



The financial picture in Sitka for the third quarter continued its downward slide. Sitka's unemployment percentage climbed to 7.3% in October 2009 over 5.7% in July and 5.5% a year ago. Total gross receipts reported to the City and Borough of Sitka (CBS) decreased by roughly \$20 million dollars in the 3<sup>rd</sup> QTR over the same period in 2008. This resulted in a 22% drop in sales tax. Bed tax numbers didn't fair much better with a 32% drop over 3<sup>rd</sup> quarter 2008.

Total gross receipts reported to the CBS as of November 30, 2009 was \$258.9 million compared to \$290.2 million for 2008, resulting in a decrease of \$31.3 million or a drop of 10.8%. This results in roughly \$1.2 million dollars less in tax revenues to the CBS. The largest reduction in gross receipts was in the service industry at 25.09 or \$13.6 million, followed by the transportation industry at 19.24% or \$3.8 million and retail trade at 13.7% or \$17.2 million. The construction industry was the only industry to show an increase in gross receipts of 8.8% or \$4.8 million. (Source: CBS Finance Dept.)

The decline in the service industry and retail sales numbers are evidenced by the number of business that closed their doors this past year. The State of Alaska Department of Labor economist, Dan Robinson in the December's issue of Alaska Economic Trends show that Southeast Alaska has suffered the biggest retail job losses in the state, with a loss of 375 jobs in SE Alaska. <http://labor.alaska.gov/trends/dec09.pdf>.

The national economy is predicted to rebound some in the first three month of 2010, but slowly and it is still in a fragile state. With the uncertainty in the national economy and fewer cruise ship passengers predicted to arrive in Sitka in the next few years, it is shaping up to be a bumpy ride. But Sitka has seen bad times in the past and prevailed. In March 1994, shortly after the Alaska Pulp Corporation close, Sitka saw unemployment at 13.3% and bounced back.

**Mission Statement:** The Sitka Economic Development Association's mission is economic development.

**SEDA will:**

- \* Foster a business climate that is receptive and conducive to existing and new business;
- \* Help promote the creation of family wage jobs; and
- \* Enhance the quality of life for Sitkans.



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Sitka Economic Development Association

<b>EMPLOYMENT</b>	<b>October 2009</b>	<b>October 2008</b>	<b>October 2007</b>
Total Labor Force – Sitka *	4,318	4,403	4,464
Number Filing Unemployed – Sitka *	315	244	220
Unemployment Rate – Sitka *	7.3%	5.5%	4.9%
Unemployment Rate – Alaska (seasonally adjusted)	8.3%	6.3%	5.5%
Unemployment Rate – National	10.2%	6.6%	4.8%
Positions Open (listings at Sitka Job Center as of 12/01/09) – Sitka	62		
SEARHC (vacancies in Sitka as of 12/01/09)	19		
* Source: Alaska Dept. of Labor - some figures are NOT seasonally adjusted			
<b>FINANCIAL</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>
Per Capita Income – Sitka (Source: US Bureau of Economic Analysis)	\$34,762	\$33,478	\$31,797
Median Household Income – 2007 Sitka \$58,958 (Source: Census Bureau)			
	<b>3rd Qtr. 09</b>	<b>3rd Qtr. 08</b>	<b>3rd Qtr. 07</b>
Sales Tax Collected (Source: CBS Finance Department)	\$2,795,983.76	\$3,561,723	\$3,280,741
Bed Tax Collected (Source: CBS Finance Department)	\$129,370	\$190,614	\$189,614
<b>HOUSING</b>	<b>3<sup>rd</sup> Qtr 2009</b>	<b>3<sup>rd</sup> Qtr 2008</b>	<b>3<sup>rd</sup> Qtr 2007</b>
Value of Construction Permits Issued (Source: CBS Building Department)	\$1,778,185	\$3,983,218	\$4,094,927
Dwelling Units Added (Source: CBS Building Department)	5	10	4
Total Homes Sold – all types combined (Source: CBS Property Tax Clerk)	22	33	35
Vacant Lots Sold – Residential (Source: CBS Property Tax Clerk)	5	3	5
	<b>October 2009</b>	<b>October 2008</b>	<b>October 2007</b>
Homes Sold – single family (Source: MLS/Davis Realty)	9	3	6
Average Home Sale Price - single family (Source: MLS/Davis Realty)	\$254,000	\$285,167	\$328,416
Sales Volume – single family homes	\$2,286,000	\$855,500	\$1,970,500
October 2009 – 56 single family homes listed - Average price \$476,668			
<b>POPULATION</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>
City & Borough of Sitka	8,615	8,602	8,972
Southeast Alaska	69,202	68,971	70,271
State of Alaska (SOA Dept. of Labor & Workforce Development)	679,720	674,510	669,716
<b>COST OF LIVING INDICATORS</b>	<b>Dec. 10, 2009</b>	<b>Dec. 2008</b>	<b>Dec. 2007</b>
Gasoline (1 gallon regular) – Sitka (Source: UAF CES / **pump average)	** \$3.08	\$3.44	\$3.42
Gasoline (1 gallon regular) – Anchorage (Source: AAA)	\$3.29	\$2.62	\$3.01
Gasoline (1 gallon regular) – Alaska Average (Source: AAA)	\$3.40	\$2.76	N/A
Gasoline (1 gallon regular) – National Average (Source:AAA)	\$2.63	\$1.82	\$2.98
Heating Oil (1 gallon No. 2) – Sitka (Source: UAF CES / **vendor average)	** \$2.71	N/A	\$3.57
Heating Oil (1 gallon No. 2) – Anchorage (Source: UAF CES)	N/A	\$2.89	\$3.26
Heating Oil (1 gallon No. 2) – National Average (Source: EIA US Gov.)	\$2.75	\$2.48	\$3.29
Electricity – Yearly Average	<b>2009</b>	<b>2008</b>	<b>% Change</b>
1000 KWh – Sitka	\$97.97	\$97.97	0.00%
1000 KWh – Alaska	\$172.40	\$163.30	5%
1000 KWh - National	\$116.30	\$112.50	3%
	<b>Sept. 2009</b>	<b>Sept. 2008</b>	<b>Sept. 2007</b>
Weekly food cost – Family of 4 (2 children) – Sitka	\$176.96	\$172.48	\$159.83
Weekly food cost – Family of 4 (2 children) - Anchorage	\$128.44	\$126.81	\$123.33
Sitka's weekly food cost as a percentage of Anchorage cost (Source: UAF Cooperative Extension)	137	136	130
<b>PUBLIC SCHOOL ENROLLMENT</b>	<b>2009/2010</b>	<b>2008-2009</b>	<b>2007-2008</b>
Total student enrollment per school year (2008 preliminary count)	1309	1309	1344