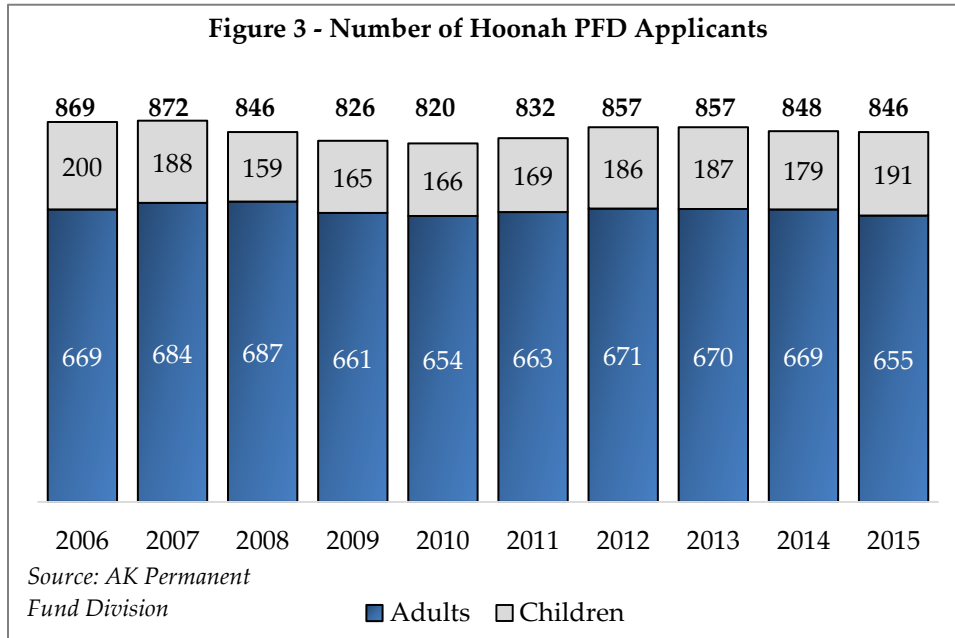
Since 2000, the population of both Hoonah and of the Hoonah-Angoon Census Area has been **rending gradually downward**. The largest change in a single year occurred in 2009, when Hoonah's population dropped by 46 or 6%.

However, since the 2009 drop, the population has been flat or growing slightly, up about 20 residents since 2009 (Figure 2). The number of Permanent Fund Dividend (PFD) applicants has been increasing since 2010, up by 26 since that time (Figure 3).

Figure 1 - Race in Hoonah, 2010		
	Number of People	% of Total
White	248	32.6%
Black	3	0.4%
AK Native/American Indian	399	52.5%
Asian	4	0.5%
Pacific Islander	0	0.0%
Other	1	0.1%
Two or more races	105	13.8%

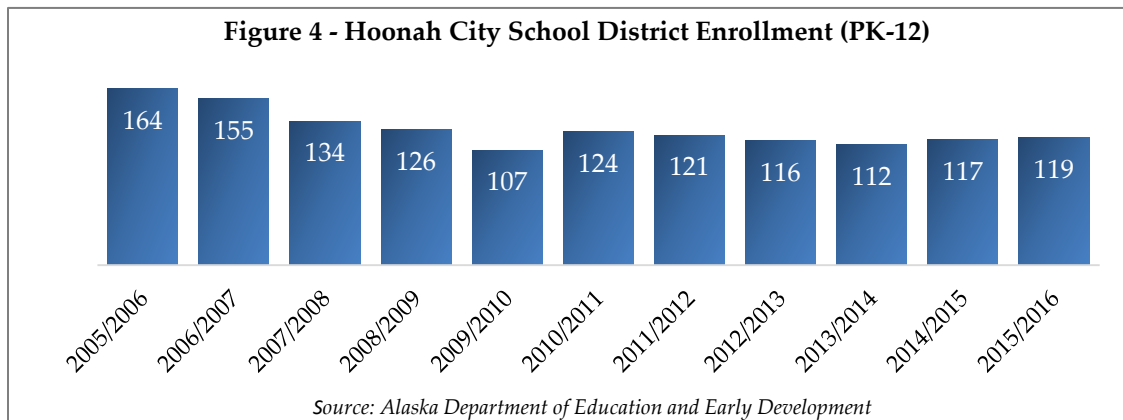
Source: US Census, 2010





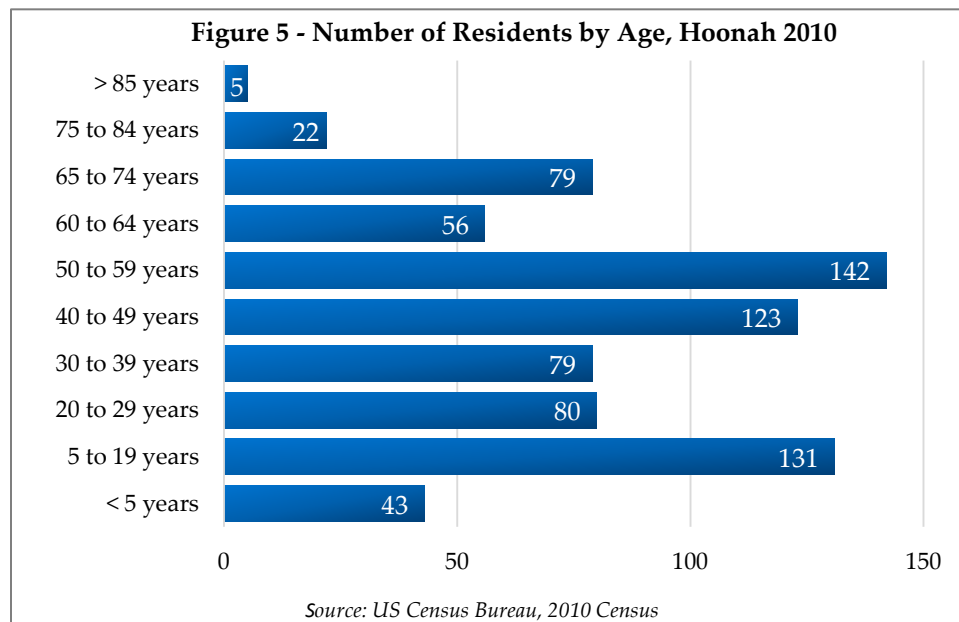
The number of students enrolled in the Hoonah City School District has decreased over the last decade. However, the student population has been fairly stable or slightly up over the last five years, following five years of decline.

District enrollment in the 2015/2016 school year totaled 119 students in pre-kindergarten through 12th grade. An additional 21 Hoonah youth were enrolled in the IDEA or Raven Correspondence Schools, and three attend Mt. Edgecombe.



The median age of Hoonah residents was 44.6 years old at the time of the 2010 US Census. Like other communities in Southeast Alaska and the rest of the state, the population in Hoonah is growing older. Population projections by the state are not available at the community level, but the 2015 Hoonah-Angoon Census Area median age was 47.3. The state issued updated population projections in early 2016 that call for the Hoonah-Angoon's Census Area median age to peak at 48.0 in 2035, and then begin to get younger.

Looking at Figure 5 it is easy to see that as the large group of residents in their 40s and 50s ages, the percent of seniors in Hoonah will increase, as is expected throughout Southeast Alaska and the state.



Migration

The population and migration of residents in and out of Hoonah is tracked by the state using address changes from Permanent Fund Dividend (PFD) applications.

In 2014, 848 Hoonah residents received a PFD. That year:

- 86 new people listed Hoonah as their place of residence, with the majority (38) being born or new to Alaska, and the second largest group (31) moving to Hoonah from elsewhere in Southeast Alaska.
- 90 residents left Hoonah that year including 39 residents who moved from Hoonah to other places in Southeast Alaska, 8 moved to other places in the state, and 43 either moved away from Alaska or died.
- Together, this resulted in a net loss of 4 residents.

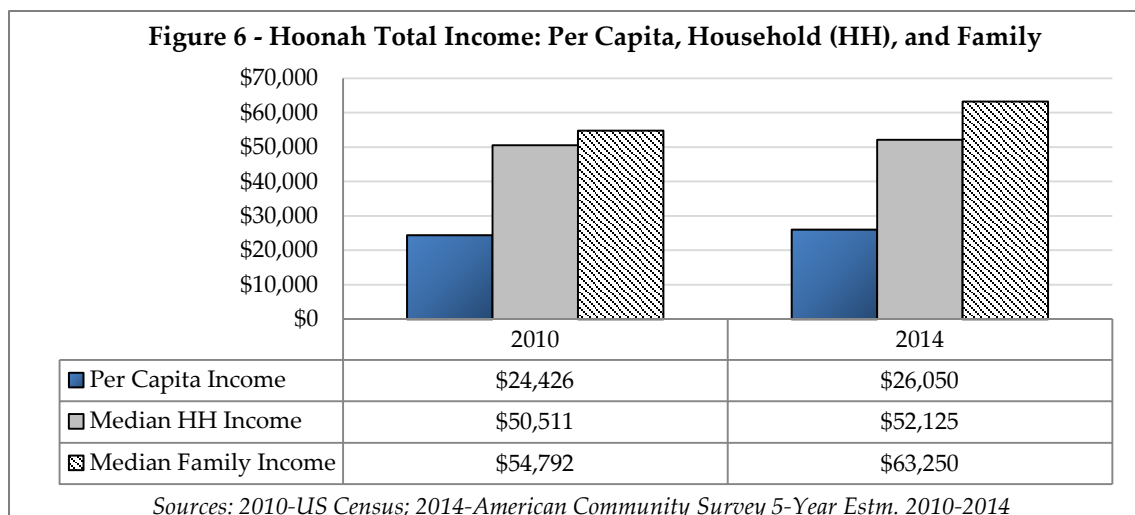
It is important to note that this PFD data does not include those who do not stay long enough to earn a dividend check. In addition, the data can lag by one to two years (the time needed for new Alaska residents to become eligible to apply for a PFD).

COMMUNITY INCOME

Economic development strategies seek ways to retain and recirculate income within the community, as well as increase new income and revenue from outside sources.

Total income to Hoonah residents is shown as per capita (per person), median household, and median family income.

Over the last five years, Hoonah per capita income has increased by 7%, median household income has increased by 3%, and median family income is up by 15% (Figure 6).



Data for household, per capita, and family income comes from the US Census Bureau American Community Survey (ACS). These numbers are calculated from five years of survey data; therefore, the 2014 estimate is based on data collected from 2010-2014. The 5-year ACS is the only income data source available for the City of Hoonah. Consideration of income should also include attention to the margin of error, which for some places is quite large and can eliminate or reduce statistical differences in the data (Figure 7).

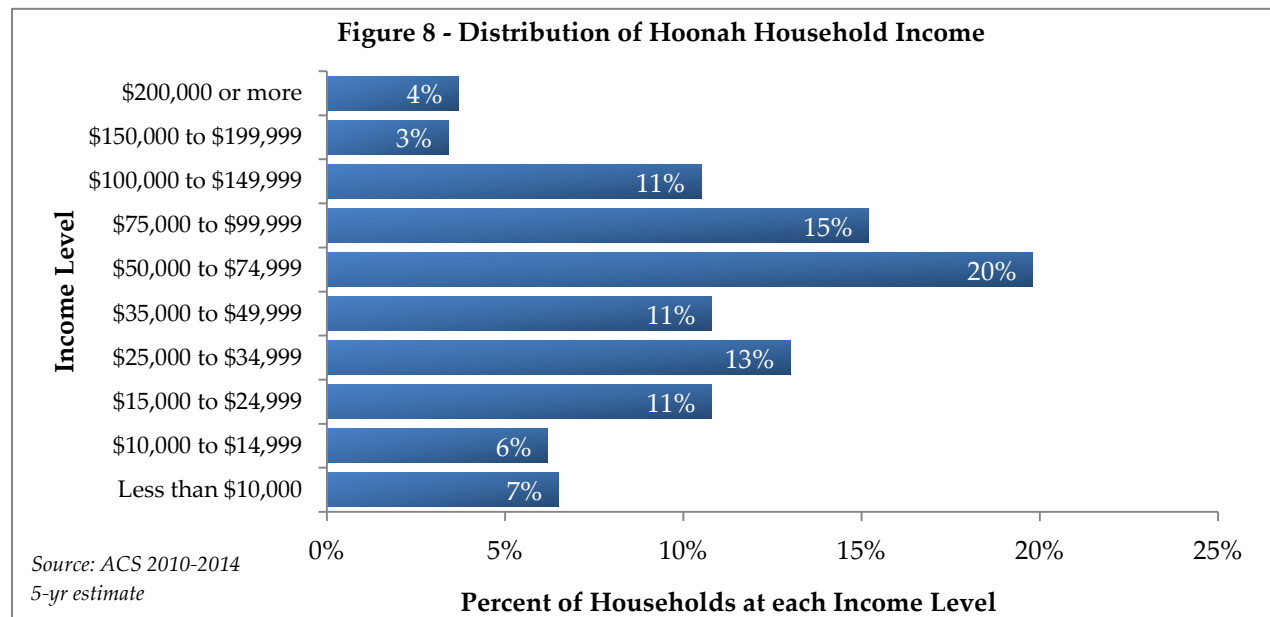
Total income is the sum of wages, salary, or tips; self-employment income from business owners (including many commercial fishermen); interest, dividends, rental income, royalty income, or income from estates and trusts; Social Security; Supplemental Security Income; public assistance or welfare payments; retirement, survivor, or disability pensions; and any other sources of income such as Veterans' (VA) payments, unemployment compensation, child support, or alimony.

Figure 7 - Per Capita Income for Select Alaska Communities		
Community	2014 Per Capita Income	+ or – (margin of error)
Hoonah City	\$26,050	\$3,346
Angoon City	\$30,009	\$20,391
Gustavus City	\$40,461	\$9,050
Haines Borough	\$32,312	\$3,668
Juneau Borough	\$38,057	\$1,531
Kake City	\$20,236	\$3,621
Sitka Borough	\$33,920	\$1,966
Skagway Borough	\$40,986	\$6,457
Wrangell Borough	\$30,671	\$2,410
Yakutat Borough	\$33,475	\$4,798
Alaska	\$33,129	\$337
United States	\$28,555	\$76

Source: American Community Survey 2010-2014 5-year Estimate

The ACS also reviews income distribution:

- In Hoonah, most households earn between \$50,000 and \$74,999 from all income sources. (The median household income is \$52,125.)
- Making less than \$24,999, which is below federal poverty limits, are 24% of households.
- Earning over \$100,000 annually from all sources are 18% of all households.

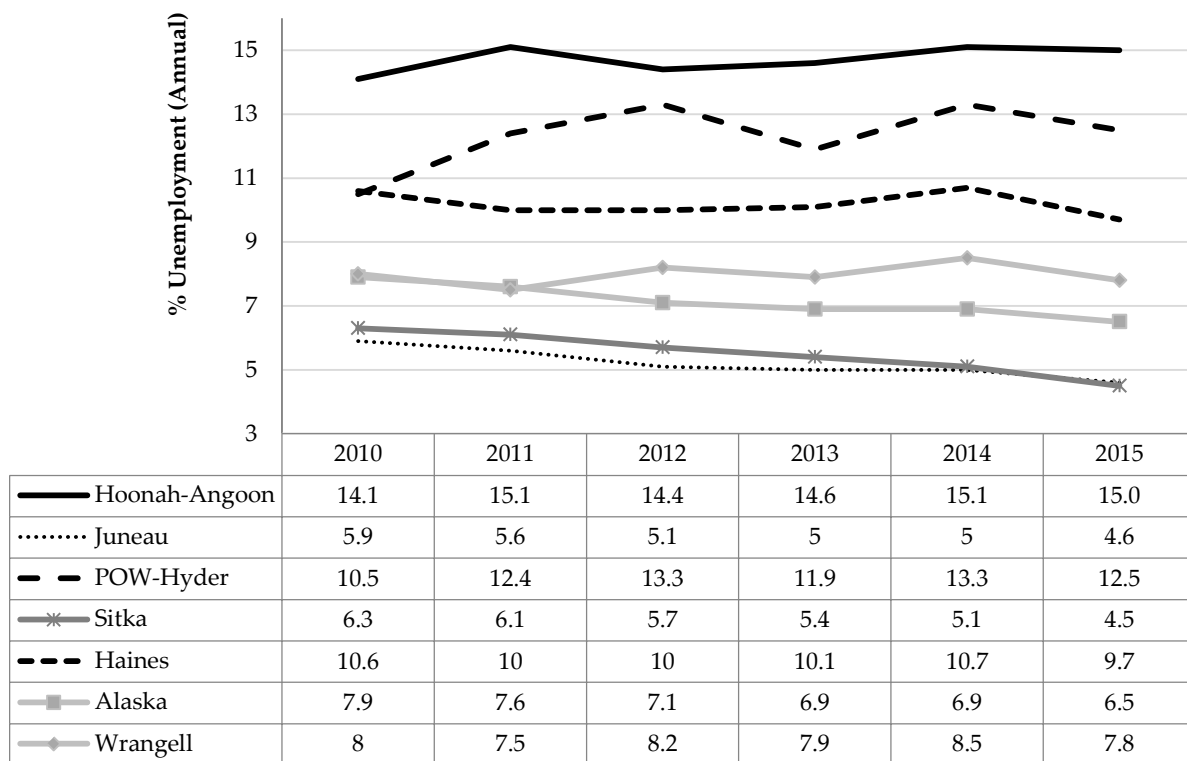


Unemployment

The Hoonah-Angoon Census Area unemployment rate is more than twice as high as the state average.

In 2015, the Hoonah-Angoon Census Area's annual unemployment rate was 15%, compared to the Alaska-wide rate of 6.5%. While the state's unemployment rate has been trending down over the last five years, the unemployment rate in the Hoonah-Angoon Census Area has increased by 1% during this period. Unemployment is highly seasonal. In 2015, the Hoonah-Angoon Census Area unemployment rate ranged from a high of 23.3% in February to a low of 9.7% in September.³⁰

Figure 9 - Annual Unemployment Rates in Select Alaska Boroughs/Census Areas



Source: ADOLWD, Unemployment Rates-Not Seasonally Adjusted

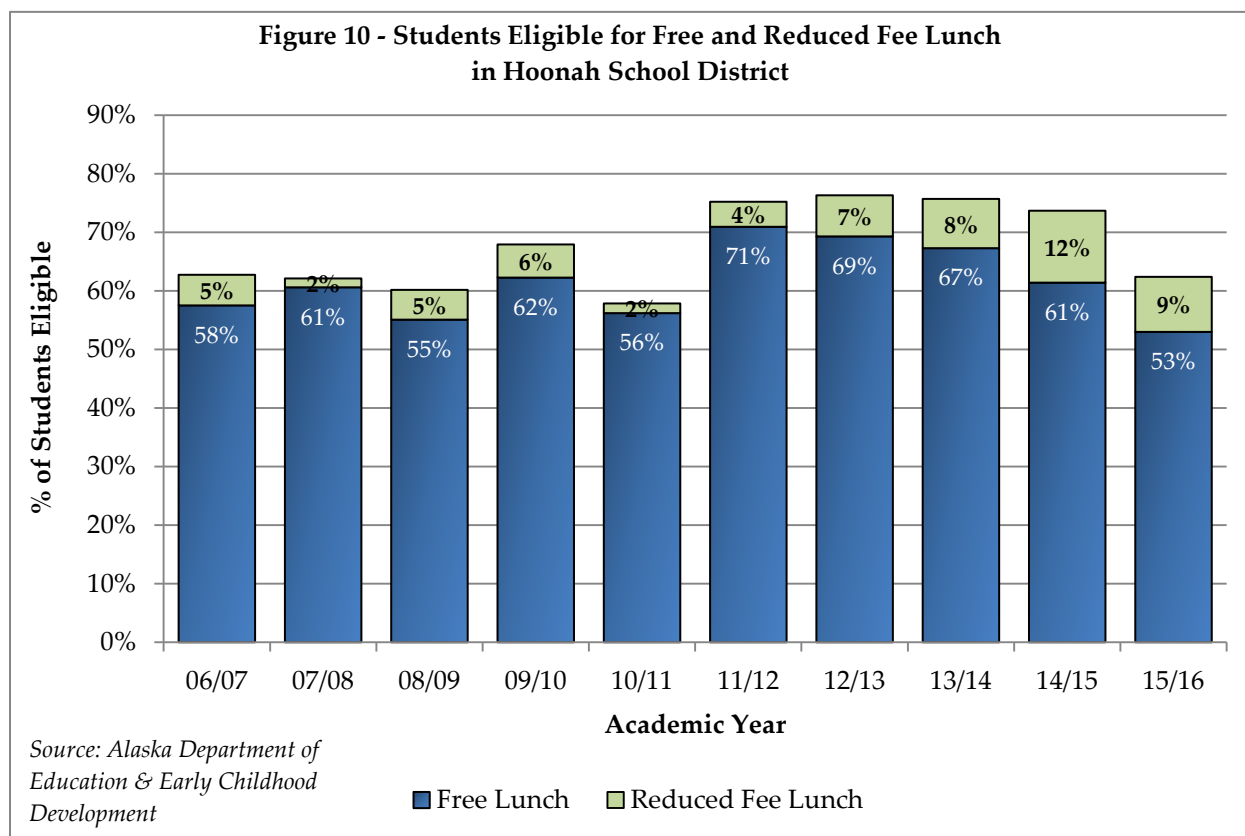
Poverty

High unemployment rates contribute to a significant number of Hoonah families living at or below the federal poverty level.

According to the 2010-2014 ACS 5-year estimate, 18.1% of all people in Hoonah are living below federal poverty limits (plus or minus 5.9%), as are 11.3% of all families (plus or minus 6.5%).

Another indicator of hardship is that during the 2015/2016 academic year, 62% of students in the Hoonah City School District qualified for free/reduced lunches.

To qualify for a free lunch (using January 2016 federal poverty thresholds in Alaska) a family of four made less than \$39,494, or for a reduced fee lunch, made less than \$56,203. A single parent with one child made less income than \$26,026 to qualify for a free lunch, or made less than \$37,037 to qualify for a reduced fee lunch.



BUSINESSES IN HOONAH

Businesses doing work in Alaska must obtain an Alaska Business License.

In March 2016 there were 100 Alaska business licenses holders that listed a physical address in Hoonah. These 100 Hoonah businesses are:

- Corporations - 8
- Limited Liability Corporations (LLC) -27
- Partnerships - 11
- Sole Proprietors - 54

The types of Hoonah businesses, by Industry NAICS Code that the owners identify, are:

Figure 11 - Type of Business, by Industry NAICS Code	No. of Businesses
Total	100
71 - Arts, Entertainment and Recreation	23
42 – Trade	16
53 - Real Estate, Rental and Leasing	12
48 - Transportation and Warehousing	10
72 - Accommodation and Food Services	8
31 - Manufacturing	6
81 – Services	6
11 - Agriculture, Forestry, Fishing and Hunting	5
23 – Construction	5
56 - Administrative, Support, Waste Management and Remediation Services	2
61 - Educational Services	2
62 - Health Care and Social Assistance	2
52 - Finance and Insurance	1
54 - Professional, Scientific and Technical Services	1
55 - Management of companies and enterprises	1

Source: Alaska Business Licenses, March 2016

Another source of information about small businesses is US Census Nonemployer Statistics. program. These are sole proprietor owned businesses whose income is not reported to the State Department of Labor employment database (QCEW) because they're business owners, not employees. Information on their earnings comes from IRS tax returns. The smallest unit this data is available for is the Census Area.

In the Hoonah-Angoon Census Area in 2013, there were 287 self-employed sole proprietors who earned \$11,283,000. Of this total:

- **115 or 40% are self-employed commercial fishermen who earned \$5 million**
- **The next largest group is 17 sole proprietors running building construction businesses, who earned \$1.4 million.**

TOP JOBS IN HOONAH

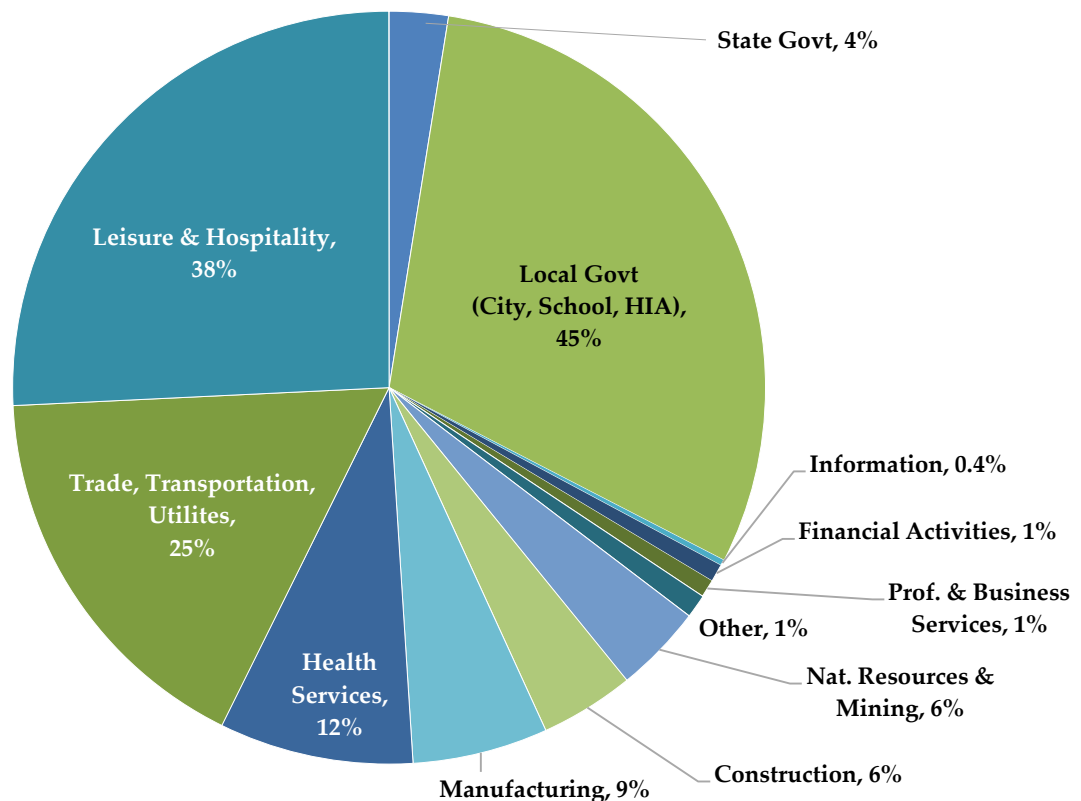
The Alaska Department of Labor's Alaska Local and Regional Information (ALARI) data is a snapshot of an area's resident workforce rather than a snapshot of an area's economy. It's more of a community profile than an economic profile. ALARI does not include the jobs of non-residents living in Hoonah (such as seafood processing workers), but it does include Hoonah residents who are working a job elsewhere (such as Juneau) but list Hoonah as home (residency is determined based on PFD applications).

ALARI data is summarized by industry below, with results are similar to employment and wage data presented in the next section.

The most workers in Hoonah are employed in:














1. **Local Government** (City of Hoonah, Hoonah Indian Association, and Hoonah School District).
2. **Tourism** work in the Leisure and Hospitality sector (restaurants, lodging, guides, tours, arts, entertainment, etc.)
3. **Trade, Transportation, & Utilities** sector (stores, airport, air and marine transportation, etc.)
4. **Health Care**

Figure 12 - Hoonah Workers by Industry, 2014



Source: ADOLWD, Alaska Local and Regional Information (ALARI)

ALARI also identifies the most common jobs, which per the information below are in retail, tourism, management, teaching, maintenance, seafood, and health care.

Figure 13 - Top 20 Jobs in Hoonah, 2014	
1. Cashiers	11%
2. Retail Salespeople	11%
3. General and Operations Managers   TOP JOB	6%
4. Teacher Assistants	6%
5. Tour Guides and Escorts 	5%
6. Maintenance Workers, Machinery 	5%
7. Fish Cutters and Trimmers	5%
8. Personal Care Aides	4%
9. Teachers and Instructors	3%
10. Combined Food Preparation and Serving Workers	3%
11. Janitors and Cleaners, (not Maids and Housekeeping Cleaners)	3%
12. Power Plant Operators	3%
13. Extraction Workers	3%
14. Office and Administrative Support Workers	3%
15. Logging Workers, All Other 	3%
16. Carpenters    TOP JOB	3%
17. Construction Laborers 	3%
18. Police, Fire, and Ambulance Dispatchers	3%
19. Secretaries and Administrative Assistants, Except Legal, Medical, and Executive	3%
20. Customer Service Representatives 	3%
 means the occupation has been identified as an important occupation involved in the oil and gas industry.  means the occupation has been identified as an important occupation involved in the maritime industry.  means the occupation has been identified as green. TOP JOB means the occupation is projected to have a high growth rate and numerous openings, and has an above average wage.	

Source: ADOLWD, Alaska Local and Regional Information (ALARI)

HOONAH WAGES AND EMPLOYMENT

About the Wage and Employment Data in this Section

Information on the wages and employment comes from the Alaska Department of Labor and Workforce Development (ADOLWD) Quarterly Census of Employment and Wages (QCEW). QCEW is the most commonly used and reported employment data in Alaska. QCEW employment data are released quarterly for all of the Alaska's *boroughs and census areas*. To support the Hoonah Economic Snapshot, the ADOLWD segregated Hoonah Statistical Subarea (SSA) QCEW data from the Hoonah-Angoon Census Area.

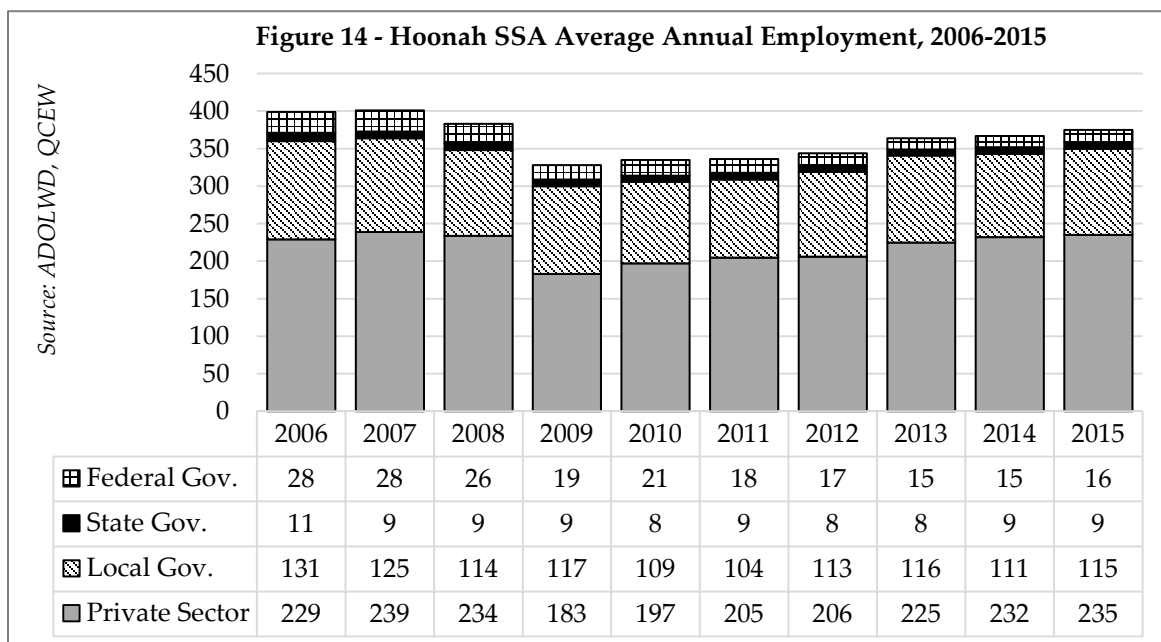
The Hoonah SSA includes Hoonah, Elfin Cove, Pelican, Gull Cove, Idaho Inlet, Lisianski, Port Althorp, Port Frederick, and Yakobi Island. While it is not exclusively Hoonah data, Hoonah is by far the largest community with the most robust economy and workforce in this SSA. SSA data is not scrutinized as carefully as borough-level data by ADOLWD; nonetheless, it provides good information that is usually not available.

The QCEW data set counts the number of jobs by place of work. It does not include business owners, the self-employed, unpaid family workers, or private household workers. It counts all full-time and part-time jobs – so, if a person holds one fulltime wage and salary job and one part time job, total industry employment will report this as two jobs. QCEW data includes the number of jobs in an area, regardless of whether the jobs are held by local residents or nonresidents.

Hoonah Wages and Employment, 2006-2015

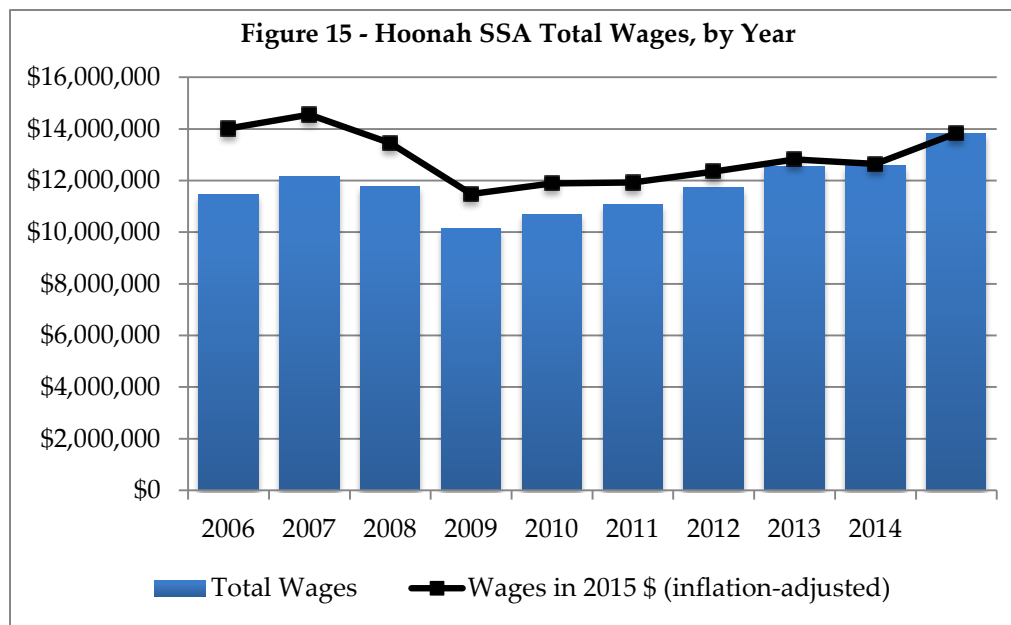
During the last ten years, the number of employees, and the total wages earned in Hoonah SSA peaked in 2007. However, the number of jobs has been climbing steadily since 2009.

In 2015, government employment (local, state, federal) accounted for 140 average annual jobs or 37% of all employment in the Hoonah SSA. Private sector jobs numbered 235 or 63% of the total.



Wages in Hoonah have not kept pace with inflation over the last decade; however, they are “catching-up”.

In 2007, the year of the decade’s highest employment (427), total wages were approximately \$12.2 million. The 2007 wages of \$12.2 million equals \$14.5 million in 2015 dollars. Actual 2015 wages totaled an estimated at \$13.8 million. This means the purchasing power of total wages is somewhat less today than it was in 2007. This is one effect seen in many places due to the 2008-2010 national recession (Figures 15 -16).



Source: ADOLWD QCEW, data run for Hoonah SSA.

Note that on Figures 14-16 Sheinberg Associates has reduced 2005-2008 employment and wages to account for state coding correction of 25 USFS jobs these years.

Figure 16 - Hoonah SSA Total Wage and Employment Summary, 2006-2015

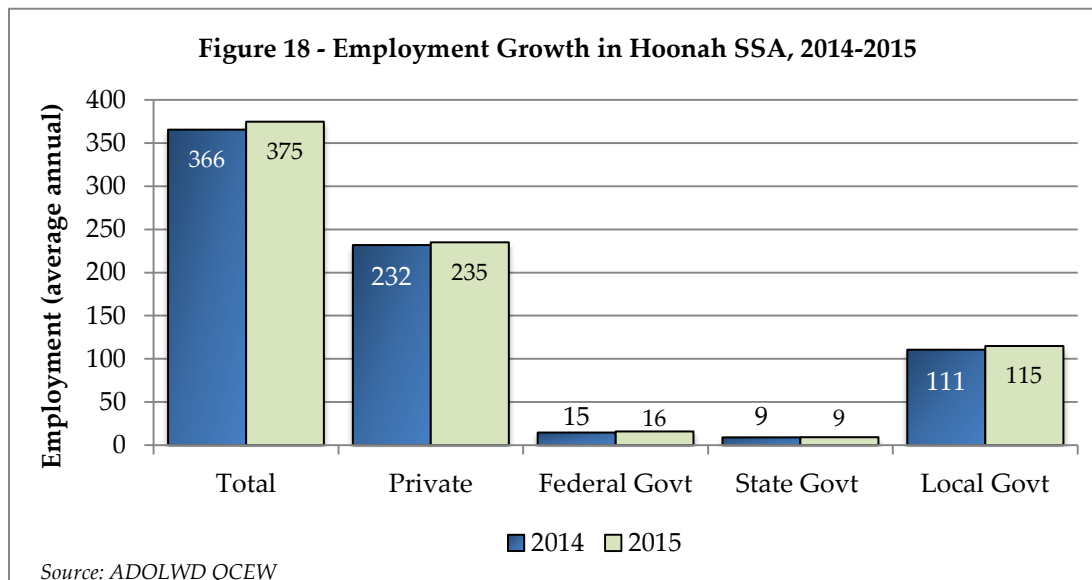
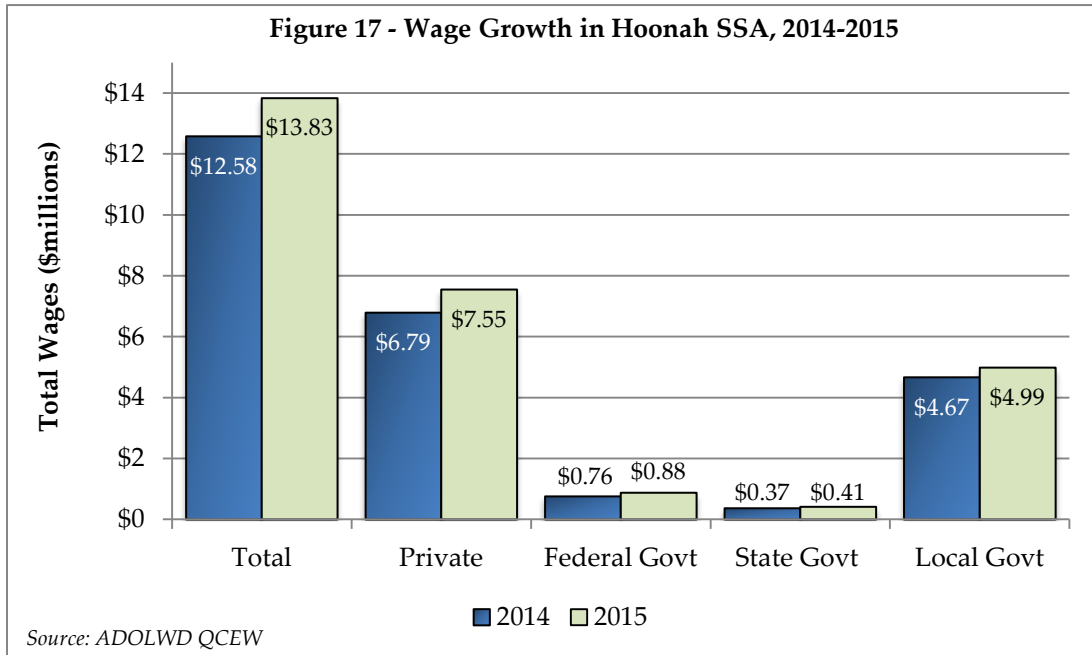
Year	Total Employment (ave. ann.)	Total Wages	Anchorage Consumer Price Index	Inflation-Adjusted Total Wages (in 2015 \$dollars)
2006	399	\$11,460,560	177.300	\$14,020,861
2007	401	\$12,155,986	181.237	\$14,548,590
2008	383	\$11,755,387	189.497	\$13,455,882
2009	328	\$10,144,108	191.744	\$11,475,448
2010	335	\$10,697,792	195.144	\$11,890,949
2011	336	\$11,072,208	201.427	\$11,923,236
2012	344	\$11,725,711	205.916	\$12,351,698
2013	364	\$12,557,107	212.381	\$12,824,827
2014	366	\$12,580,279	215.805	\$12,644,636
2015	275	\$13,832,631	216.909	\$13,832,631

Source: ADOLWD QCEW, data run for Hoonah SSA. Note that Sheinberg Associates has reduced 2005-2008 employment and wages to account for state coding correction of 25 USFS jobs these years.

Significant Growth Occurred between 2014 and 2015

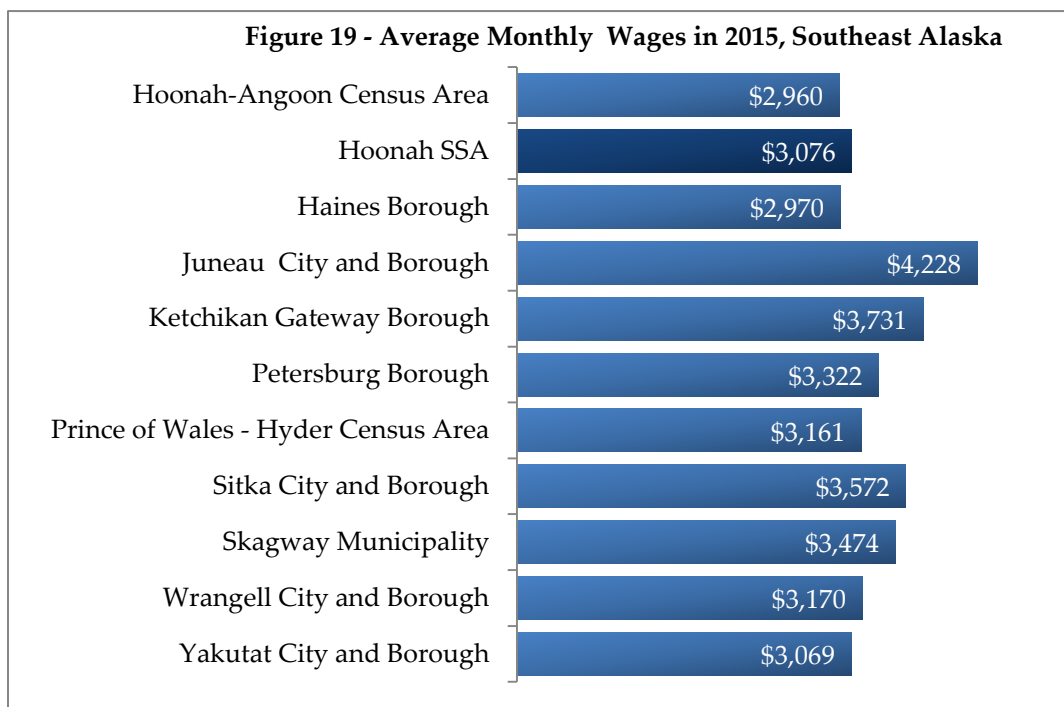
In 2015, total wages to Hoonah SSA workers increased 10%, from \$12.6 million in 2014, to \$13.8 million in 2015. Inflation in 2015 was only a half a percent (Anchorage Consumer Price Index) so wage growth in Hoonah was significant.

Total wages increased for all types of employment. Total employment increased as well, by 3% from 366 average annual workers in 2014, to 375 in 2015.



2015 Wage and Employment Detail

Average monthly wages were higher in the Hoonah SSA than in the Hoonah-Angoon Census Area as a whole, implying higher average wages than in the neighboring communities of Gustavus and Angoon.



For 2015 in the Hoonah SSA (Figures 20-21):

- The average monthly wage was \$36,912.
- Almost two-third (63%) of all jobs in Hoonah were private sector jobs, with most working in a service-providing field.
- Local government (the City of Hoonah, Hoonah Indian Association, and Hoonah School District) provided the most jobs at 115. Next, were tourism-related work in the Leisure and Hospitality sector (lodging, restaurants, arts or entertainment businesses), at 111 jobs.
- The highest wages were paid to government workers, with federal workers (US Forest Service and Post Office) leading the way at \$55,110.
- In the private sector, those who produce goods (e.g. manufacturing wood, seafood, other) had the highest average annual wages at \$40,781. The average annual wage for private sector workers in service-providing types of work was \$30,830. The highest wage for those in service-providing work was earned by those in health care, who made an average of \$34,308.
- Similar to most communities, the lowest paid work were service jobs in retail (\$25,457).

Figure 20 - Hoonah SSA, 2015 Average Annual Wages, by Industry

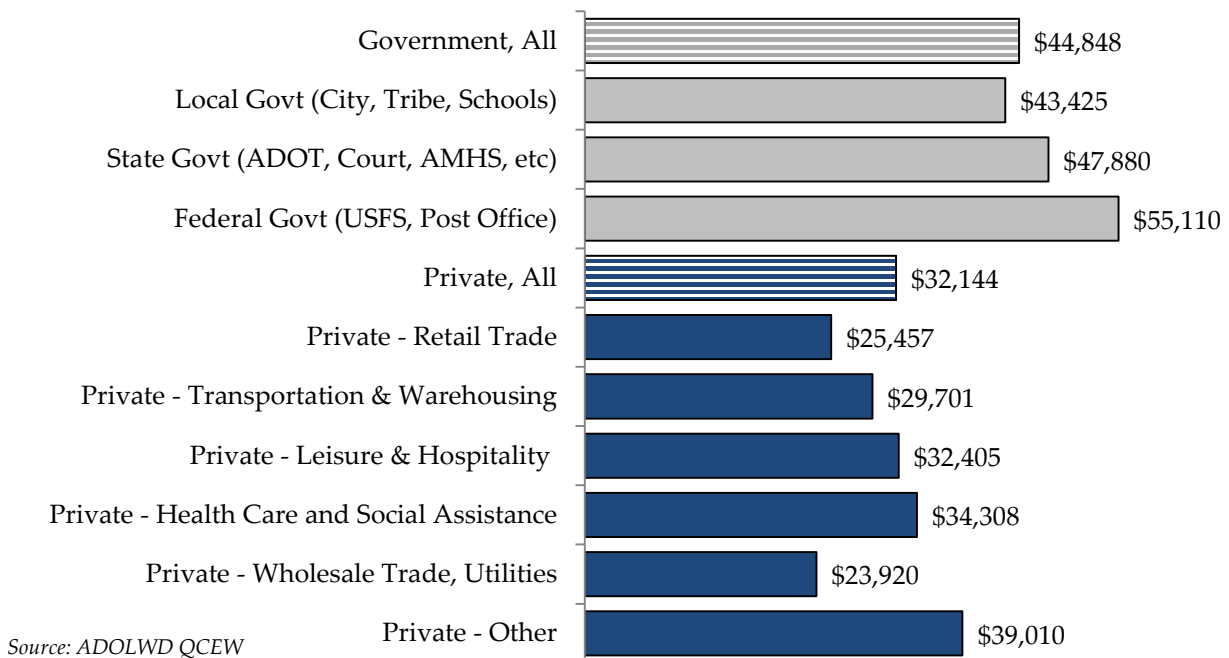
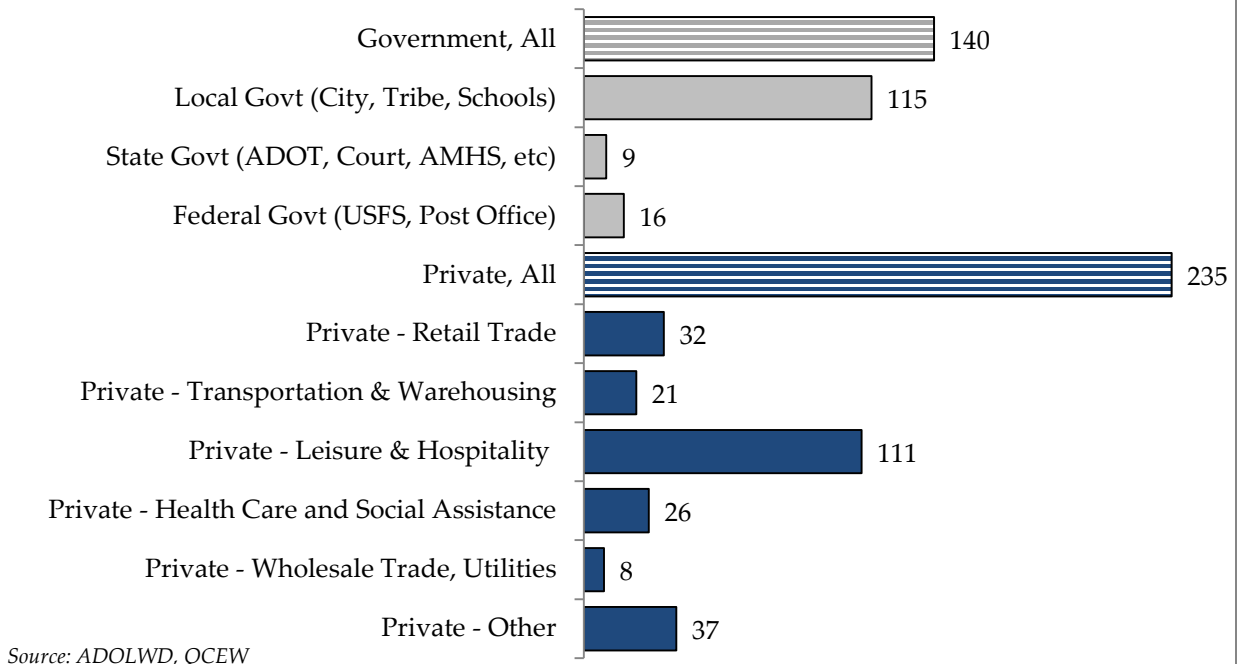


Figure 21 - Hoonah SSA, 2015 Average Annual Employment, by Industry



MAJOR MUNICIPAL GOVERNMENT REVENUE SOURCES

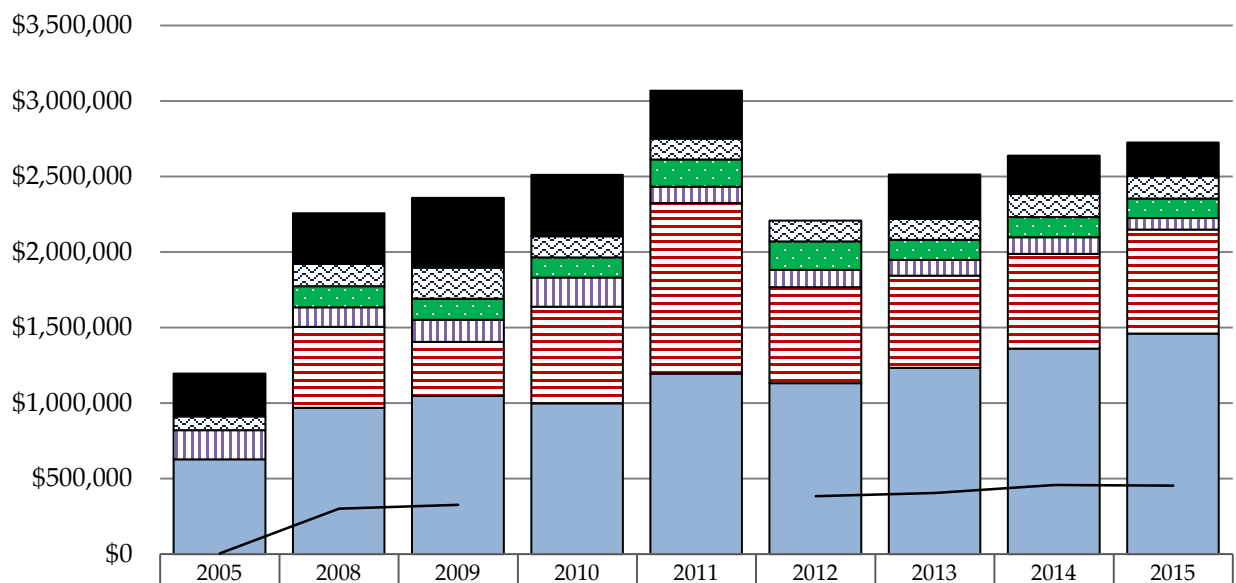
In 2015, revenue to the City of Hoonah's from major local, state, and federal revenue sources provided \$2.7 million to fund city operations. This is an increase of 128% from 2005.

The largest revenue source to the city is from sales tax, which generated \$1.4 million in 2015. At a sales tax rate of 6.5 %, this equals \$22.5 million of taxable sales occurring in Hoonah in 2015.

Revenue growth is primarily due to increased sales tax from all sources including Icy Strait Point (ISP) and other new businesses, and from the state's \$5/passenger cruise ship excise tax, which is shared with top ports. (Year 2011 had a large bump in state cruise ship excise tax to cities because one company paid several years of past due taxes at once.)

Note that State Revenue Sharing, Federal PILT (payment in lieu of taxes), and Federal Forest Receipts (Secure Rural Schools) are all at risk of ending. Together these sources provided \$540,000 to the city in 2015.

Figure 22 - Major Revenue Sources to City of Hoonah, 2005-2015



	2005	2008	2009	2010	2011	2012	2013	2014	2015
Federal Forest Receipts	\$282,199	\$335,039	\$461,931	\$407,303	\$319,739	\$0	\$294,276	\$254,009	\$221,822
Federal PILT	\$91,893	\$149,503	\$207,204	\$139,135	\$136,044	\$138,472	\$137,204	\$151,667	\$149,495
State Revenue Sharing	\$0	\$139,908	\$137,985	\$134,316	\$180,508	\$188,050	\$133,118	\$134,173	\$127,467
State Shared Fisheries Business Tax	\$192,396	\$128,563	\$146,214	\$192,396	\$108,022	\$113,615	\$103,975	\$110,249	\$76,574
State Cruise Ship Pax Excise Tax	\$0	\$536,010	\$359,155	\$640,015	\$1,130,220	\$636,345	\$610,105	\$626,225	\$688,980
Sales Tax Revenue (all)	\$628,121	\$968,334	\$1,046,767	\$998,211	\$1,194,487	\$1,131,657	\$1,233,731	\$1,360,696	\$1,460,208
ISP Sales Tax Revenue	\$3,870	\$300,289	\$326,581			\$383,845	\$404,909	\$458,305	\$453,642

Sources: Hoonah City Budget and Financial Audits, Alaska Department of Commerce and Economic Development; Alaska Department of Revenue, Tax Division, Shared Taxes Annual Reports

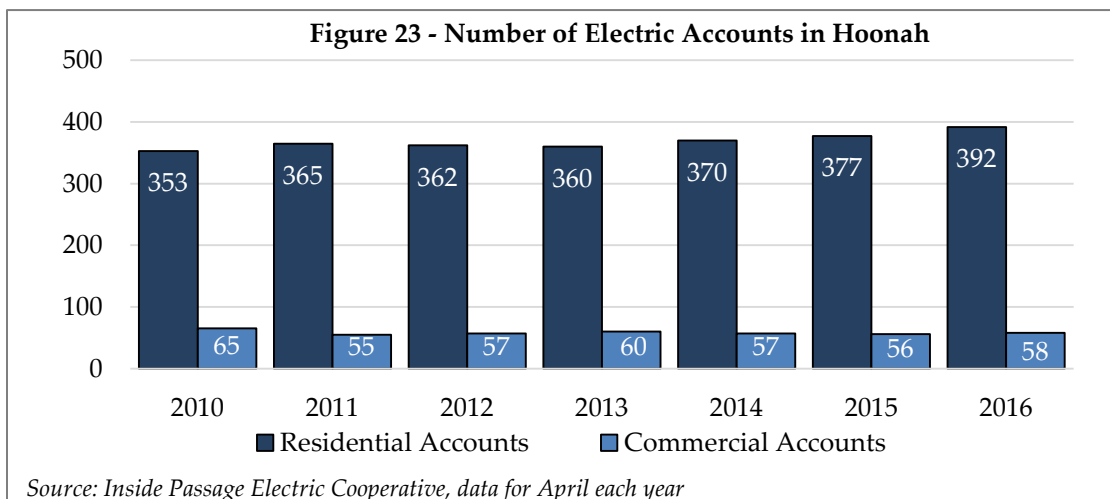
COST OF LIVING

The cost of housing, electricity, heat, food, and shipping are primary factors in determining Cost of Living. Please see the next chapter for details on housing.

Electricity

Hoonah receives electrical service from Inside Passage Electrical Cooperative (IPEC), a utility that also serves Kake, Angoon, the Chilkat Valley in Haines, and Klukwan.

The number of residential accounts in Hoonah has grown a bit faster than the documented number of new housing units constructed.



The IPEC recently installed a new hydroelectric power generator, the Gartina Falls Hydro Project, in August of 2015.

The Gartina Falls Hydro Power plant's 455 kW capacity is expected to generate over 1,810 MWH of power annually, replacing approximately 100,000 gallons of diesel per year, which is about one-third of the city's energy supply. This also benefits the environment by reducing greenhouse gas emissions.

The Gartina Falls plant is not directly affecting electricity rates, which are the same for all communities in the cooperative. However, in April 2016 the fuel charge, an additional fee assessed based on the cost of producing power, was a negative number which does lower consumer rates - implying that reduced fuel costs due in part to reduced gallons of diesel needed are reducing the cost of power for IPEC and rate payers in the cooperative (Figure 24). IPEC is conducting a rate study now.

As of April 2016, the cost of 400 kWh was \$90.64 for a residential customer and for a small commercial customer using 1,000 kWh it was \$449.90.

For the same kWh usage, this is \$3.36 less than a year ago for a residence and \$128 less than a year ago for small commercial consumers,

Figure 24 - Hoonah (IPEC) Electricity Rates - April 2010, 2015, 2016			
RESIDENTIAL, assuming 400 kWh/month used	April, 2010	April, 2015	April, 2016
Customer base charge per billing period	\$10.00	\$10.00	\$10.00
Energy charge ("rate") per kWh (for 1 st 500 kWh)	0.451	0.6109	0.6059
Fuel Charge, COPA (Cost of Power Adjustment)	+0.1094	-0.0456	-0.1631
Power Cost Equalization (available for 1 st 500 kWh)	-0.363	-0.3553	-0.2412
Effective Rate (with PCE & COPA)	0.1974	0.2100	0.2016
Monthly Home Cost for 400 kWh with PCE	\$88.96	\$94.00	\$90.64
SMALL COMMERCIAL	April, 2010	April, 2015	April, 2016
Customer base charge per billing period	\$15.00	\$15.00	\$15.00
Energy charge ("price") per kWh (for 1 st 500 kWh)	0.4724	0.6389	0.628
Energy charge per kWh (for 501 kWh and above)	0.414	0.5779	0.568
Fuel Charge, COPA	+0.1094	-0.0456	-0.1631
Monthly Business Cost for 1,000 kWh	\$567.60	\$577.80	\$449.90

Source: IPEC; Analysis: Sheinberg Associates

In order to mitigate high electricity and fuel costs, many homeowners have taken steps to make energy efficiency retrofits to their houses, funded by the Alaska Housing Finance Corporation's Weatherization program.

To date, 80 households in Hoonah have weatherized, and four more are scheduled to participate in the program in 2016. In addition, Level I or II Energy Audits have been conducted on 12 public or commercial buildings.

Staff from the Renewable Energy Alaska Project (REAP) note that in general Hoonah business and public building owners/managers are very conscious of energy use but still have an opportunity to save through upgrades in lighting, HVAC, and programmable thermostats. The city is installing LED lighting in all of the buildings that recently received a Level I audit as well as working with IPEC to upgrade the 100+ street and harbor lights.

The rate of almost \$0.63 per kWh for public and small commercial buildings in Hoonah compares to \$0.09 in Juneau, which is the competition for many Hoonah businesses. The high cost of electricity is a powerful incentive to conserve and move to renewable energy.

At least one local business has recently installed solar panels and estimates a savings of \$300/month under current prices to its electric costs. IPEC is a small utility cooperative that combines the cost of energy production at all its facilities and charges the same rate to all communities. This allows facilities with a lower cost of production to help subsidize facilities with a higher cost of production. IPEC does not add the total quantity of power it sells across the cooperative though, if it did it is likely that the combined total would exceed the 5 million kWh threshold that requires a utility to

buy electricity from consumers that are generating it through renewables (like the solar panels at Icy Strait Brewing). This is called net-metering. If IPEC did purchase power that was available to the grid like this it could help business owners pay off the capital cost of installing solar equipment more quickly. Even if the discount was just a fuel avoidance cost at, for example 6-12 cents kWh, this would help incentivize small businesses and homes to install renewable power and lower the cost of doing business in Hoonah.

Gasoline and Heating Fuel

The price of gasoline in Hoonah is consistently lower than in all comparison communities except Juneau, according to the fuel price survey conducted by the Alaska Division of Community and Regional Affairs (DCRA).

Figure 25 - Gasoline Prices In Select Southeast Alaska Communities

Community	Nov 2005	Nov 2006	Jun 2007	Jun 2008	Jun 2009	Jun 2010	Jun 2011	Jul 2012	Jul 2013	Jul 2014	Jul 2015	Jan 2016
Hoonah	\$3.08	\$3.23	\$3.78	\$4.80	\$3.63	\$4.00	\$5.02	\$4.33	\$4.35	4.09	\$3.76	\$3.76
Angoon	\$3.20	\$3.70	\$3.87	\$4.87	\$3.18	\$4.19	\$5.24	\$5.09	\$5.08	4.87	\$4.31	\$4.31
Gustavus	\$3.30	\$3.27	\$3.91	\$4.94	\$2.90	\$3.58	\$4.65	\$5.14	\$4.95	4.88	\$4.19	\$4.19
Juneau	\$2.91	\$2.75	\$3.29	\$4.42	\$2.74	\$3.25	\$4.31	\$4.34	\$3.71	4.39	\$3.58	\$3.58
Kake	\$3.49	\$3.84	\$4.32	\$5.34	\$3.63	\$4.59	\$5.84	\$6.01	\$5.12	5.40	\$4.46	\$4.46
Pelican	\$3.69	\$4.20	\$4.19	\$4.19	\$3.90	\$4.68	\$6.01	\$5.09	\$5.04	5.01	\$4.42	\$4.42
Thorne Bay	\$2.99	\$3.25	\$3.78	\$4.40	\$3.15	\$3.81	\$4.57	\$4.67	\$3.85	4.70	\$4.01	\$4.01

Source: DCRA, Research and Analysis Section, Fuel Price Survey

The ACS 2010-2014 5-Year estimate documents that most (71%) Hoonah households heat with fuel oil. The second most common heat source was wood, used by 23% of households. The cost of fuel oil is thus another significant factor in the cost of living for Hoonah residents.

Figure 26 - Hoonah Household Heating Fuel Use

	# of households	% of households
Utility gas	2	0.6%
Bottled, tank, or LP Gas	2	0.6%
Electricity	16	5.0%
Fuel oil, kerosene	229	70.9%
Wood	73	22.6%
Other	1	0.3%

Source: ACS 2010-2014 5-Yr Estimate

Heating oil in Hoonah is available from Hills Fuel and Hoonah Fuel. The latter operation is in a facility owned by the city but leased to Wards Cove.

The price of heating oil in Hoonah has routinely been in the middle of the pack among similar communities in Southeast Alaska. However, according to the Alaska Division of Community and Regional Affairs (DCRA) January 2016 fuel price survey, Hoonah's price of \$2.85/gallon for Heating Fuel (#2) at that time was the *lowest* in Southeast Alaska where the average price was

\$3.43/gallon. While heating fuel prices are relatively low now, two years ago they were almost \$2/gallon higher.

Figure 27 - Heating Fuel Prices In Select Southeast Alaska Communities

Community	Nov 2005	Nov 2006	Jun 2007	Jun 2008	Jun 2009	Jun 2010	Jun 2011	Jul 2012	Jul 2013	Jul 2014	Jul 2015	Jan 2016
Hoonah*	\$3.41	\$3.28	\$3.40	\$5.38	\$3.34	\$4.04	\$5.29	\$4.69	\$4.69	\$4.43	\$3.74	\$2.85
Angoon	\$3.30	\$3.58	\$3.66	\$5.15	\$3.43	\$4.30	\$5.10	\$5.32	\$5.33	\$5.20	\$4.08	\$3.55
Gustavus	\$2.80	\$3.08	\$3.24	\$5.18	\$2.74	\$3.39	\$4.68	\$5.11	\$5.08	\$5.00	\$3.53	\$3.58
Juneau	\$2.94	\$3.07	\$3.28	\$4.83	\$2.99	\$2.97	\$4.46	\$4.06	\$4.12	\$4.10	\$3.43	\$3.15
Kake	\$3.38	\$3.78	\$3.94	\$5.90	\$3.40	\$4.10	\$5.73	\$5.87	\$5.85	\$5.25	\$4.59	\$3.68
Pelican	\$3.47	\$3.55	\$3.75	\$5.72	\$3.50	\$4.50	\$6.06	\$5.24	\$4.94	\$5.14	\$5.27	\$3.43
Thorne Bay	\$2.85	\$2.95	\$3.01	\$4.41	\$2.65	\$3.15	\$4.56	\$4.43	\$3.80	\$4.44	\$3.63	\$3.07

* Hoonah's survey price is for Heating Fuel #2; other community data is Heating Fuel #1. Source: DCRA, Research and Analysis Section, Fuel Price Survey

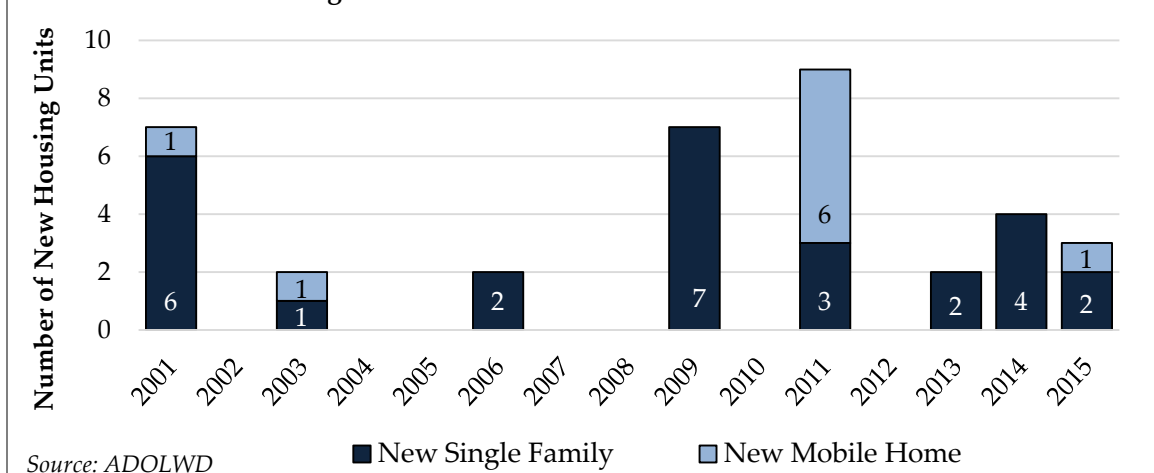
Hoonah Indian Association received a grant to assess the feasibility of a woody biomass fueled district heating system. If this project is feasible and proceeded, it could potentially further reduce the cost of heating for consumers, create local jobs, and keep more money in the local economy.

HOUSING

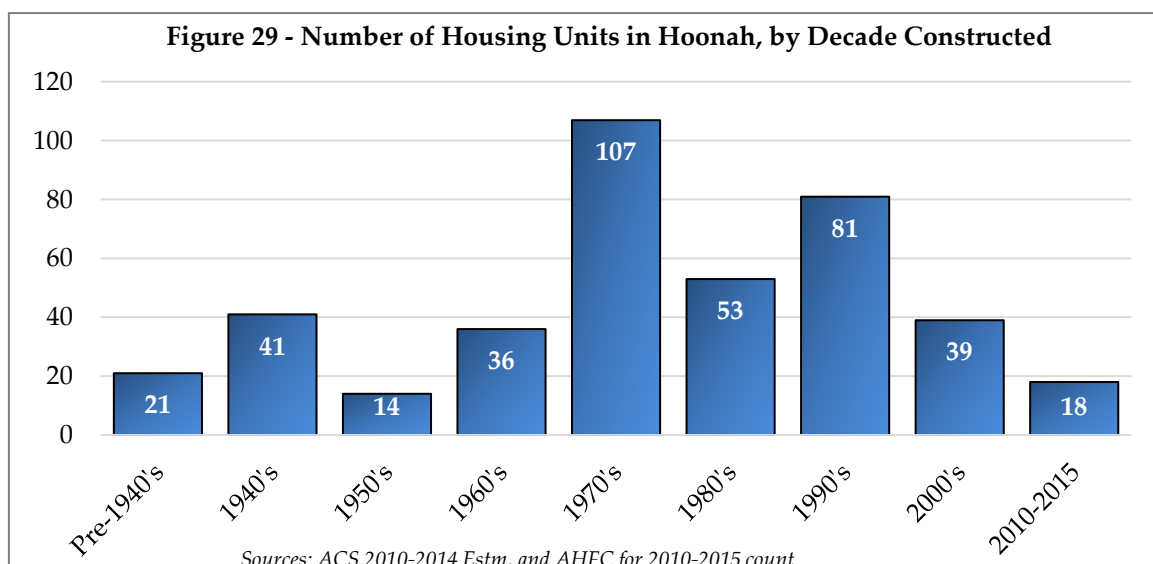
The 2010 US Census documented 399 dwelling units in Hoonah. Of these, 14 were vacant for sale/rent, 46 were vacant, 34 were seasonally vacant ("summer homes"), and 305 were occupied.

Between 2010 and 2015, 11 single-family homes and 7 mobile homes were built, according to records that the city provides to the state, for a total of $399+18 = 417$ dwelling units in town.

Figure 28 - New Home Construction in Hoonah



Housing is one of the largest single costs to any household, and the cost of housing is tied to the availability of homes, as well as their quality and age. One quarter (26%) of the housing in Hoonah was built in the 1970's, and another quarter (27%) was built before that. These older homes are typically less energy efficient and have greater maintenance needs, resulting in greater costs to homeowners for upkeep and utilities. According to the Alaska Housing Finance Corporation's 2014 Housing Assessment, Hoonah city residents spend 9.6% of their income on household energy.



Median rent in Hoonah is higher than in the nearby communities of Kake, Gustavus, Angoon and Wrangell, but less than in Juneau or Sitka. However, this data reported by the American Community Survey (ACS) has a high margin of error.

The median home value reported by the ACS in Hoonah, at \$167,900 is also significantly lower than in Sitka or Juneau, similar to Wrangell and Angoon, and higher than in Kake.

Figure 30 - Housing Costs in Select Alaska Communities, 2014		
	Median Rent	Median Home Value
Hoonah	\$914	\$167,900
Angoon	\$707	\$162,500
Gustavus	\$703	\$243,500
Juneau	\$1,169	\$318,000
Kake	\$431	\$103,700
Sitka	\$1,101	\$335,800
Wrangell	\$692	\$167,100

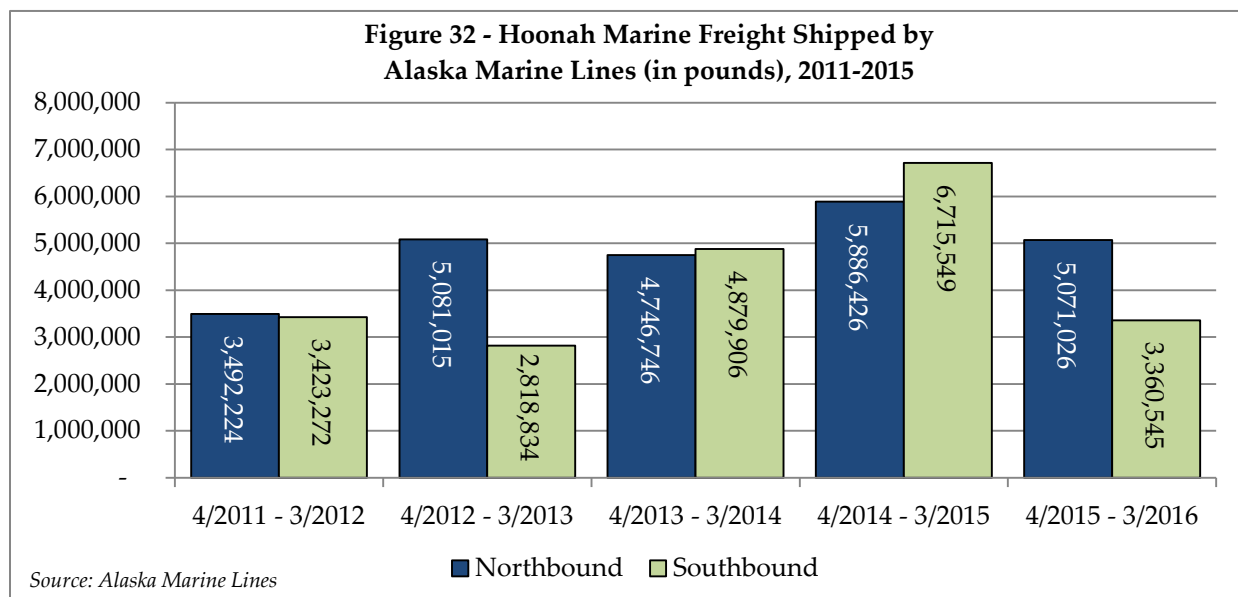
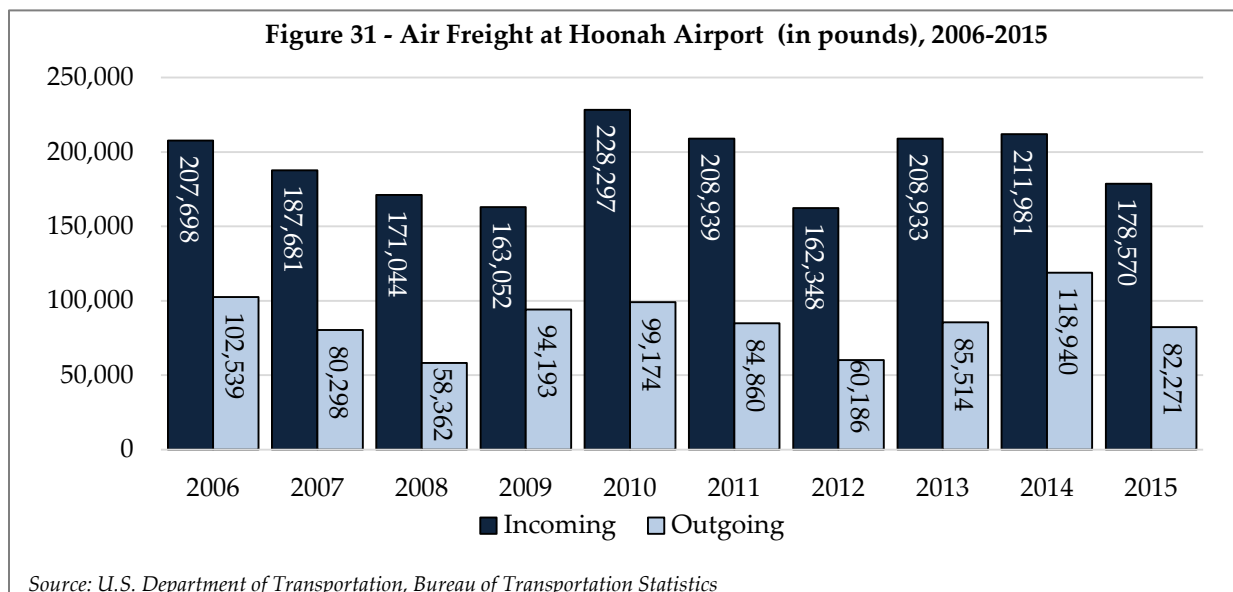
Source: ACS 2010-2014 5-Year Estimate

AIR AND MARINE FREIGHT

Freight arrives in Hoonah via airplane, in cargo vans aboard the AMHS ferry, at the Alaska Marine Lines (AML) freight dock (owned by the City), and by private landing craft/barges.

Hoonah has a state airport with a paved 3,600-foot runway (including safety area). Fuel is available for purchase. Several air taxis provide small aircraft scheduled and on demand service. There is a small state operated floatplane dock. **In 2015, the airport imported twice as many pounds of freight as it exported. The airport handled a total of 260,841 pounds of air freight in and out of Hoonah in 2015.**

In 2015 (actually April 2015 through March 2016), the Alaska Marine Lines shipped 8.4 million pounds of freight in and out of Hoonah between via its barges or vans on the ferry. Hoonah does not have a full-tide landing facility for barges and one is needed to make these services more economical and efficient.





Public Commons photo: Wikipedia

COMMERCIAL FISHING, MARITIME INDUSTRY

Commercial Fishing and Seafood Processing

Commercial fisheries are a longstanding economic activity in Hoonah but participation has been declining for several years.

Over the last ten years, Hoonah has seen a decrease in the number of commercial fishing vessels home-ported in Hoonah from 90 in 2005 to 74 in 2014. The number of residents who commercial fished declined from 61 to 47 during this period. The number of pounds landed fluctuates significantly from year to year, as do gross earnings for all fisheries. Gross earnings for Hoonah fishermen, for all fisheries combined was at a five-year low in 2015 (Figure 33).

The state shares half of the tax it collects on the ex-vessel value of commercial fish with communities, based on how much fish was processed within city limits. This too has been declining for several years.

The Hoonah Cold Storage facility in town is a seafood processing plant that has been in operation for many years. It was purchased by Icy Strait Seafoods in 2012, a Bellingham-based company that also owns Taku Smokeries in Juneau. Halibut, salmon, and black cod are regularly processed in Hoonah. The season usually opens in mid-March and runs through mid-October. Hoonah Cold Storage supports the Hoonah troll fleet, buys fish from independent fishermen, and also has a fish buying scow in the Pelican area. During peak season there are typically about 35 employees working in one shift and living in the company bunk house. The facility is older and the high cost of electricity is an operating challenge.

In addition, Hoonah is home to Hoonah Fish Company, a custom processor that is not currently operating. A developing oyster farm started in late 2015/early 2016.

Figure 33 - Hoonah Commercial Fishing Activity

	2005	2011	2012	2013	2014	2015
Total Homeported Vessels	90	88	87	87	74	-
Permit Holders	103	86	87	82	76	75
Permits Issued	170	129	123	127	112	113
Residents who Fished	61	50	52	52	43	47
Permits Fished	85	70	67	71	60	64
Total Pounds Landed	2,659,362	2,533,594	1,513,803	5,045,229	1,827,849	3,429,800
<i>Salmon (all types)</i>		1,897,620	1,307,694	2,852,575	1,462,600	1,138,224
<i>Halibut (long line only, <60')</i>		239,190	253,509	322,654	261,014	291,374
Estimated Gross Earnings	\$2,456,287	\$2,695,176	\$2,021,900	\$3,636,701	\$2,005,470	\$1,740,171
<i>Salmon (all types)</i>		\$2,343,165	\$1,330,391	\$4,810,746	\$1,683,413	\$3,270,076
<i>Halibut (long line only, <60')</i>		\$49,420	\$55,851	\$78,173	\$54,959	\$58,491
State Commercial Fisheries Business Tax Share to City	\$192,396	\$108,022	\$113,615	\$103,975	\$110,249	\$76,574

Source: Alaska Commercial Fishery Entry Commission (CFEC): Vessel Characteristics and Statistics by Alaskan City, Permit Fishing Activity by City



Hoonah Marine Industrial Center

In 2015, there were 120 vessels hauled-out using the new City of Hoonah 220-ton travel lift. Of this total, 77% of vessels were not Hoonah boats, bringing new revenue and creating demand for local marine services and goods to town. The 23% that were Hoonah vessels were able to “stay local” due to the new lift.

In late 2000s, the City of Hoonah constructed a marine industrial center located on three waterfront acres between the city’s marine warehouse and the state ferry dock and new (2011) ferry terminal. A 220-ton boat haul-out was installed which has increasing use every year, attracting users and revenue from the region and beyond (Figure 34). This facility also supports the Hoonah fishing fleet. It has a fenced boat yard maintenance and storage area, a concrete wash down pad and related wastewater treatment facility, and a utility building with office space and restrooms.

An obstacle to haul-out use is having enough staff during fishing and tourism seasons. When those requesting a haul-out must wait or are turned away, word spreads. The city is working to add staff so that this “economic engine” can perform as desired. When boats are hauled out for short term or long-term storage, boat owners typically want to inspect, re-paint, re-zinc and perform other repairs. This creates demand for marine service jobs. There are a growing number of marine service providers in town; however, the demand is currently greater than the supply and some services are missing (e.g. shrink-wrapping). Room for marine service businesses is needed; the rock quarry across Gartina Highway could potentially provide this space if its rock walls were stabilized.

Figure 34 - Hoonah Marine Industrial Center

Year	HMIC Revenue	Number Haul Outs	Residency of Hauled-Out Vessels					Haul-out Storage	
			Hoonah	Other SE	Other AK	US	Intl	Working (ST)	Long-Term
2010		2	-	-	-	-	-	-	-
2011		53	-	-	-	-	-	-	-
2012		41	-	-	-	-	-	-	-
2013	\$173,750	122	-	-	-	-	-	-	-
2014	\$114,583	106	-	-	-	-	-	-	-
2015	\$119,424	120	23%	54%	7%	12%	5%	91	29
to 3/21/16**		15	20%	60%	20%			10	5
** Through 5/24 there have been 47 haul-outs and facility is completely booked for next 2.5 weeks. Haul-outs since 3/16 not broken down by place of origin yet. Sources: City of Hoonah Harbormaster and Finance Officer									

Docks and Harbors

Hoonah's harbor is located at the crossroads of Icy Strait and Glacier Bay. For many years, it has enjoyed a reputation as a well-run facility with competitive rates; this attracts activity from around the region.

As a result, there are virtually no vacant slips for vessels 30 foot and larger (Figure 35).

Figure 35 - George Hall Harbor Facility		
Berth size	# slips	Comments/Status (May 2016)
20 ft	38	35-40% empty. Used a lot in summer, will fill up Memorial Day weekend
24 ft	65	55% vacant, but vacated slips to accommodate new launch ramp work. Starting to fill up now
30 ft	54	Full; most demand for this size slip.
40 ft	66	Full
48 ft	25	1-2 vacant
62 ft	10	Full
Inner Transient Dock		200+ feet long
Launch Ramp		
Amenities: Electricity, Wifi, Showers, Laundry, Pressure wash for rent, Fresh water (year round @ inner transient). Spring-fall amenities include fresh water @ main float, waste oil collection, dumpsters; public restroom.		
Hoonah City Dock (also called downtown transient dock)		
Large drive-down ramp. Transient moorage. Active loading and unloading zone.		
City Warehouse		
Freight and crab pot storage, large hoist, deep draft moorage		
Large hoist		
Deep draft moorage		
<i>Source: City of Hoonah Harbormaster</i>		

In addition to these city facilities, there is a floating ramp at Hoonah Fuel Dock that people tie up to grocery shop, and just south of the Fuel Dock ramp is the old airplane float that is used to on and off load crab pots and fishing gear. Just south of the Old City Dock is the Hoonah Cold Storage facility and dock.

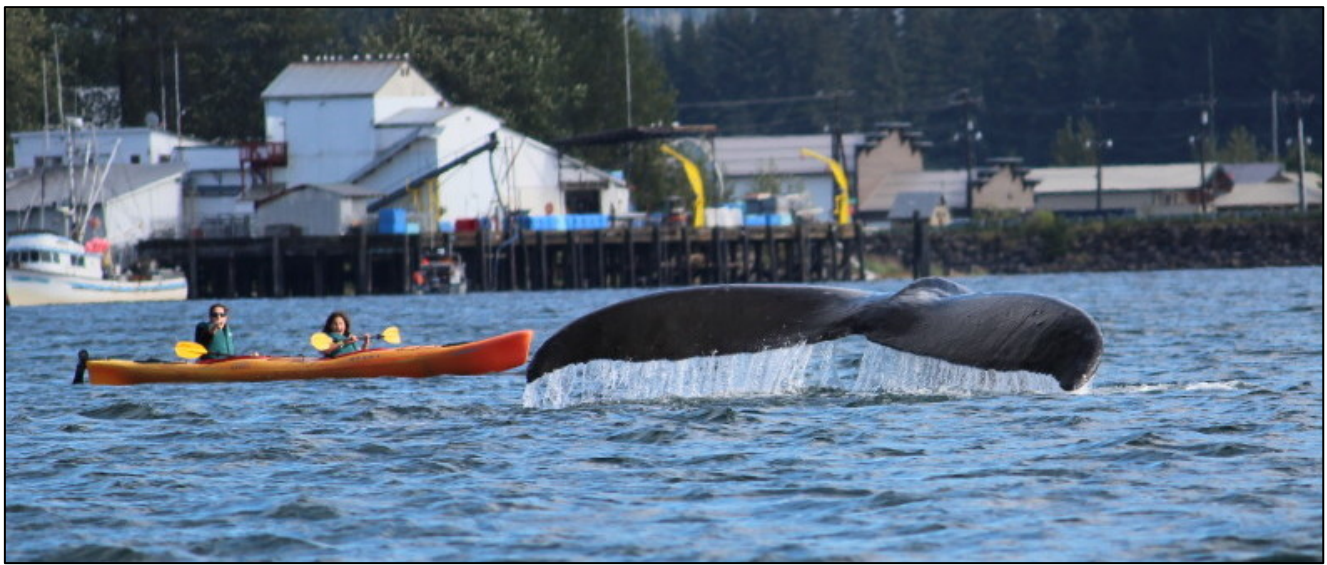


Photo from website of HunaOutfitters & Icy Strait Kayak Co. www.hunaoutfitters.com

VISITOR INDUSTRY

The tourism industry plays an important and growing part in the Hoonah economy.

The community hosts several unique projects that bring jobs and outside spending in to Hoonah. Thanks to investments in transportation infrastructure, visitors may reach Hoonah by state ferry, private vessels, airplane, or cruise ship.

Independent and cruise visitors create a market and demand for “Leisure and Hospitality,” and “Trade, Transportation, and Warehousing” businesses. These include lodging, restaurants and bars, and businesses where they can purchase gifts and experiences such as whale watching, bird, and bear viewing, charter fishing, guided hunting, renting boats and kayaks, hiking, and tours for photography, cultural understanding, and more.

In 2015, 111 or 30% of all Hoonah SSA³¹ employment were Leisure and Hospitality jobs, and workers average annual salary was \$32,400. Most however, are seasonal 4-5 month/year jobs. In addition, of the 100 state businesses licenses issued to businesses located in Hoonah, 31 are in Leisure and Hospitality sector.

Cruise Traffic and Icy Strait Point

In 2015, over 150,000 cruise passengers visited Icy Strait Point on 76 ships.

The Hoonah Packing Company built a large cannery at Inner Point Sophia that was closed in the 1950s; in the early 2000s Huna Totem Corporation (HTC) redeveloped the area as the Icy Strait Point cruise ship and tourist facility. Icy

Strait Point (ISP) is the only privately owned cruise ship dock in the country. With the 2016 completion of a new cruise ship dock, owned jointly by the city and HTC/ISP, cruise passengers are now able to disembark directly to shore, which is expected to increase the number of visitors

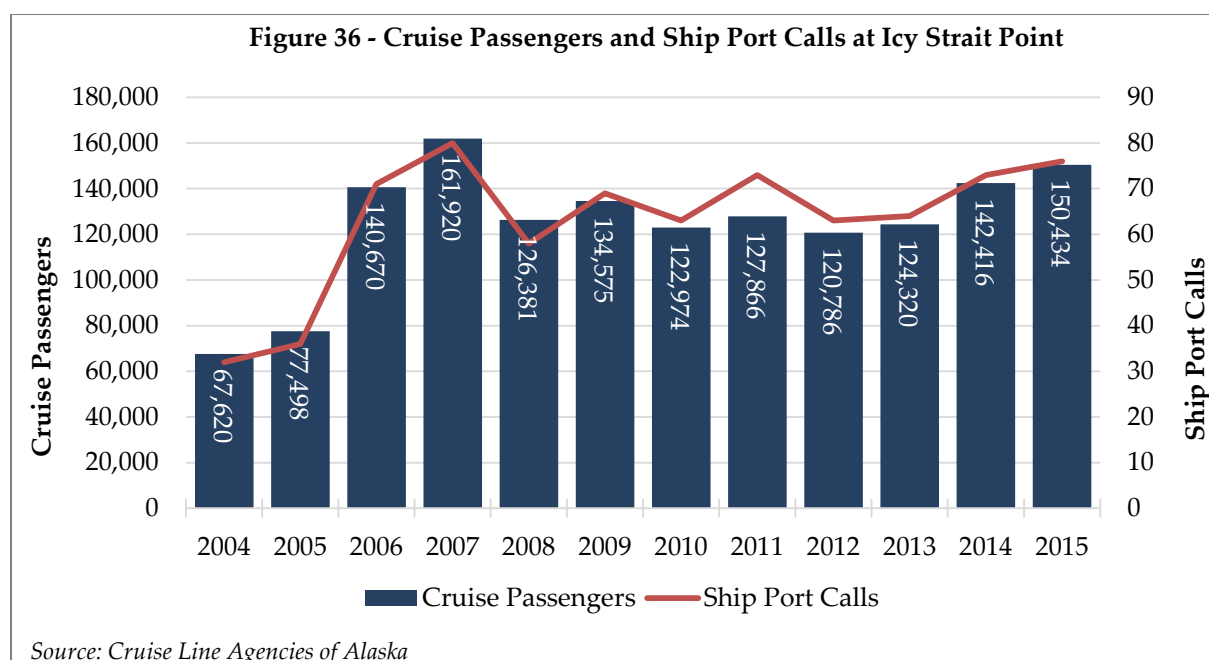


Ziprider® at Icy Strait Point, Photo from www.icystraitpoint.com

because an estimated 20% won't disembark if they must take a lighter craft. Facilities include a renovated historic cannery with shops, restaurants, one of the longest zip lines in the world, cultural experiences, whale watching, ATV tours and much more. According to ISP, approximately 15-20% of cruise visitors come into Hoonah while at port to see the community, shop, or take a tour offered by local Hoonah businesses while at Port.

Icy Strait Point reports that it employed 138 people for the summer season in 2015, 65% of which were local hires. The reported payroll was approximately \$1.8 million. The renovated cannery houses 12 businesses, six of which are owned by Hoonah residents or HTC shareholders.

Thanks in part to the growing visitor industry, the City of Hoonah is receiving higher tax revenue. In 2015, the City received just over \$450,000 in sales tax revenue from ISP sales and \$688,980 from the State of Alaska's Commercial Passenger Vessel Excise Tax (See Municipal Revenue section).



Independent Visitors

Independent visitors to Hoonah arrive by ferry, airplane, and private vessels. However, arrivals (and departures) on these modes of transportation blends visitors and residents, so there is no way to distinguish which is which.

Whether classified as independent visitors, or just a new transient business, Hoonah and surroundings is one of the destinations where the Discovery Channel's popular reality TV series Alaskan Bush People is filmed. The show has been filming in Hoonah for three years, rents an office in town, and when preparing to film or filming (4-7 months/year) the crew (20-25 people) rent housing and vehicles, eat at local restaurants and bars, buys local supplies, and hire for local construction and assistants.

Information on ferry and airplane arrivals is now presented; some of these travelers are independent tourists.

AMHS Ferry Transportation

The Alaska Marine Highway System (AMHS) passenger counts track closely with the number of port visits to Hoonah. Ferry departures declined to a ten-year low of 178 in 2015 due to budget shortfalls and ferry disruptions due to repairs. Passenger numbers to and from Hoonah have been declining for four years, paralleling decreases in port visits by the state ferry. Between 2014 and 2015 the total number of AMHS travelers to and from Hoonah declined by 7% (Figure 37).

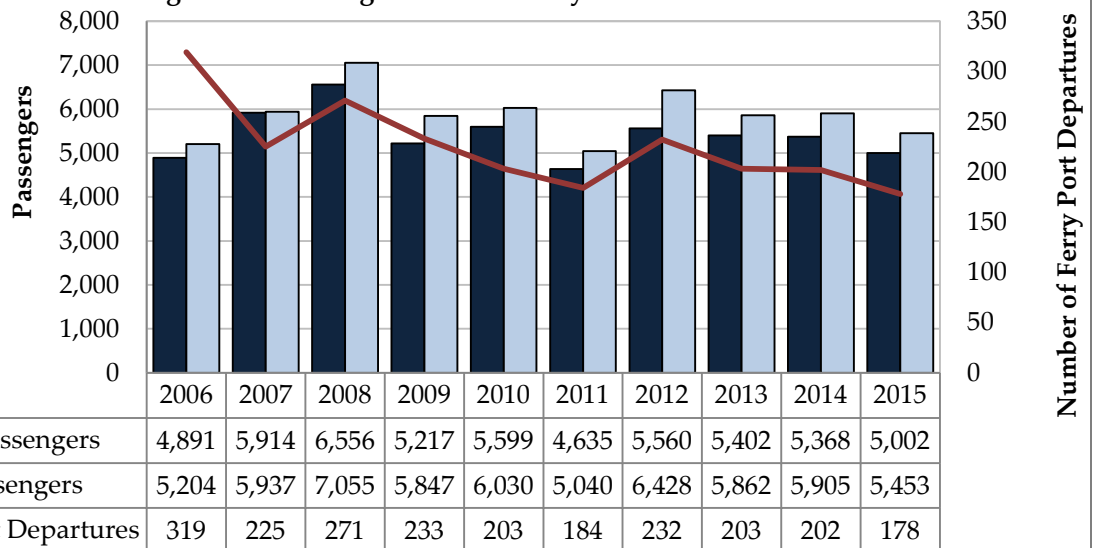
More passengers and vehicles arrive in Hoonah, versus depart from Hoonah, by ferry (Figures 37 and 38).

The Alaska Visitor Statistics Program (AVSP) reports on traveler trends. Statewide in 2015, the number of visitors using the AMHS was down by 17% (based on the number of non-Alaska residents who purchased at least one ferry ticket anywhere). The number of visitors exiting Alaska via AMHS was down by 12% (based on the number of non-Alaska residents who disembarked at Prince Rupert or Bellingham). These declines are due to ship repair and schedule changes. As AMHS budgets decline, ship sailings, port visits, and visitors arriving by ferry are expected to decline.

Hoonah has a state-operated airport, with air service to Juneau and neighboring communities. In 2015, visitors and residents made just under 20,000 trips in and out of Hoonah by air, which was a 22% increase over 2014 air traveler numbers (Figure 39).

Source: ADOT&PF, AMHS

Figure 37 - Passengers on State Ferry to and from Hoonah



Source: ADOT&PF, AMHS

Figure 38 - Vehicles on State Ferry to and from Hoonah

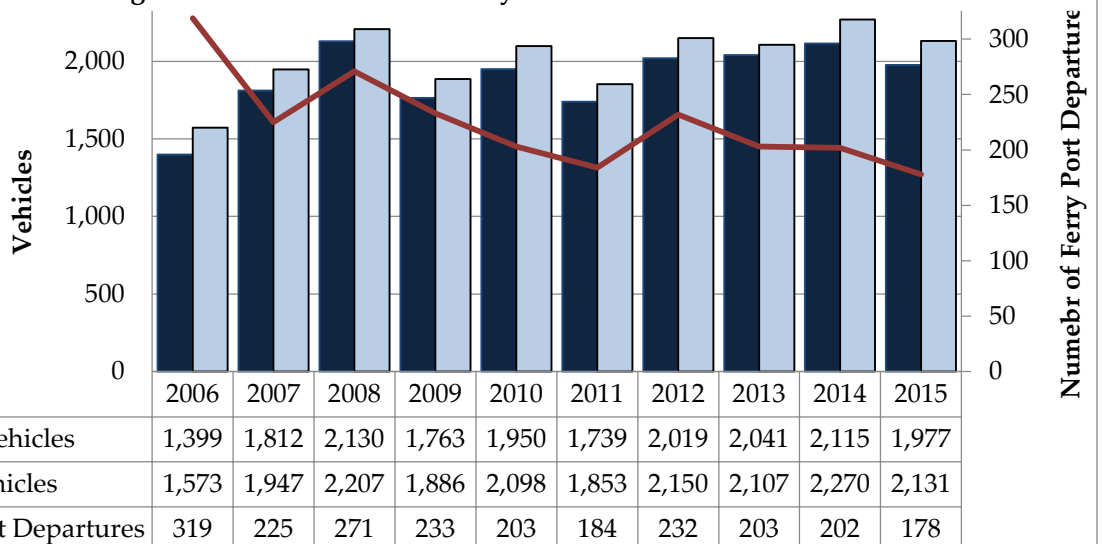
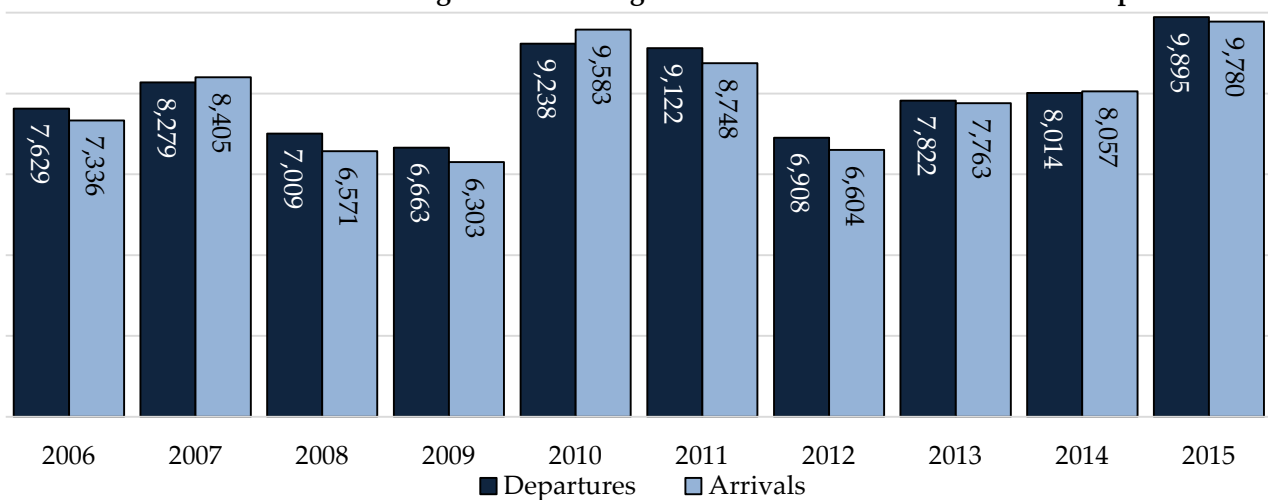


Figure 39 - Passenger Volume to and from the Hoonah Airport



Source: U.S. Department of Transportation, Bureau of Transportation Statistics



L to R: Icy Strait Lumber cabin photo by Erik Stimpfle, Capital City Weekly; Hoonah Native Forest Partnership crew in woods photo from Facebook page of same name; Sampling of the many useful wood objects and art pieces made by Sue Tyler of Icy Straits Lumber.

FOREST PRODUCTS

Hoonah is surrounded by forest land owned by a combination of Sealaska Corporation, Huna Totem Corporation (HTC) and the U.S. Forest Service. Between 1980 and the early 2000s there was large scale timber harvest on these lands. In the early 2000s Whitestone Logging Company was the largest employer in town. One legacy of past timber harvests is hundreds of miles of past logging roads connected to Hoonah, which most consider a local asset. Timber harvest and processing is still important to Hoonah's economy, though the nature of both harvest and processing is changing and evolving.

There are two small commercial sawmills in Hoonah that, depending on the year have recently employed up to 25 people in the summer and support the business owners year round. Less than a million board feet a year of spruce, hemlock, and yellow cedar is locally processed today in Hoonah.

In the past, minimal to no processing occurred on large volumes of logs prior to export; today significant value is added to each board foot by creating finished products for retail sale such as lumber for custom homes and commercial buildings, cabin kits, trail boards, wood for fish ladders and stream restorations, picnic tables, furniture, boxes, art pieces, wood for fine musical instruments, and more. Icy Straits Lumber & Milling (ISL&M) installed a kiln (supported by the U.S. Economic Development Agency) that assists it in producing value-added, kiln dried, dimensional lumber and other wood products. A 2010 fire that destroyed ISL&M's larger mill has challenged its ability to meet the demand for some products. D&L Woodworks is still milling and selling wood products, but focusing more on non-wood business opportunities at this time.

For the last three years Southeast Alaska's Haa Aani, The Nature Conservancy, and other sponsors have teamed to run a "Path to Prosperity" business competition where business entrepreneurs that use local natural resources sustainability receive business training, recognition, and compete for \$40,000 in business startup services. Out of more than 40 applicants in 2013, the two winners were Hoonah's Icy Straits Lumber & Milling Company and a Hoonah businessman making fine guitars from local wood (teamed up with a Wrangell partner).

In order to stay in business in Hoonah local commercial sawmills have had to evolve and be creative. Challenges continue to mount and consideration should be given to the local impact if commercial sawmills closed and whether any strategic assistance is needed to maintain a local

value-added timber industry. Challenges include timber supply, financing, marketing, and demographics; specifically:

- Timber sales designed specifically for small mills in local areas are needed. Small local operators do not have the ability to economically harvest all grades and sizes of logs, as is often required in timber sales. Hoonah area businesses primarily mill and add value to old growth wood, whose supply is uncertain. And, while there may be a supply of young growth wood soon in Southern Southeast, the Hoonah area is at least 15 years away from having young growth volume. Finally, timber sales are offered farther and farther away from town making it more costly to harvest.
- Lack of available financing to change, upgrade, or re-tool equipment. Commercial lenders reportedly won't loan on an uncertain timber supply. Note that a possible funding source for these purposes is Haa Aani's Community Development Financial Institution (CDFI) loan program.
- Need to develop young growth product markets. Marketing and shipping higher-value higher-end wood products from a remote location is a challenge.
- Like the rest of the Baby Boom generation current sawmill owners are aging. While they are invested in business growth and opportunities, they are beginning to think about business exit strategies like many of their peers.

In addition to milling wood and creating products for retail sale, other forest related work in Hoonah includes:

- Commercial tree thinning that Hoonah Indian Association (HIA) has been conducting under contract to landowners with mostly local crews.
- The Hoonah Native Forest Partnership (USFS, Sealaska, HIA, HTC), that is developing a scientific and local knowledge based understanding of the watershed and forest it supports to provide better management. One issue they will consider is developing forest resource based jobs and businesses. The goal is by 2018 to have a land management plan complete. In summer 2016, the Partnership will continue surveying streams, roads, habitat, and vegetation. In 2015, 25-30 miles of roads and the watershed they cross were surveyed.
- Harvest of blueberries and spruce tips for commercial purposes (see Food section).



HEALTH CARE

There were an estimated 26 health care and social assistance jobs in Hoonah in 2015 (a few of these may be in Pelican or Elfin Cove) that bring in \$886,000 in resident wages.

Health care and social services help keep income circulating through Hoonah, support local jobs, and provide needed services that make living in Hoonah safer and easier for residents of all ages.

A beautiful new Southeast Alaska Regional Health Consortium (SEARHC) Hoonah Medical Center opened in 2015. Medical, dental, and mental health services are available. SEARHC staff report that the number of clinic visits has doubled compared to a year ago. SEARHC offers wellness and nutrition services in Hoonah and hopes to increase recognition of these services and see increasing participation in these programs.

The new Hoonah Medical Center is nearly 10,000 sf and has seven exam rooms, an expanded dental clinic, and a modern emergency trauma room. The center replaces the 4,000-square-foot trailers and uses all LED lighting and soy foam insulation to be energy efficient and reduce operating costs.

SEARCH reports it has approximately 16 Hoonah employees, including two full time nurse practitioners. They expect that the new Hoonah Indian Association public transport van service will help with client/patient transportation to and from the Medical Center.

One trend staff has noticed is that as seasonal work in Hoonah has increased in the last few years, there are fewer residents available to help provide needed home services for elderly residents during the summer. Hoonah does have a senior center, senior transportation, and senior housing in town, which are all needed and well used services. The number of seniors is expected to grow over the next 10 years as the large Baby Boomer cohort ages.



Yaakw Kahidi canoe carving shelter, photo by Mary Catharine Martin for Capital City Weekly; Hand carved posts, screens and totems for the Huna Tribal House, NPS photo. Both sponsored by Hoonah Indian Association

CULTURE

Huna Tlingit have been in the area for many hundreds of years. Originally living in places in Glacier Bay, residents were forced to leave due to advancing glaciers 200 years ago. They chose to permanently settle 20 miles to the south where they subsistence-harvested each summer. The new settlement was referred to as Gaawt'ak.aan, or "village by the cliff." Later, the name was changed to Xu.naa (Hoonah), "place protected from the north wind."

Several traditional cultural activities and enterprises are occurring in Hoonah.

These projects strengthen cultural identity and pride for all involved, which in turn creates a healthier more resilient community and workforce.

Some recent activities are:

- A 2,500 sf Huna Tribal House with four clan house posts and several large screens is being created as a place to reconnect tribal members with their ancestral knowledge and home in Glacier Bay. This project is sponsored by Hoonah Indian Association (HIA), with funding by the National Park Service (NPS). Three are working on this fulltime.
- Two very large (40-foot) dugout canoes are being adzed for tribal members to use as they travel to the Tribal House dedication in Glacier Bay, and then for other purposes. This project is sponsored by HIA, with funding by the Federal Highways Administration Tribal Transportation Program. Three-five are working on this project, some paid and some as unpaid interns that receive housing.
- The tribal house and dugout canoe projects mentioned above are very visible in the middle of town and have become community gathering places during the day.
- Tlingit language classes happen every Friday at the Hoonah Senior Center.
- Efforts are underway to restore the Hoonah ANB/ANS Memorial Hall, though challenging economic times make fundraising for this estimated \$3-5 million project difficult. ANB/ANS Camp 12, the Hoonah Tlingit and Haida Community Council, and Huna Totem Corporation are helping with this project.

- Huna Heritage Foundation (HHF) is currently focused on three core areas: Youth Leadership, Educational Assistance, and Library/Archives. One ongoing program is partnering with several entities to coordinate trips into Glacier Bay National Park with students from the Hoonah City Schools, clan elders, and leaders. Students learn about the Tlingit history in Glacier Bay through interacting with elders, seeing first-hand some of the Hoonah Tlingit traditional territory and by participating in structured cultural learning activities. Partners are HHF, the NPS, Allen Marine Tours, and the Hoonah City Schools.

A consideration is whether there are additional job-creating and income producing opportunities linked to Hoonah's culture? This is complicated; there is a careful balance to recognize and achieve if one is to offer cultural information to those from outside the culture. You are representing more than yourself, you are representing your clan. Information and activities must be done with respect and dignity.

One example of a business walking this line that employs Hoonah residents as well as others is Alaska Native Voices, LLC. For 16 years they have been training and preparing Cultural Heritage Guides for work on cruise ships and in Glacier Bay to share traditional knowledge and personal perspectives on balancing contemporary life while embracing culture and tradition. They currently have 14 guides in the summer and up to 23 available to fill-in when things are busy. Their guides range in age from 18 to elders. Alaska Native Voices partners with Hoonah Schools to showcase opportunities for graduates in their and other cultural tourism work. They have a nonprofit arm that works with visitors at Glacier Bay Lodge to provide an historical and cultural view of the ties the Huna people have to *Sit' Eeti Gheeyi* (Glacier Bay). Another partner is Hoonah Indian Association; Alaska Native Voices is a subsidiary of Huna Totem Corporation.

FOOD

In Southeast Alaska, a more reliable food supply and improved access to local food improve self-reliance and community resiliency. Hoonah's remote location makes it vulnerable to the high cost of imported foods and a lengthy supply chain that is susceptible to outside disturbances (worker strikes, natural disasters along the transportation route, droughts, global markets, etc.).

Approximately 95% of the food consumed in Alaska is imported by barge or air, thus increasing its cost and decreasing quality. Approximately \$2 billion dollars is spent on imported food per year in Alaska. When locally grown and harvested food displaces imported food it helps keep dollars in the pockets of local residents and businesses and creates jobs and businesses around food production, processing, and sale. This will help keep more money circulating through the local economy and provide better quality food to residents.

This is already happening in Hoonah; examples follow.

Gathering and harvesting of traditional foods for personal use and sharing is a long time cultural and practical practice enjoyed by most Hoonah residents. The Alaska Department of Fish and Game (ADF&G) surveyed 122 Hoonah households on their 2012 subsistence activity. Very high rates of subsistence harvest and sharing are documented. The full report breaks down food harvested by type. Figure 40 summarizes overall resource use rates and harvest.

Using a wild food replacement value of \$4.00 - \$8.00 per pound, subsistence harvested food in Hoonah in 2012 had an economic value between \$1 million - \$2 million dollars.

This is income that is not leaking out of the local economy because it is being retained in the pockets of residents while filling their food needs.

Figure 40 - Estimated Harvests and Uses of Fish, Game, and Vegetation Resources, Hoonah, 2012	
Percent Using Subsistence Resources (all, combined)	98%
Percent Attempting to Harvest	90%
Percent Harvesting	90%
Percent Giving Away	85%
Percent Receiving	96%
Hoonah Subsistence Harvest	251,364 pounds (+ or - 29%)
Mean Pounds Harvested per Hoonah Household	898 pounds
Mean Pounds Harvested Per Capita, Hoonah	343 pounds
Source: ADF&G Division of Subsistence household surveys, 2013	

During the last few years blueberries have been harvested by Hoonah residents on certain Sealaska lands that have been certified organic by the USDA (Sealaska has accomplished this in Hoonah and Kake). Berries harvested from these lands can be used for high-end commercial food, pharmaceutical, and biotech purposes. Recent sale of local blueberries to a biotech firm has been facilitated by Hoonah Indian Association and Haa Aani. An opportunity to increase the economic value to Hoonah residents if there is interest is to minimally process the berries (wash and clean in an ADEC certified kitchen), which increases the value from \$2-3/pound to \$12-20/ pound.

Other new food-related businesses in Hoonah are an oyster farm (2016), a newly permitted commercial greenhouse (2016), and a local micro-brewery (2015) that lovingly restored one of the few structures in Hoonah that survived the 1943 fire to make its home. Icy Strait Point purchases halibut from Hoonah Cold Storage, beer from Icy Strait Brewing, and wood from Icy Strait Lumber & Milling, all of which re-circulates money in town and helps support local businesses.

“The Farm” at Game Creek near Hoonah was settled by members of a Christian religious group in the 1960s. Many residents of this small community are integrated into life and business in Hoonah today. This collective maintains a large vegetable and animal farm and orchard for their own community food needs and supports occasional farmer’s market and seed sales in Hoonah. By growing a significant portion of their own food, Game Creek residents have reduced the need to purchase imported food thereby keeping their income from leaking out of the community, and providing fresher food.

Hoonah Fish Company is a small custom smoke and process facility near the harbor that is currently closed. This has created a gap in town for a business to process personal and sport caught fish, as well as potentially other small scale custom processing.

“Dear North” is Huna Totem Corporation’s new food-related subsidiary business. It is a company working on product development and adding value to Alaskan food, sold through online retail sales. In 2016, Dear North Alaska Salmon Bites won a NEXTY (Natural Products Expo West) award for “Best New Meat, Seafood, or Meat Alternative Product.” Dear North Salmon Bites are an example of adding value to a local resource and selling it to outsiders who thus contribute new money to the economy. While some of this revenue ultimately will become shareholder dividends, the issue for Hoonah is can the community derive greater economic benefit overtime through either purchase of fish or other products from Hoonah residents or local processing. Among the challenges to realizing this are the price of energy in Hoonah and that Juneau has less expensive shipping. Most important though, the business is still in the start-up and brand-building phase; if it proves successful in the longer term there may be opportunities such as those mentioned or others to increase the economic value to Hoonah residents.

¹ Alaska Department of Labor and Workforce Development

² Alaska Department of Labor and Workforce Development

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- ³ 2010 US Census
- ⁴ Alaska Department of Education and Early Development
- ⁵ Permanent Fund Division Annual Reports
- ⁶ 2010 US Census, 2010-2014 American Community Survey 5-yr Estimate
- ⁷ 2010 US Census
- ⁸ Inside Passage Electric Cooperative
- ⁹ Alaska Department of Labor and Workforce Development
- ¹⁰ Quarterly Census of Employment and Wages, Alaska Department of Labor and Workforce Development
- ¹¹ Alaska Department of Labor and Workforce Development
- ¹² Alaska Department of Education and Early Development
- ¹³ As defined by the US Census Bureau, "Income" includes "the sum of the amounts reported separately for wages, salary, commissions, bonuses, or tips; self-employment income from own nonfarm or farm businesses, including proprietorships and partnerships; interest, dividends, net rental income, royalty income, or income from estates and trusts; Social Security or Railroad Retirement income; Supplemental Security Income (SSI); any public assistance or welfare payments from the state or local welfare office; retirement, survivor, or disability pensions; and any other sources of income received regularly such as Veterans' (VA) payments, unemployment compensation, child support, or alimony."
- ¹⁴ US Census Bureau, 2010-2014 American Community Survey 5-yr estimate
- ¹⁵ US Census Bureau, 2010-2014 American Community Survey 5-yr estimate
- ¹⁶ US Census Bureau, 2010-2014 American Community Survey 5-yr estimate
- ¹⁷ Commercial Fisheries Entry Commission
- ¹⁸ Commercial Fisheries Entry Commission
- ¹⁹ Commercial Fisheries Entry Commission
- ²⁰ State of Alaska Department of Revenue, State Shared Taxes and Fees Annual Reports
- ²¹ Commercial Fisheries Entry Commission, Vessel Characteristics and Statistics by Alaskan City
- ²² Cruise Line Agencies of Alaska
- ²³ Cruise Line Agencies of Alaska
- ²⁴ Alaska Department of Revenue Shared Tax Annual Reports
- ²⁵ City of Hoonah Financial Audits, Alaska Department of Commerce and Economic Development
- ²⁶ US Bureau of Transportation Statistics
- ²⁷ Alaska Marine Highway System
- ²⁸ US Bureau of Transportation Statistics
- ²⁹ Personal communication, Alaska Marine Lines
- ³⁰ Alaska Department of Labor and Workforce Development
- ³¹ Remember, the SSA is the Hoonah Statistical Subarea, which includes Hoonah, Pelican, Gull Cove, and Elfin Cove.