



1999

Situations and Prospects

Of the

Kenai Peninsula Borough

Dale Bagley
Borough Mayor

Compiled and Produced by:
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Introduction

The Kenai Peninsula Borough (KPB) *Situations and Prospects* is an annual publication of statistical information used to understand economic conditions and trends within the KPB. The KPB Economic Analyst, Jeanne Camp, compiles and produces the document under supervision of Wanetta Ayers, Economic Department Director and Dale Bagley, Mayor. This meaningful and useful information could not have been gathered without support and cooperation from cities within the KPB, borough departments, businesses operating within the borough and agencies and organizations within the state.

The *1999 Situations and Prospects* provides statistical information for calendar year 1999 with historical data for identification of economic activity trends. The edition is divided into sixteen sections, the first being this Overview. In past years, studies of five industries, Commercial Fishing, Oil & Gas, Retail Sales, Timber Harvest and the Visitor Industry, have been published separately. Those studies are included in this publication.

It must be noted that statistics analyzed and evaluated in this publication are basic to the Kenai Peninsula Borough. With technological advances, ease of communications, transportation, and market data availability, the KPB economy is not a stand-alone entity. Rather, it is a small portion of a global economy. Oil and gas produced and processed within the Kenai Peninsula Borough are sold locally, within the United States, and also on world markets. Cook Inlet commercial fisheries are impacted by conditions elsewhere in the state and by global conditions. Salmon farming has raised controversial issues as foreign governments subsidize salmon farming within their countries. Those salmon can enter the market at prices below those of Alaskan and Cook Inlet salmon, yet showing a profit for subsidized farmers. Influenced by governmental subsidies, market prices are declining to a point where profitability in harvesting wild salmon stocks is more and more elusive. Research is being conducted to determine nutritional value of farmed salmon as opposed to the wild salmon harvested in Kenai Peninsula Borough waters.

Even tourism is dependent on factors outside the realm of borough control. As economic conditions improve in the global economy, more consumers

respond to KPB tourism opportunities. If economic conditions decline, disposable income declines, resulting in fewer tourists able to fulfill the dream of a visit to the state of Alaska and in turn, to the Kenai Peninsula Borough. In addition, political or social unrest in other parts of the world may motivate travelers to visit Alaska and the Kenai Peninsula rather than areas of unrest.

Data has been acquired through correspondence, phone calls, web searches, and studies and reports completed by other government agencies. Bibliographic information is provided as source data on each page. Whenever possible, an Internet address is provided. All United States Census Bureau figures were found at the <http://www.census.gov/statab/www/ranks.html> website. With the variety of data sources, there is not a consistent timetable of historic data available. The reader will note breaks in data history that occur as methodology, situations and service providers change. The history for each subject is presented as completely and currently as possible.

Data presented in this publication is used by local and state government officials; local, state and federal agencies; businesses within the communities; and private citizens and assists in decision making by providing economic data and demographic trends.

Information is received from various sources and is subject to change as information is updated, revised, and corrected. The information presented here is the most recent data available at the time of printing. Only summary information is provided in the document. The KPB makes no claims to accuracy or completeness of information provided. For further detail, contact Jeanne Camp, Economic Analyst, Kenai Peninsula Borough Community Economic Development Department, 907-262-6355. Web sites cited contain far more detail than is published within this document. This document will be available electronically on the Kenai Peninsula Borough website located at <http://www.borough.kenai.ak.us>.

The Kenai Peninsula Borough wishes to thank all persons, organizations and entities contributing documents, statistics and ideas for this publication.

Alaska Agricultural Statistics Service
 Alaska Commercial Fisheries Entry Commission
 Alaska Cooperative Extension
 Alaska Department of Education
 Alaska Department of Fish and Game
 Alaska Department of Labor
 Alaska Department of Natural Resources
 Alaska Department of Revenue
 Alaska Department of Transportation and Public Facilities
 Alaska Housing Finance Corporation
 Alaska Ports of Entry
 Alaska Vocational Technical Center
 Central Peninsula General Hospital
 Chambers of Commerce – Homer, Seward, and Soldotna
 City of Homer
 City of Kenai
 City of Seward
 City of Soldotna
 Economic Development District (EDD)
 Emergency Service Areas
 Enstar
 GTE Alaska
 Homer Electric Association (HEA)
 Heritage Place
 International Pacific Halibut Commission
 Kenai Municipal Airport
 Kenai Peninsula Borough Assessing Department
 Kenai Peninsula Borough Clerk's Office
 Kenai Peninsula Borough Finance Department
 Kenai Peninsula Borough Planning Department
 Kenai Peninsula Borough School District
 Kenai Peninsula College
 Kenai Visitors & Cultural Center
 Police Departments – Homer, Kenai, Seldovia, Seward and Soldotna
 PTI Communications
 Seward Public Utilities
 South Peninsula General Hospital
 United States Department of Labor
 United States Postal Services
 Wesley Rehabilitation Center

Definitions

AK DOL – State of Alaska Department of Labor and Workforce Development

Areas – Sales tax areas within the Kenai Peninsula Borough, specifically, the cities of Homer, Kenai, Seldovia, Seward, and Soldotna plus the general “Other” area which refers to all areas not under jurisdiction of a city government.

Chinook Salmon – Commonly called “king” salmon.

Circulation - With reference to library statistics, circulation represents the number of items within the library inventory that are checked out to an individual or another library.

Confidential – Under circumstances where few permits operate within a fishery, or few employers operate within an industry sector, numbers are withheld to protect privacy of the few.

Consumer Price Index – CPI – An index measuring the cost of a fixed “basket” of goods bought by a typical consumer including food, shelter, transportation, utilities, medical care, clothing, entertainment and other goods. It is used to determine changes in cost of living expenses over time.

Cost of Living Index – Also known as the Consumer Price Index.

Cwt. – Hundred weight, one hundred pounds.

Employment - Individual members of the labor force who have found suitable work.

Enplanements – The number of persons boarding a plane for flight.

Escapement – The number of salmon allowed to enter the Kenai River (or any other river) either for spawning purposes or sport fishing/recreational purposes, as opposed to commercial harvest.

Exvessel Value – The value of fish delivered to a processor for purchase, prior to processing. The price paid for the goods delivered.

Gill Net – A curtain-like net used by commercial fishermen that sets perpendicular to the direction fish are traveling as they migrate to spawning grounds. The net has a float line on the top and a weighted line on the bottom. The mesh is just large enough to allow the head to pass through, and then the fish is “caught” in the netting. Gill net fishing can be either set net or drift net fishing.

Gross Sales – Total sales within the Kenai Peninsula Borough or other specified area, whether taxable or non-taxable.

Growth Rate - With reference to the Kenai Peninsula Borough School District, growth rate represents the percentage change in enrollment from the previous years' enrollment.

Industry – With relation to SIC classifications for employment and sales tax data, industry is delineated as follows:

AFF –	Agriculture, Forestry and Fisheries
Mining –	Mining
Const –	Construction
Manu –	Manufacturing
TCPU –	Travel, Communications, and Utilities
Wholesale –	Wholesale Trade
Retail –	Retail Trade
FIRE –	Finance, Insurance and Real Estate
Services –	Services
Gov't –	Public Administration

KPB – Kenai Peninsula Borough

KPBSD – Kenai Peninsula Borough School District

Labor Force – The number of individuals within a region who are willing and able to work.

Multiplier Effect – The total change in spending that results from boosts in income, that result in boosts in spending, that results in boosts in income and so on.

NA – Information Not Available.

Native Owned Lands – Two classes of land are included. The Native Allotment Exemption is mandated by the federal government through the BIA, and is deeded for homestead purposes. The ANCSA Native Exemption is mandated by the federal government through the Alaska Native Claims Settlement Act where property is deeded to Alaska Natives and Native corporations.

Non-taxable Sales – Sales made by businesses within the Kenai Peninsula Borough which are not subject to sales taxation. Within the KPB, these sales include: sales outside the borough; sales for resale; sales to government agencies; sales to tax-exempt organizations; and sales in excess of \$500.

Other Areas – With reference to sales tax, “Other Area” refers to areas within the KPB but outside incorporated city boundaries.

Per Capita Income – The total amount of income for a region equally divided by the total number of people living in the region.

Purse Seine – A long net used by commercial fisherman, from a fishing vessel, to catch salmon by encircling them and drawing the net closed to capture the fish.

Round Weight – The whole fish, as delivered to the processor, for processing.

SIC – Standard Industrial Classification – Codes used to assist in data standardization for governmental agency statistics. The system, used by government agencies since 1939, is being phased out and replaced with NAIC codes, North America Industrial Classification codes. NAIC codes will cause a break in statistical data but are required as part of the NAFTA agreement signed by the United States, Canada and Mexico during 1993, effective January 1, 1994.

Sockeye Salmon – Commonly called “red” salmon.

Taxable Sales – Sales by businesses within the Kenai Peninsula Borough that do not meet any criteria for non-taxable sales. See Non-taxable Sales.

Tower Counts – The number of take-offs and landings at the Kenai Municipal Airport.

Trolling – A method used by commercial fishermen to catch salmon by “trolling” bait or lures through feeding concentrations of fish using a fishing vessel.

Unemployment – The situation that exists when an individual is willing and able to work but is without a job.

Unemployment Rate – The number of unemployed individuals who are members of the labor force divided by the total number of individuals in the labor force.

Executive Summary

The diversity of the Kenai Peninsula Borough continues to be its foundational strength. As the Oil & Gas industry and the Fishing industry improved from the lows of 1998, other industries continued to provide economic activity. KPB economic growth has slowed with \$36 million less in gross sales than during 1998, but Taxable Sales exceeded 1998 levels by \$27 million. Construction activity remains strong as permit volume of 287 set a new high. The emphasis was in New Commercial construction.

Sales

Gross Sales during 1999 totaled \$1,642,006,729, a decline of 2% from 1998 sales. Taxable Sales gained 4% for a total of \$639,443,450 during 1999. Taxable Sales set a new high volume while Gross Sales were third highest on record. The influx of funds during the Exxon Valdez oil spill incident resulted in Gross Sales of \$2,062,510,938, an extreme and not considered in normal economic trends. Only 1998 Gross Sales were higher than 1999 in normal circumstances.

Kenai, Seldovia and Soldotna reported Gross Sales increases for 1999 while Homer, Seward and "Other" experienced declines. Seldovia was the only area reporting a Taxable Sales decline.

Industries reporting gains in Gross Sales over 1998 include Agriculture, Forestry and Fishing (AFF), gaining 3% for sales of \$40.6 million; Manufacturing gained 23% to \$195.8 million; Transportation, Communication and Public Utilities (TCPU) increased 6% to \$168.5 million; Finance, Insurance and Real Estate (FIRE) increased 0.3% to \$50.7 million; and Services gained 4% for sales of \$219.2 million. Mining, Construction, and Retail sales reported declines of 40%, 12% and 0.8%, respectively. Mining sales totaled \$113.8 million; Construction sales were \$161.3 million; and Retail sales, which account for 33% of Gross sales, totaled \$543.8 million.

Mining and Manufacturing were the only industries to report drops in Taxable sales, losing 30% and 2%, respectively. Other industries had gains

as follows: AFF + 4%, Construction + 1%, TCPU + 9%, Wholesale + 21%, Retail + 3%, FIRE + 0.4%, and Services + 6%.

Construction

Assessed value of KPB construction during 1999 totaled \$34,128,283, nearly \$4 million more than during 1998. New Commercial structures account for \$18.6 million of the value and New Residential construction makes up another \$11.2 million. Permits are required only when construction occurs within the cities. Data does not include activity where permits are not a requirement.

Homer issued \$10.9 million of the value, Soldotna issued \$9.5 million, Kenai issued \$9.4 million, and Seward issued \$4.2 million.

The KPB real estate market, through March 1999, indicates that the number of homes on the market is higher and the average value of homes sold is lower than one year earlier. The average time on the market has increased from 197 days to 216 days.

Employment

Total employment figures for 1999 are available but area and industry breakdown will not be released until late 2000. The KPB Labor Force decreased approximately 3.4% since fourth quarter 1998, but at an annual average of 21,567, remains above average. Unemployment Rates increased 1.1% from last year's levels to 11.0% during December. The high for the year was 16.3% during February. The low was 7.1% during August.

Population

Population estimates from the Alaska Department of Labor and Workforce Development indicate the KPB has 48,952 current residents, a gain of 420 persons or 0.9% since 1998. Each of the major population centers increased slightly except for Seward which dropped by 18 persons. The median age of KPB residents increased from 35.4 years during 1998 to 36.1 years of age during 1999.

School enrollment within the KPBSD dropped 0.85% to 9,749 with enrollment also decreasing at the combined KPC campuses. However, KPC completion of credit hours increased for the year.

Industry Summaries

The Fishing Industry rebounded during 1999 with estimated Gross Sales from all fisheries surpassing \$60 million. Cook Inlet salmon exvessel value for all species reached \$27,890,000. The 1998 total was \$48 million with \$12,690,000 in salmon gross sales.

Oil and Gas indicators declined across the board. Sales dropped nearly \$50 million from \$275 million to \$224 million. Employment declined by 56 positions to 1,454. Oil production dropped by 7.7% and gas production was down 2.0%.

Retail Sales, totaling \$543,768,214 during 1999, are increasing as a percent of total sales, with 33.1% of KPB 1999 total Gross sales. Industry sales declined from \$548 million during 1998.

Gross Sales in the Timber Industry dropped from \$26 million to just under \$12 million during 1999. Homer remains the center for timber harvest activities. Employment in the industry nearly doubled, from 61 employees during 1998 to 105 during 1999.

The Visitor Industry added luster to the economy during 1999 with an increase in visitor counts, sales, and employment. Gross sales reached \$87 million, nearly \$9 million more than 1998, and accounted for 5.3% of KPB total sales.

The Kenai Peninsula Borough

The Kenai Peninsula Borough was incorporated in January 1964 as a second-class borough under the authority of the State of Alaska. The governing structure of a second-class borough consists of an assembly, a school board, a planning commission, and a mayor. Mandated powers and duties of a borough include three area wide powers: 1) education, 2) tax assessment and collection, and 3) planning/platting/zoning.

Within the Kenai Peninsula Borough, Homer, Seldovia, and Soldotna have incorporated as First Class cities while Kenai and Seward have opted as Home Rule cities. Kachemak is the only Second Class city in the KPB. The *Municipal Officials Directory 2000* states that to qualify as a first class city “a community must have a minimum population of 400 in order to qualify as a first class city. ... The mayor of a first class city is elected by the voters and is not a member of the council. The mayor of a first class city may vote only in cases of a tie or to veto action of the council.” A second class city is “essentially identical, except that first class boroughs can acquire additional areawide powers by ordinance rather than referendum.” Regarding Home Rule cities, it states, “A home rule municipality (...) has adopted a home rule charter through an election. (...) The charter provides for the governing structure, function and services, and restriction on municipal powers in accordance with the conditions, needs and desires of the community.” Numerous other KPB communities exist without city designations.

The Kenai Peninsula Borough lies directly south of Anchorage, the state's principal population center. The waters of the Gulf of Alaska and Prince William Sound border the borough on the south and east while the Chigmit Mountains of the Alaska Range rim the borough to the west. Cook Inlet divides the borough into two landmasses. The peninsula itself encompasses 99 percent of the borough's population and most of its development. The boundaries of the borough encompass a total of 25,600 square miles, 15,700 are in land. In comparison, the total landmass of the borough equals that of Massachusetts and New Jersey combined.

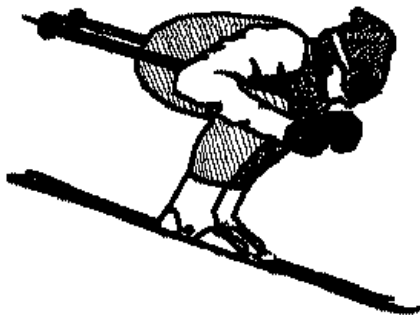
The Kenai Peninsula Borough draws strength from its diversity. Economic benefits come from tourism, commercial fishing, oil and gas production,

construction, retail sales and the timber industry. Geographic diversity provides for a variety of lifestyles and economic and recreational opportunities. Industries capitalize on geographic strengths of the area such as all-weather ports and easy accessibility for shipping. Borough residents enjoy all the amenities society has come to expect including quality education, employment, solid waste disposal, 911 communications, and fire protection and emergency services. For the individual wishing to get away from it all, opportunities abound for that lifestyle as well.



Summer recreational opportunities include beach combing, berry picking, biking, bird watching, camping, canoeing, fishing, gardening, golfing, gold panning, hiking, kayaking, sailing, wildlife viewing, and wind surfing. Wildlife viewing might include the typical forest and mountain mammals of moose, caribou, and bear, or it may include marines such as whales, otters, porpoises, sea lions and seals, and spawning salmon. For the ornithologist of the group, golden eagles, bald eagles, murre, puffin, and many other species are common in the Kenai Peninsula Borough.

Winter activities include cross-country skiing, dog mushing, skijoring, and snowmobiling. Natural phenomena within the KPB offer magnificent



displays of Northern Lights; glacial activity from the awesome spectacle of calving to the barely noticeable power of the glacier as it carves out new valleys; or a view of the four active volcanoes surrounding the KPB region; Mt. Spurr, Mt. Redoubt, Mt. Iliamna, and Mt. Saint Augustine.

More accessible natural characteristics include mountains, forests, streams, fresh water lakes and rivers, tidal flats, marine life forms from crabs and clams to anemones and jellyfish, snow capped peaks, and the abundant and varied wild flowers native to the borough.

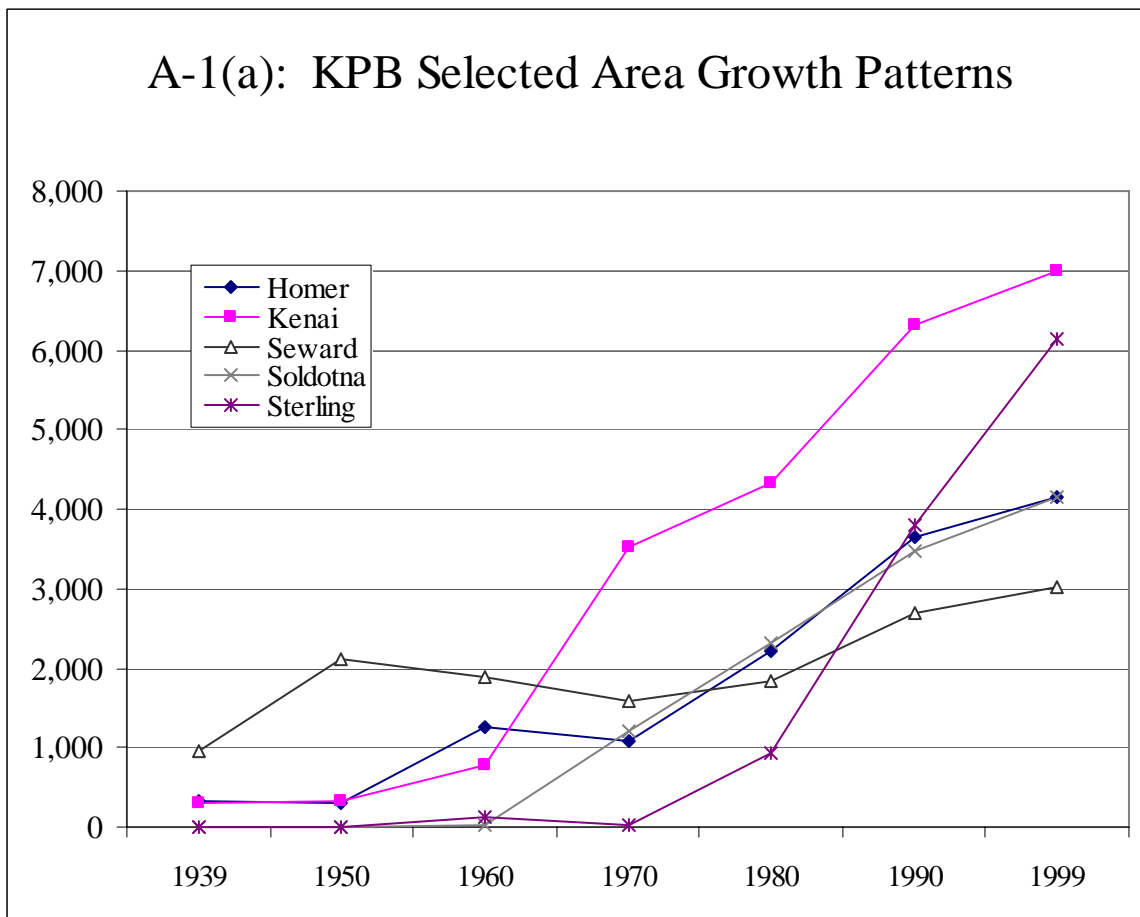
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A: Demographics

A-1: Population

The AK DOL estimates the 1999 KPB population at 48,952, an increase of 8,150 since the 1990 census. The average growth rate is 2.2% annually or 20% for the nine year period.

Census data is collected for two types of area, incorporated cities and Census Designated Places (CDP's). The borough has six incorporated cities within its borders: Homer, Kachemak, Kenai, Seldovia, Seward, and Soldotna. The population for four of these cities and the Sterling CDP are illustrated in the chart below. The Sterling CDP was included because it represents a similar portion of the KPB population.



**A-1(b): Kenai Peninsula Borough Population Estimates
Since 1990 Census**

KPB Community	KPB Region	Population 1990	Estimate (Subject to Annual Revision)								
			6/1/91	6/1/92	6/1/93	6/1/94	6/1/95	6/1/96	6/1/97	6/1/98	6/1/99
Anchor Point	S	866	905	986	1,045	1,062	1,090	1,106	1,131	1,207	1,227
Clam Gulch	C	79	76	79	82	94	93	95	99	110	113
Cohoe	C	508	530	540	546	560	573	580	590	601	602
Cooper Landing	E	243	248	251	252	263	278	271	266	287	285
Crown Point	E	62	63	70	78	82	88	90	90	100	91
Fox River	S	382	386	391	399	408	412	405	431	435	439
Fritz Creek	S	1,426	1,348	1,456	1,491	1,595	1,744	1,879	1,979	1,981	2,097
Grouse Creek Group	E	580	617	614	610	629	620	620	623	636	650
Halibut Cove	S	78	80	75	78	79	75	71	78	72	71
Happy Valley	S	309	324	341	355	370	379	384	386	402	401
Homer	S	3,660	3,700	3,788	3,850	3,940	3,965	4,008	4,068	4,128	4,154
Hope	E	161	159	168	157	167	167	158	149	136	130
Jakolof Bay	S	28	25	26	32	25	32	28	35	51	40
Kachemak	S	365	368	373	381	390	394	394	394	416	419
Kalifonsky	C	285	297	303	306	314	321	325	331	337	338
Kasilof	C	383	406	438	446	467	494	518	531	545	548
Kenai	C	6,327	6,528	6,708	6,741	6,871	6,917	6,918	6,927	6,960	7,005
Moose Pass	E	81	83	92	103	108	115	118	118	130	118
Nanwalek	S	158	159	162	166	158	160	168	177	179	170
Nikiski	C	2,743	2,830	2,909	2,923	2,979	2,998	2,998	3,004	3,018	3,038
Nikolaevsk	S	371	478	488	492	567	492	552	470	471	488
Ninilchik	S	456	483	498	507	561	590	637	646	665	687
Port Graham	S	166	168	170	174	166	169	177	185	188	178
Primrose	E	63	63	62	63	62	62	62	62	62	62
Ridgeway	C	2,018	2,105	2,145	2,167	2,222	2,560	2,297	2,334	2,375	2,382
Salamatof	C	999	1,031	970	1,011	1,026	1,075	1,007	1,130	1,123	1,122
Seldovia	S	459	434	426	416	406	404	402	405	409	413
Seldovia City		316	299	293	286	279	278	276	279	281	284
Seward	E	2,699	2,856	2,878	2,886	2,965	2,917	2,891	2,996	3,028	3,010
Soldotna	C	3,482	3,632	3,698	3,739	3,835	3,921	3,973	4,039	4,127	4,140
Sterling	C	3,802	3,941	4,507	4,408	4,629	4,934	5,383	5,677	5,878	6,138
Tyonek	W	154	150	152	149	146	150	148	150	153	160
Remainder Kenai/Cook Inlet census subarea	C	6,751	7,128	7,230	7,319	7,440	7,050	7,333	7,489	7,603	7,502
Remainder Seward census subarea	E	658	531	465	442	473	667	658	705	719	734
Kenai Peninsula Borough		40,802	42,132	43,459	43,814	45,059	45,906	46,654	47,695	48,532	48,952

A-1(c):

Insert copy of KPB CDP's map in this page.
Page 119 in 1999 Population Overview.

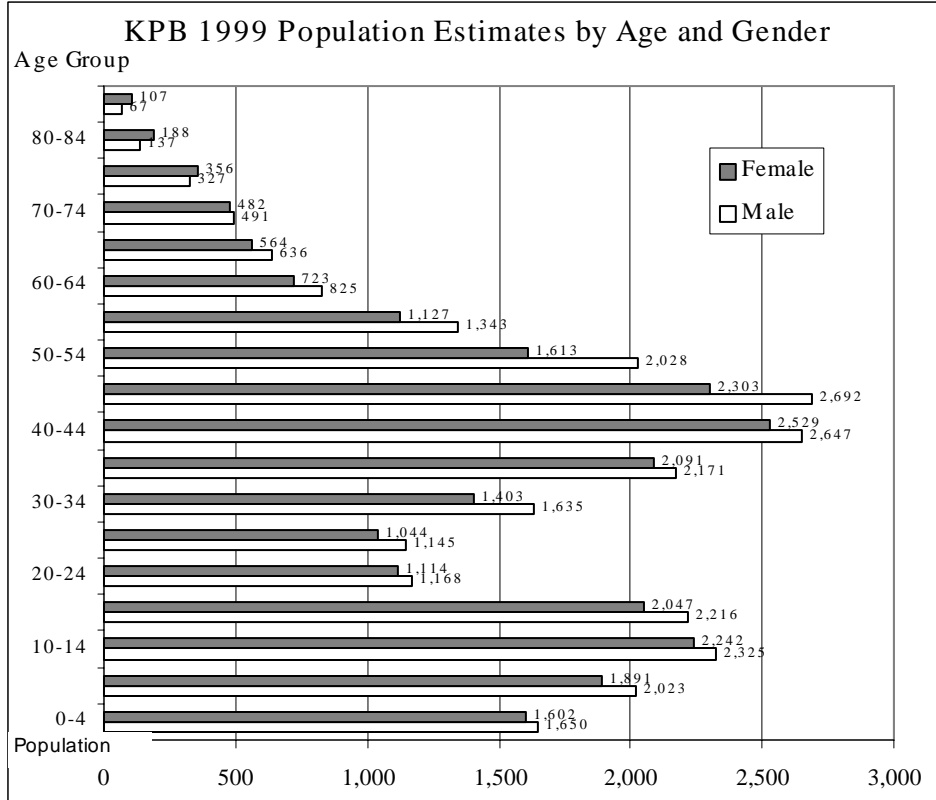
A-1(d): KPB Population
by Age and Gender - 1990

Age	Total	Male	Female
0-4	3,862	1,955	1,907
5-9	4,059	2,088	1,971
10-14	3,516	1,876	1,640
15-19	2,970	1,581	1,389
20-24	2,081	1,106	975
25-29	3,097	1,640	1,457
30-34	4,251	2,163	2,088
35-39	4,569	2,451	2,118
40-44	3,665	2,034	1,631
45-49	2,504	1,414	1,090
50-54	1,701	926	775
55-59	1,376	751	625
60-64	1,164	619	545
65-69	900	475	425
70-74	589	296	293
75-79	260	140	120
80-84	159	73	86
85+	79	25	54
Total	40,802	21,613	19,189

A-1(e): KPB Population
by Age and Gender - 1999

Age	Total	Male	Female
0-4	3,252	1,650	1,602
5-9	3,914	2,023	1,891
10-14	4,567	2,325	2,242
15-19	4,263	2,216	2,047
20-24	2,282	1,168	1,114
25-29	2,189	1,145	1,044
30-34	3,038	1,635	1,403
35-39	4,262	2,171	2,091
40-44	5,176	2,647	2,529
45-49	4,995	2,692	2,303
50-54	3,641	2,028	1,613
55-59	2,470	1,343	1,127
60-64	1,548	825	723
65-69	1,200	636	564
70-74	973	491	482
75-79	683	327	356
80-84	325	137	188
85+	174	67	107
Total	48,952	25,526	23,426

A-1(f): KPB 1999 Population Estimates by Age and Gender

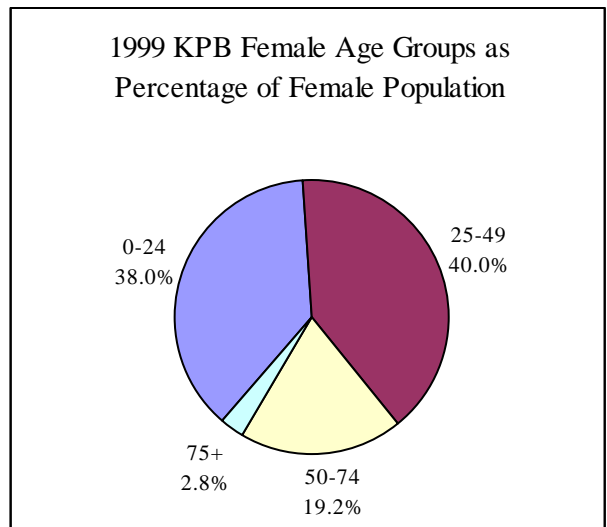
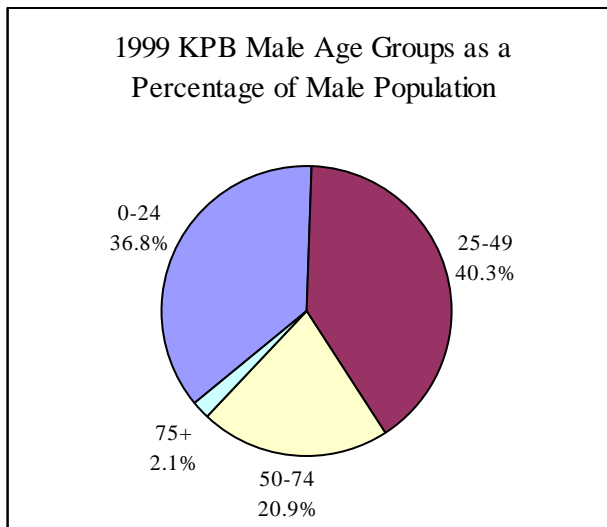
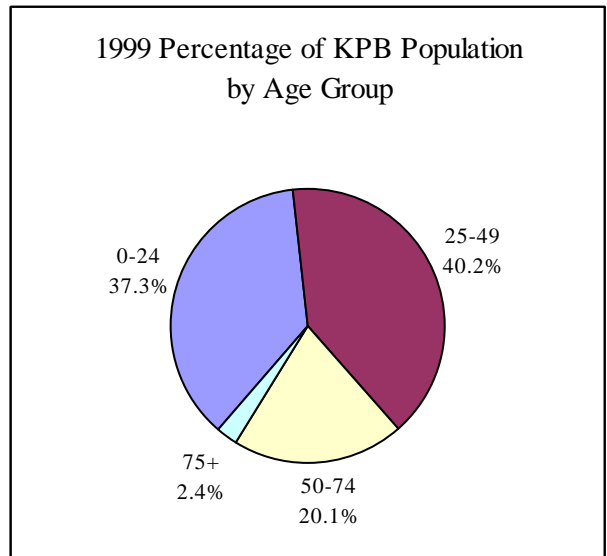
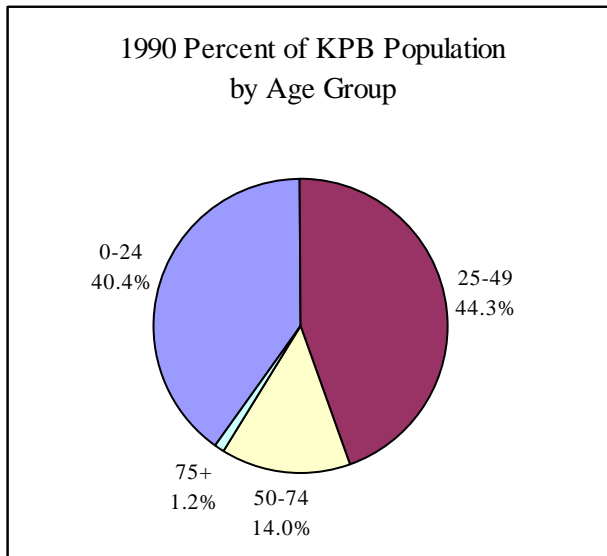


A-1(g): KPB Population by Age and Gender - continued

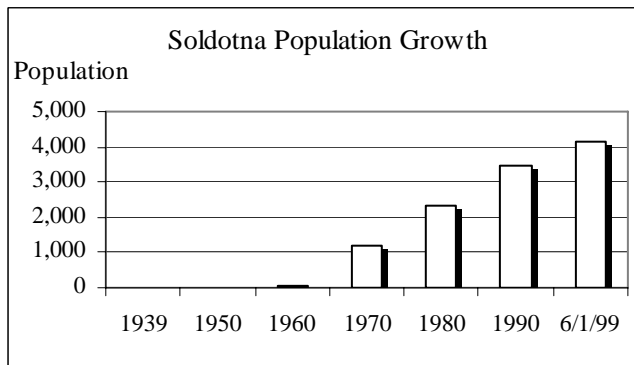
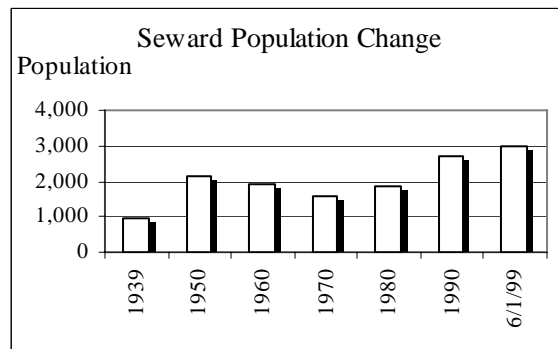
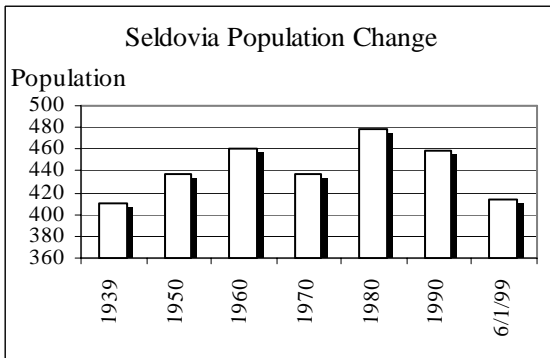
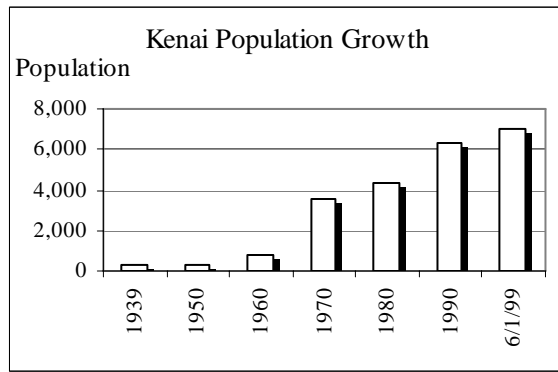
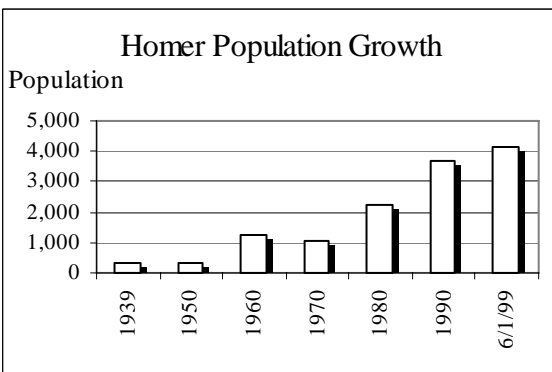
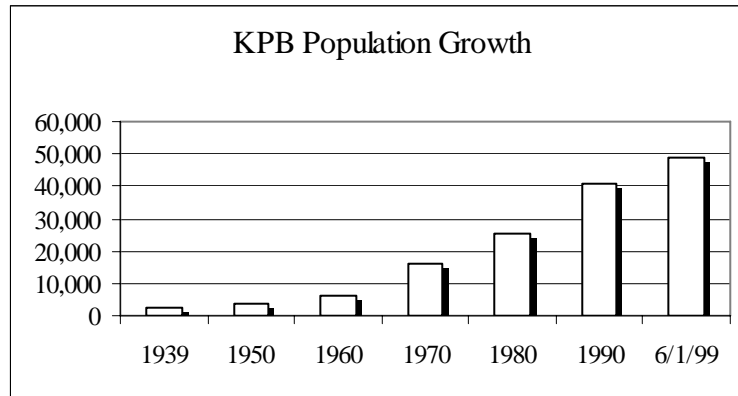
Age	Total	Male	% of Age Group	Female	% of Age Group
0-24	16,488	8,606	52.2%	7,882	47.8%
25-49	18,086	9,702	53.6%	8,384	46.4%
50-74	5,730	3,067	53.5%	2,663	46.5%
Total	40,802	21,613	53.0%	19,189	47.0%

Age	Total	Male	% of Age Group	Female	% of Age Group
0-24	18,278	9,382	51.3%	8,896	48.7%
25-49	19,660	10,290	52.3%	9,370	47.7%
50-74	9,832	5,323	54.1%	4,509	45.9%
Total	48,952	25,526	52.1%	23,426	47.9%

A-1(h): Percent of Population



A-1(i): Population Trends by Area in Approximate 10 Year Intervals



A-2: Alaska Permanent Fund

A-2(a): History of Alaska Permanent Fund Dividend Pay-outs

Year	Dividend	Cumulative Total
1982	\$1,000.00	\$1,000.00
1983	\$386.15	\$1,386.15
1984	\$331.29	\$1,717.44
1985	\$404.00	\$2,121.44
1986	\$556.26	\$2,677.70
1987	\$708.19	\$3,385.89
1988	\$826.93	\$4,212.82
1989	\$873.16	\$5,085.98
1990	\$952.63	\$6,038.61
1991	\$931.34	\$6,969.95
1992	\$915.84	\$7,885.79
1993	\$949.46	\$8,835.25
1994	\$983.90	\$9,819.15
1995	\$990.30	\$10,809.45
1996	\$1,130.68	\$11,940.13
1997	\$1,296.54	\$13,236.67
1998	\$1,540.88	\$14,777.55
1999	\$1,769.84	\$16,547.39

A-2(b): KPB Historical Permanent Fund Applications Received by Zip Code

City	ZipCode	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Anchor Point	99556	1,633	1,656	1,666	1,704	1,827	1,825	1,964	1,985	2,059	2,087	2,155	2,105
Clam Gulch	99568	283	227	225	206	218	233	259	258	265	279	298	310
Cooper Landing	99572	216	284	301	307	306	305	317	327	333	336	355	352
Homer	99603	7,545	7,684	7,883	7,817	7,792	7,940	8,135	8,561	8,524	8,858	8,956	9,011
Hope	99605	163	177	174	171	172	171	180	169	170	167	152	148
Kasilof	99610	1,235	1,307	1,385	1,382	1,473	1,553	1,605	1,688	1,784	1,851	1,886	1,908
Kenai	99611	9,830	9,647	9,808	9,729	9,735	9,796	9,907	10,103	10,106	10,100	10,465	10,729
Moose Pass	99631	161	158	163	165	181	191	200	238	238	233	259	231
Nikiski	99635	2,006	2,013	2,210	2,252	2,447	2,545	2,625	2,724	2,681	2,767	2,853	2,467
Nilnilchik	99639	653	666	677	678	683	708	756	891	897	923	953	1,007
Seldovia	99663	532	498	518	473	472	459	451	456	453	485	472	473
Seward	99664	3,348	3,619	3,946	3,904	3,797	3,745	3,738	3,777	3,762	3,775	3,840	3,941
Soldotna	99669	10,542	10,257	10,523	10,709	11,041	10,927	11,184	11,753	11,746	12,102	12,335	12,368
Sterling	99672	1,630	1,669	1,693	1,736	1,907	1,940	2,012	2,198	2,368	2,508	2,583	2,740
Tyonek	99682	267	210	181	194	182	185	181	177	173	183	190	192
TOTAL		40,044	40,072	41,353	41,427	42,233	42,523	43,514	45,305	45,559	46,654	47,752	47,982

A-3: KPB Election Participation

A-3(a): Voter History - Regular Elections												
	1994		1995		1996		1997		1998		1999	
	RV	VT	RV	VT	RV	VT	RV	VT	RV	VT	RV	VT
Anchor Point	1,026	187	1,221	122	1,429	252	1,542	170	1,628	222	1,706	249
Bear Creek	710	184	808	110	950	166	1,036	165	1,114	152	1,190	124
Cook Inlet	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Cooper Landing	265	86	299	30	338	129	351	59	354	96	355	103
Diamond Ridge	788	222	890	140	1,063	256	1,151	128	1,232	373	1,318	208
Fritz Creek	981	256	1,116	221	1,259	321	1,343	171	1,417	303	1,444	228
Homer 1	770	272	874	215	950	280	1,022	262	1,089	321	1,078	284
Homer 2	869	315	970	215	1,045	322	1,125	290	1,162	344	1,164	249
Homer 3	774	247	880	175	1,054	288	1,072	216	1,116	313	1,084	260
Hope	137	33	138	19	144	39	155	33	164	43	147	37
K-Beach	1,416	342	1,593	209	1,896	551	1,979	195	2,033	617	2,166	443
Kachemak Bay	267	64	320	40	373	87	387	32	411	64	436	48
Kasilof North	1,070	254	1,216	192	1,399	336	1,468	150	1,524	285	1,621	331
Kasilof South	867	190	957	180	1,068	272	1,110	141	1,178	336	1,260	317
Kenai 1	1,047	256	1,194	314	1,305	402	1,339	173	1,366	189	1,339	323
Kenai 2	1,107	250	1,245	352	1,489	464	1,560	214	1,600	191	1,601	395
Kenai 3	741	163	868	215	950	310	998	134	1,029	153	988	235
Kenai 4	510	125	577	149	645	195	689	105	714	80	706	164
Moose Pass	219	69	220	29	256	71	265	59	277	59	278	61
Nanwalek	79	34	83	26	91	11	99	10	94	15	96	7
Nikiski 1	522	99	544	75	607	162	617	50	2,065	447	2,141	576
Nikiski 2	1,060	263	1,172	223	1,340	424	1,407	176	n/a	n/a	n/a	n/a
Ninilchik	573	105	672	147	777	149	816	120	870	276	944	313
Port Graham	104	27	112	24	117	26	123	16	125	16	125	19
Ridgeway	1,143	242	1,260	164	1,935	463	2,096	199	2,166	300	2,333	501
Salamatof	777	170	879	152	998	281	1,069	112	1,104	224	1,145	307
Seldovia	312	121	347	100	361	132	388	79	399	129	401	133
Seward 1	850	300	956	383	1,713	480	1,817	650	1,923	416	1,954	525
Seward 2	557	226	622	273	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Soldotna 1	1,154	344	1,276	268	1,471	415	1,537	243	1,594	313	1,612	409
Soldotna 2	813	215	882	150	989	253	1,027	155	1,047	189	1,100	252
Sport Lake	851	209	922	178	1,093	304	1,124	157	1,150	197	1,191	288
Sterling	1,026	252	1,190	158	1,425	398	1,478	178	1,545	262	1,653	465
Tustumena 1	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tustumena 2	365	52	404	40	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Tyonek	90		98	8	109	7	117	9	124	13	125	6
Absentee		576		403		680		427		675		778
Questioned		238		157		229		114		176		166
TOTAL	23,840	6,988	26,805	5,856	30,639	9,155	32,307	5,392	33,614	7,789	34,701	8,804
Voter Turnout		29.31%		21.85%		29.88%		16.69%		23.17%		25.37%

RV-Registered Voters VT – Voter Turnout

A-9: State of Alaska Primary 1998 - Official Results

District/ReportUnit	Votes Cast	Registered Voters	Percent
Anchor Point	368	1,619	22.7%
Bear Creek	130	1,108	11.7%
Cooper Landing	96	349	27.5%
Diamond Ridge	257	1,210	21.2%
English Bay	57	95	60.0%
Fritz Creek	334	1,396	23.9%
Homer #1	262	1,084	24.2%
Homer #2	257	1,150	22.3%
Homer #3	227	1,106	20.5%
Hope	40	157	25.5%
K Beach	469	2,013	23.3%
Kachemak Bay	81	406	20.0%
Kasilof North	287	1,508	19.0%
Kasilof South	303	1,155	26.2%
Kenai #1	280	1,350	20.7%
Kenai #2	334	1,585	21.1%
Kenai #3	240	1,024	23.4%
Kenai #4	145	710	20.4%
Moose Pass	69	276	25.0%
Nikiski	590	2,070	28.5%
Ninilchik	257	857	30.0%
Port Graham	39	126	31.0%
Ridgway	423	2,143	19.7%
Salamatof	292	1,093	26.7%
Seldovia	110	395	27.8%
Seward	289	1,901	15.2%
Soldotna #1	340	1,576	21.6%
Soldotna #2	214	1,038	20.6%
Sports Lake	280	1,144	24.5%
Sterling	439	1,526	28.8%

<http://www.gov.state.ak.us/ltgov/elections//primary/cards.pdf>

A-3(c): State of Alaska Special Election - 1999

District/Report Unit	Votes Cast	Registered Voters	Percent
Anchor Point	681	1670	40.78%
Bear Creek	447	1173	38.11%
Cooper Landing	167	349	47.85%
Diamond Ridge	508	1295	39.23%
English Bay	67	96	69.79%
Fritz Creek	565	1426	39.62%
Homer #1	418	1058	39.51%
Homer #2	436	1138	38.31%
Homer #3	414	1076	38.48%
Hope	58	147	39.46%
K Beach	904	2113	42.78%
Kachemak Bay	166	422	39.34%
Kasilof North	650	1575	41.27%
Kasilof South	600	1212	49.50%
Kenai #1	523	1314	39.80%
Kenai #2	659	1554	42.41%
Kenai #3	415	979	42.39%
Kenai #4	274	679	40.35%
Moose Pass	129	273	47.25%
Nikiski	1001	2114	47.35%
Ninilchik	400	921	43.43%
Port Graham	59	126	46.83%
Ridgeway	916	2253	40.66%
Salamatof	479	1124	42.62%
Seldovia	173	397	43.58%
Seward	720	1928	37.34%
Soldotna #1	707	1571	45.00%
Soldotna #2	446	1049	42.52%
Sports Lake	519	1151	45.09%
Sterling	818	1598	51.19%

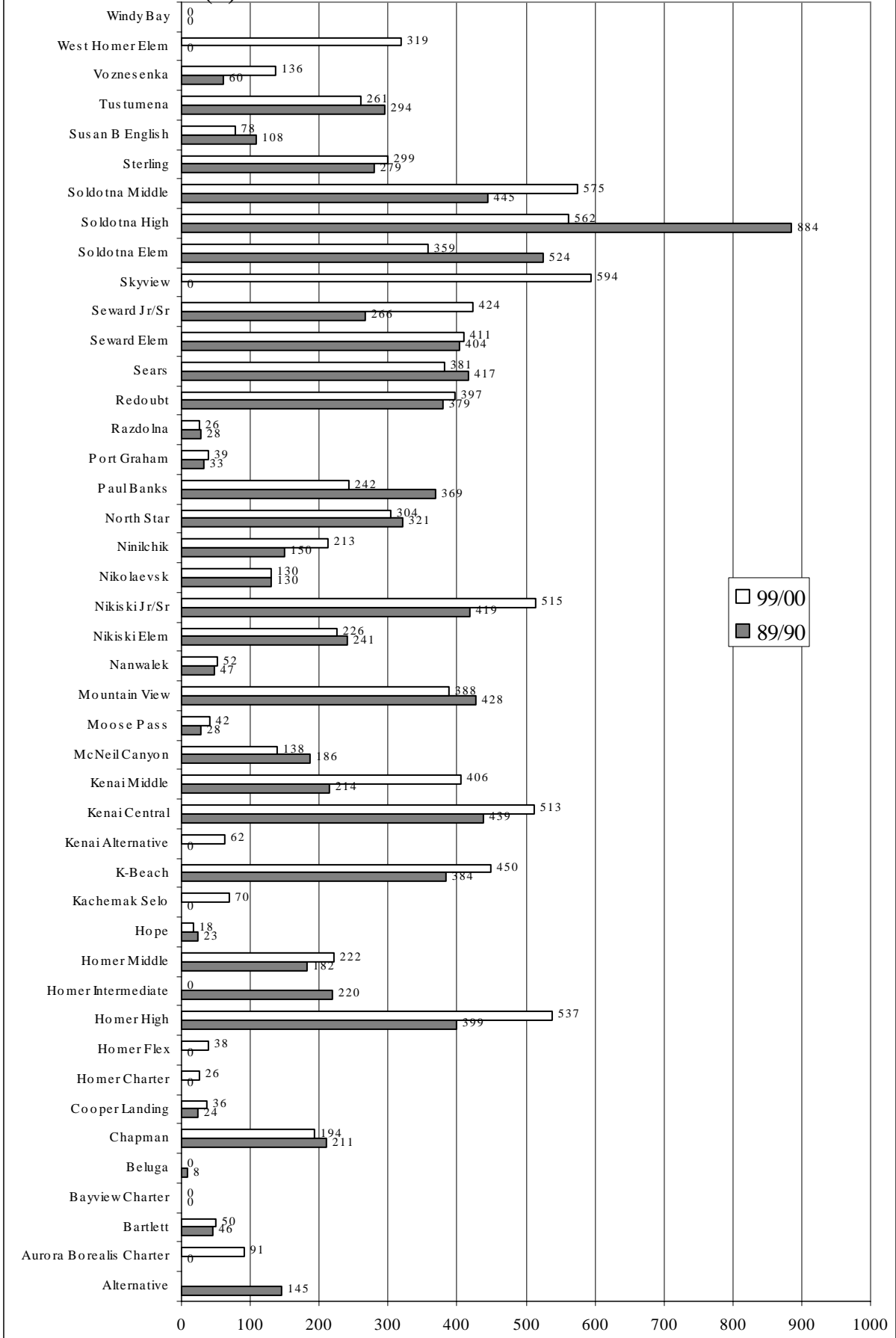
<http://www.gov.state.ak.us/lrgov/elections/>

A-4: Kenai Peninsula Borough Schools

A-4(a): Enrollment Change History by School

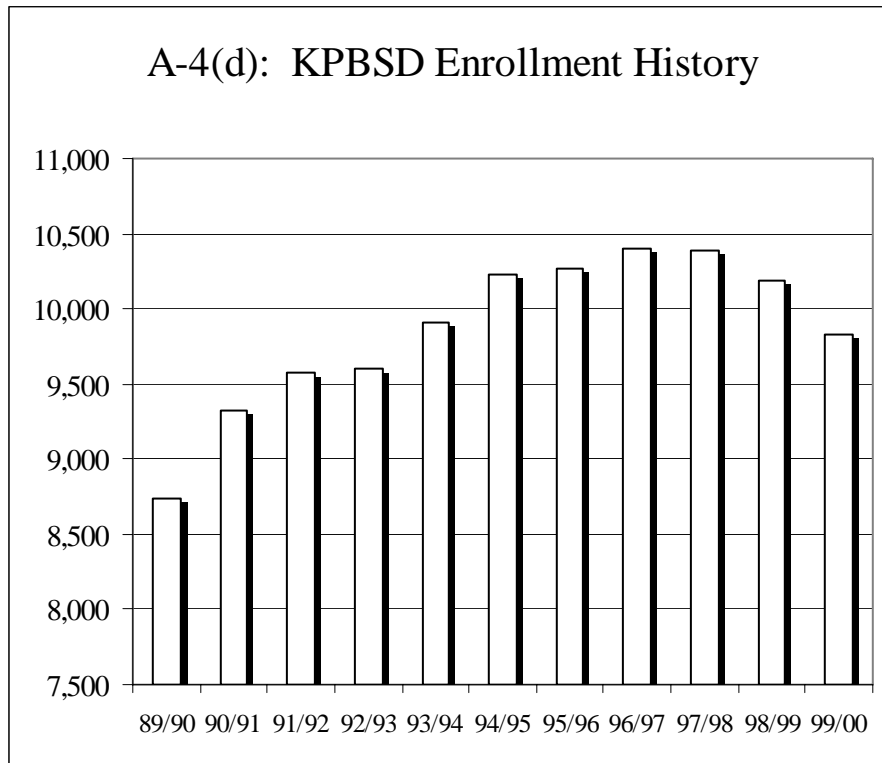
	89/90	90/91	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	% Change
Alternative	145	164	102	70	66	114	104	98	112	92		na
Aurora Borealis Charter	0	0	0	0	0	0	0	0	76	91	91	0.00%
Bartlett	46	44	42	30	38	44	43	37	41	41	50	21.95%
Bayview Charter	0	0	0	0	0	0	0	0	18	17	0	-100.00%
Beluga	8	3	0	7	8	6	0	0	0	0	0	na
Chapman	211	224	214	215	231	250	258	244	250	233	194	-16.74%
Cooper Landing	24	30	41	47	49	40	40	37	36	35	36	2.86%
Homer Charter	0	0	0	0	0	0	0	0	23	20	26	30.00%
Homer Flex	0	18	21	16	26	26	14	15	30	33	38	15.15%
Homer High	399	424	416	426	440	477	515	531	558	533	537	0.75%
Homer Intermediate	220	219	240	255	279	262	256	249	0	0	0	na
Homer Middle	182	190	197	212	220	231	250	253	238	219	222	1.37%
Hope	23	26	30	32	31	45	35	32	21	27	18	-33.33%
Kachemak Selo	0	0	59	57	65	56	54	57	65	65	70	7.69%
K-Beach	384	402	442	462	467	476	436	460	426	426	450	5.63%
Kenai Alternative	0	19	17	34	21	16	14	23	34	42	62	47.62%
Kenai Central	439	405	425	414	431	452	457	482	490	508	513	0.98%
Kenai Middle	214	234	374	365	388	406	454	455	442	435	406	-6.67%
McNeil Canyon	186	199	192	197	183	202	185	187	152	150	138	-8.00%
Moose Pass	28	27	36	31	34	35	39	39	38	36	42	16.67%
Mountain View	428	489	509	496	449	458	417	434	407	413	388	-6.05%
Nanwalek	47	60	57	50	46	46	52	60	57	59	52	-11.86%
Nikiski Elem	241	279	296	301	311	307	315	302	277	241	226	-6.22%
Nikiski Jr/Sr	419	457	458	480	509	507	476	501	541	528	515	-2.46%
Nikolaevsk	130	163	162	149	162	167	141	137	147	146	130	-10.96%
Ninilchik	150	165	164	181	196	203	222	240	236	227	213	-6.17%
North Star	321	322	344	321	304	310	330	337	343	323	304	-5.88%
Paul Banks	369	362	390	326	332	334	307	347	249	227	242	6.61%
Port Graham	33	34	35	37	39	36	35	40	38	43	39	-9.30%
Razdolna	28	32	37	32	36	40	38	28	36	42	26	-38.10%
Redoubt	379	431	404	403	405	422	432	433	436	417	397	-4.80%
Sears	417	453	411	429	440	420	434	403	399	383	381	-0.52%
Seward Elem	404	447	473	457	480	473	460	451	401	407	411	0.98%
Seward Jr/Sr	266	308	329	355	373	416	439	429	435	443	424	-4.29%
Skyview	0	443	452	503	568	572	570	633	618	628	594	-5.41%
Soldotna Elem	524	525	503	462	449	429	416	414	377	409	359	-12.22%
Soldotna High	884	488	456	441	431	500	547	581	592	571	562	-1.58%
Soldotna Middle	445	481	499	564	573	595	592	585	574	580	575	-0.86%
Sterling	279	292	314	319	351	386	382	353	329	310	299	-3.55%
Susan B English	108	100	90	84	96	85	97	90	96	88	78	-11.36%
Tustumena	294	284	280	263	276	274	280	273	295	276	261	-5.43%
Voznesenka	60	62	68	75	103	108	134	126	113	108	136	25.93%
West Homer Elem	0	0	0	0	0	0	0	0	338	310	319	2.90%
Windy Bay	0	13	0	0	0	0	0	0	0	0	0	na
ANNUAL TOTAL	8,735	9,318	9,579	9,598	9,906	10,226	10,270	10,396	10,384	10,182	9,824	-3.52%
% Change		6.67%	2.80%	0.20%	3.21%	3.23%	0.43%	1.23%	-0.12%	-1.95%	-3.52%	

A-4(b): KPBSD Enrollment FY 89-90 v 99-00



A-4(c): Kenai Peninsula Borough School District History and Projections

YEAR	PRE SCH	K	1st	2nd	3rd	4th	5th	6th	7th	8th	Fr.	So.	Jr.	Sr.	TOTAL	Percent Change
89/90	53	758	747	786	736	713	673	682	617	611	618	613	566	562	8,735	
90/91	57	805	829	773	811	764	758	686	713	658	652	615	608	589	9,318	6.67%
91/92	78	791	841	821	795	840	764	788	699	714	663	616	567	602	9,579	2.80%
92/93	76	711	796	818	787	772	833	756	786	712	741	651	573	586	9,598	0.20%
93/94	72	725	751	791	837	833	802	845	769	796	728	731	624	602	9,906	3.21%
94/95	63	778	775	760	792	886	843	823	855	790	830	749	663	619	10,226	3.23%
95/96	44	750	790	776	771	792	865	840	848	852	810	791	696	645	10,270	0.43%
96/97	50	736	742	800	781	788	800	887	863	829	922	790	746	662	10,396	1.23%
97/98	48	703	735	740	783	797	801	808	912	846	858	879	742	732	10,384	-0.12%
98/99	49	644	716	752	731	785	796	821	813	883	875	790	796	731	10,182	-1.95%
99/00	51	610	687	734	766	730	768	817	838	817	910	815	726	765	10,034	-1.45%
00/01	49	599	620	690	754	763	758	790	860	845	838	930	857	787	10,140	1.06%
01/02	49	603	603	628	713	754	790	772	824	846	876	845	969	886	10,158	0.18%
02/03	49	607	611	611	651	713	781	804	822	810	855	883	880	998	10,075	-0.82%
03/04	49	611	619	619	634	651	740	797	841	808	859	862	919	909	9,918	-1.56%
04/05	49	615	627	627	642	634	678	761	835	827	830	866	894	948	9,833	-0.86%
05/06	49	619	635	635	650	642	661	708	813	821	856	837	900	923	9,749	-0.85%



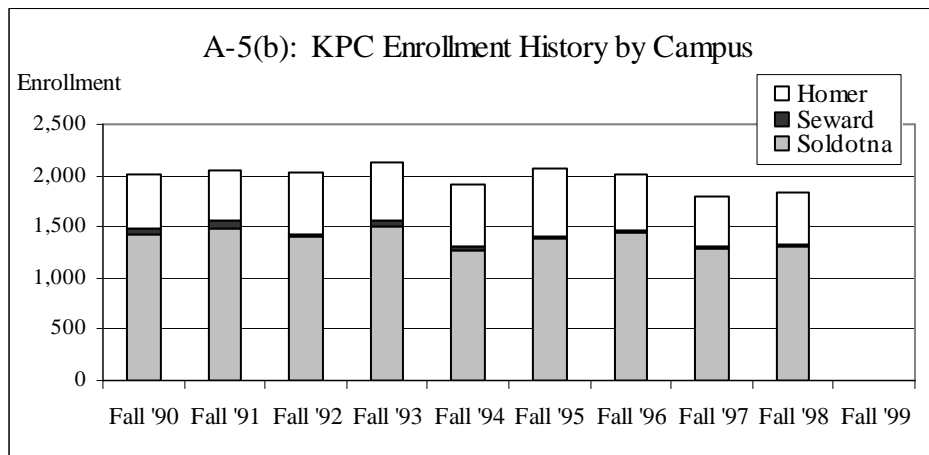
A-5(a): Kenai Peninsula College Enrollment

KPC - All Campuses										
Enrollment	Fall '90	Fall '91	Fall '92	Fall '93	Fall '94	Fall '95	Fall '96	Fall '97	Fall '98	Fall '99
Fulltime	232	314	347	365	368	352	357	318	335	279
Part-time	1602	1503	1401	1506	1272	1363	1360	1124	1142	1161
Non academic	227	264	286	291	320	390	322	341	339	201
Total Unduplicated	2007	2039	2022	2119	1919	2060	1993	1783	1816	1641
Above Numbers include Homer, Soldotna and Seward Branches										

SOLDOTNA										
Enrollment	Fall '90	Fall '91	Fall '92	Fall '93	Fall '94	Fall '95	Fall '96	Fall '97	Fall '98	Fall '99
Fulltime	206	283	311	322	307	307	310	265	285	253
Part-time	1144	1083	985	1051	819	902	978	833	812	863
Non academic	110	117	194	157	167	192	170	188	220	121
Total	1431	1478	1409	1512	1278	1388	1445	1286	1317	1237

SEWARD										
Enrollment	Fall '90	Fall '91	Fall '92	Fall '93	Fall '94	Fall '95	Fall '96	Fall '97	Fall '98	Fall '99
Fulltime	3	1	0	0	4	0	2	0	0	0
Part-time	47	79	12	47	22	18	15	18	11	0
Non academic	0	0	0	0	0	0	0	0	0	0
Total	50	80	12	47	26	18	17	18	11	0

HOMER										
Enrollment	Fall '90	Fall '91	Fall '92	Fall '93	Fall '94	Fall '95	Fall '96	Fall '97	Fall '98	Fall '99
Fulltime	23	30	36	43	57	40	42	48	46	22
Part-time	411	341	404	418	431	467	384	294	337	314
Non academic	117	147	182	134	153	198	152	159	121	84
Total	526	493	601	570	615	674	546	501	504	420

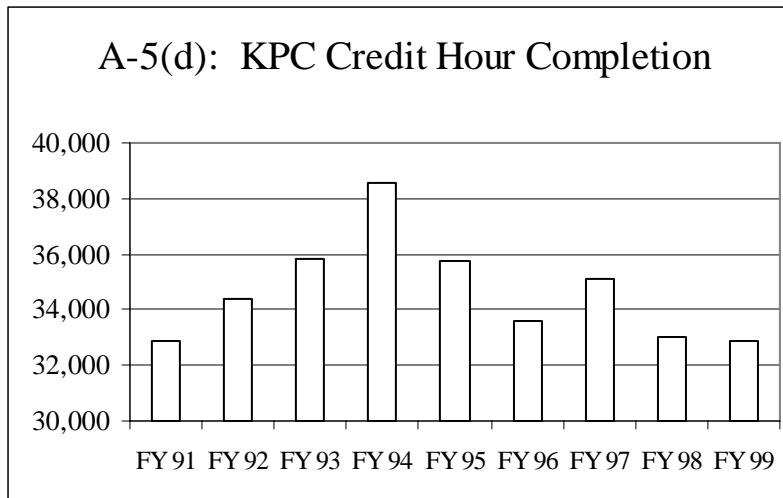


A-5(c): Credit Hours Completed

Fall Semester Detail										
Credit Hours	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Soldotna	6460.8	7340.1	7738	7930	7054	7565	7818	7249	7428	6917
Seward	153	203	42	172	155	57	74	61	11	0
Kachemak Bay	1427.9	1538.4	1762.2	1942	2138	1806	1645	1781	1852.6	1371
TOTAL KPC	8041.7	9081.5	9542.2	10044	9347	9428	9537	9091	9291.6	8288

Spring Semester Detail										
Credit Hours	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Soldotna	7488.9	7942	7859	8163	7711	7203	8191	7583.8	7074	
Seward	248	280	284	322	107	105	84	27	33	
Kachemak Bay	1827.3	1641.1	1905.7	2199	2062	1865	1783	1701	1861	
TOTAL KPC	9564.2	9863.1	10048.7	10684	9880	9173	10058	9311.8	8968	0

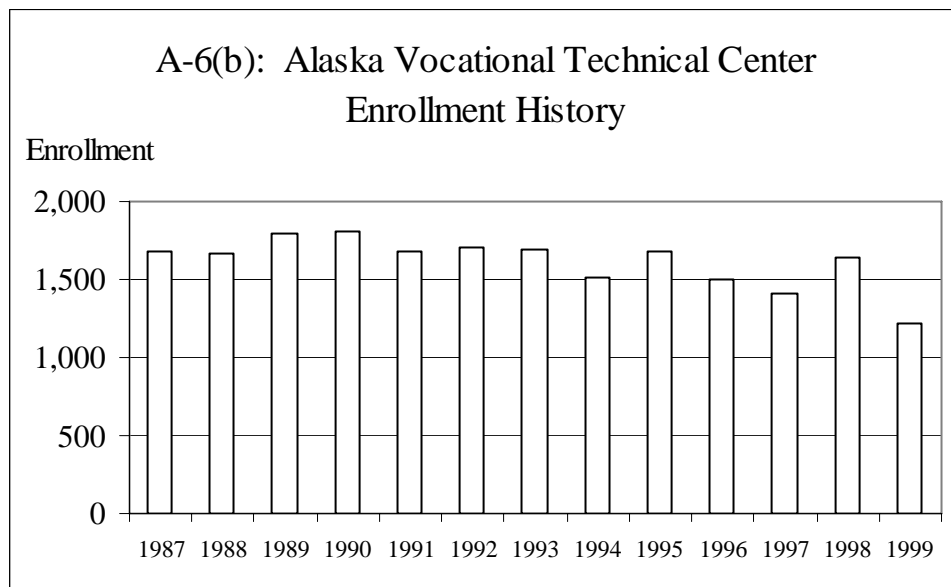
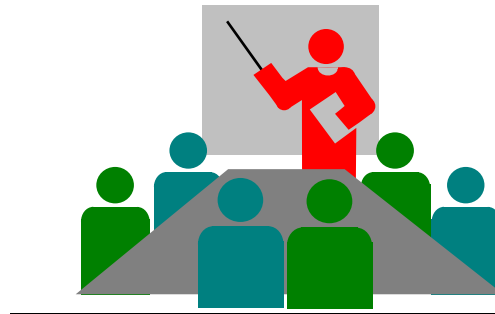
School Year Detail										
Credit Hours	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
Soldotna	13949.7	15282.1	15597	16093	14765	14768	16009	14832.8	14502	
Seward	401	483	326	494	262	162	158	88	44	
Kachemak Bay	3255.2	3179.5	3667.9	4141	4200	3671	3428	3482	3713.6	
TOTAL KPC	17605.9	18944.6	19590.9	20728	19227	18601	19595	18402.8	18259.6	0



While attendance at all KPC campuses declined 17% last year, total credit hours completed dropped less than 1%. Students who do attend are carrying more credits. The average student completed 10.1 credits during the 1998 school year but completed 11.1 credits during 1999.

A-6: Alaska Vo Tech

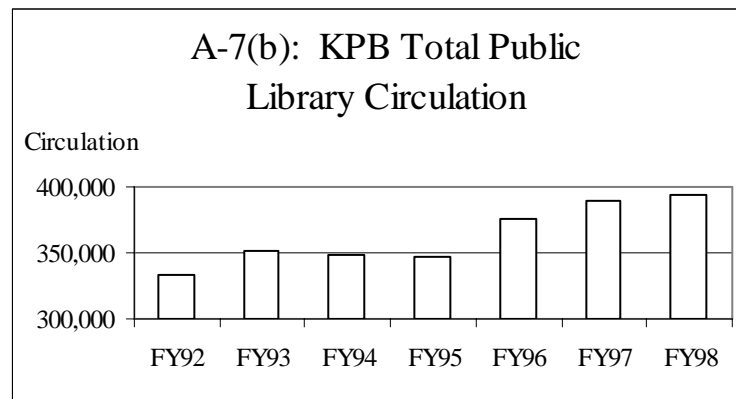
A-6(a): AV-Tech Enrollment History	
	Enrollment
1987	1,674
1988	1,672
1989	1,799
1990	1,806
1991	1,676
1992	1,711
1993	1,692
1994	1,514
1995	1,677
1996	1,496
1997	1,413
1998	1,642
1999	1,218



A-7: Public Libraries

A-7(a): Total Library Circulation

Library	FY92	FY93	FY94	FY95	FY96	FY97	FY98
Anchor Point	7,180	7,337	6,949	7,294	8,320	7,332	6,395
Cooper Landing	4,854	4,663	4,005	3,474	3,204	2,795	2,753
Homer	71,325	75,507	80,342	89,961	100,965	99,987	107,032
Hope	1,030	1,178	1,263	1,222	1,561	1,178	1,089
Kasilof	11,052	13,656	10,135	8,200	9,276	13,986	12,021
Kenai	81,689	91,842	96,454	97,971	97,931	100,767	106,235
Moose Pass	434	1,005	1,395	981	1,098	924	946
Ninilchik	7,168	9,109	11,672	17,881	23,855	22,127	23,822
Seldovia	3,883	3,964	4,685	6,575	7,853	8,814	8,725
Seward	41,853	44,273	43,945	51,902	46,780	50,370	48,558
Soldotna	102,586	99,271	87,067	61,968	74,473	81,569	76,457
KPB Total Public Library Circulation	333,054	351,805	347,912	347,429	375,316	389,849	394,033



A-7(c): Per Capita Circulation by Library

Community	1992	1993	1994	1995	1996	1997	1998
Anchor Point	5.29	5.39	4.65	4.34	4.92	4.39	3.93
Cooper Landing	8.43	8.36	7.47	6.42	6.51	5.99	5.82
Homer	8.08	7.99	8.14	8.32	9.18	8.98	9.28
Hope	4.44	3.52	5.24	4.68	5.85	5.01	5.19
Kasilof	9.69	9.20	8.94	7.41	8.00	9.21	8.67
Kenai	6.73	7.16	7.17	6.86	7.16	7.18	7.39
Moose Pass	3.91	4.98	6.94	5.11	5.63	5.10	4.75
Ninilchik	7.57	8.50	8.90	9.29	10.46	10.03	10.28
Seldovia	6.84	7.08	7.45	8.00	9.48	9.77	9.88
Seward	7.38	7.77	7.64	7.54	7.64	8.45	7.60
Soldotna	9.60	9.47	8.89	7.21	8.20	8.32	8.13
State Average	6.32	6.23	6.32	5.84	6.19	6.19	6.09

A-8: Average Weather Conditions for Select Kenai Peninsula Borough Sites

	Average Summer Temperature	Average Winter Temperature	Average Temperature	Average Total Precipitation	Average Snowfall
Homer	52	23.8	37.4	24.64	54.9
Hope	55.4	19.8	36.7	22.15	89.5
Kenai	52.9	14.1	33.7	19.27	61.3
Nikiski	53.6	16.4	34.8	17.89	33
Seward	54.5	26.1	39.7	66.18	79.5

and Select Alaska Sites

Anchorage	56.5	16.3	35.8	15.74	71.0
Barrow	37.4	-14.4	9.9	4.53	29.4
Fairbanks	59.5	-7.2	26.7	10.45	68.1
Juneau	55.0	26.7	40.8	56.21	99.9
Mt. McKinley	52.3	2.5	26.5	15.24	82.8

Temperatures are listed in degrees Fahrenheit

Summer – June, July, August

Winter – December, January, February

Term of averages varies from site to site, category to category

A-9: Elevation of Kenai Peninsula Borough Cities

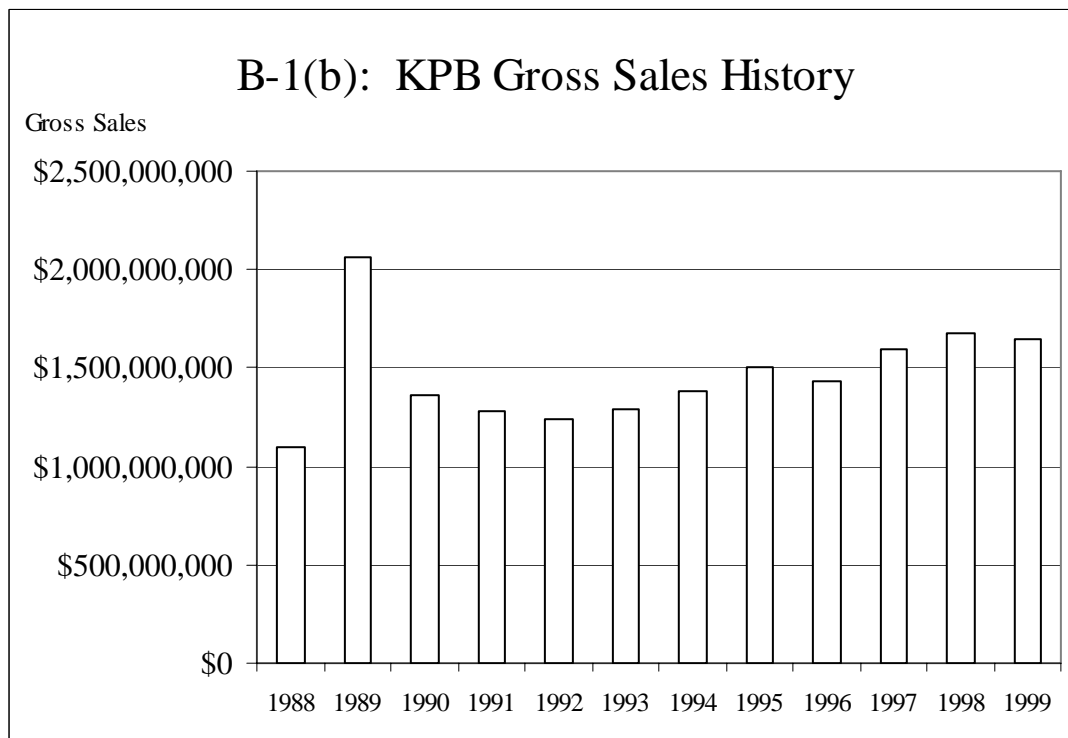
Homer	27.1 meters	88.9 feet'
Kenai	26.2 meters	85.9 feet
Seward	6.7 meters	22.0 feet
Soldotna	34.1 meters	111.8 feet

B: Sales

B-1: Gross Sales

B-1(a): KPB Gross Sales History by Area in \$

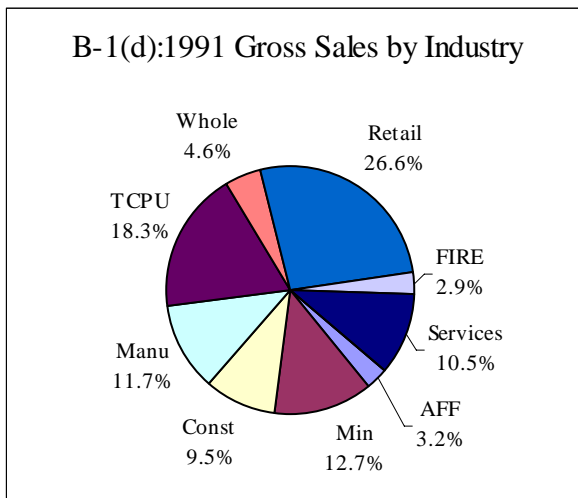
	Homer	Kenai	Seldovia	Seward	Soldotna	Other	Total
1988	141,300,836	135,120,844	4,177,404	76,550,553	128,231,779	613,425,182	1,098,806,598
1989	556,611,853	174,839,198	3,863,789	506,710,559	146,723,855	673,761,684	2,062,510,938
1990	151,688,745	180,636,415	4,101,431	95,926,071	159,094,345	765,671,396	1,357,118,403
1991	138,747,371	193,024,599	4,700,512	90,571,177	170,934,746	683,622,197	1,281,600,602
1992	140,504,985	216,051,521	5,233,059	87,987,282	164,956,587	627,932,223	1,242,665,657
1993	151,093,992	253,062,274	4,251,941	92,555,922	165,608,592	624,550,207	1,291,122,928
1994	171,159,969	249,237,960	5,275,307	99,875,014	194,620,739	664,252,925	1,384,421,914
1995	197,594,240	268,114,101	5,836,723	127,465,531	212,824,599	694,717,971	1,506,553,165
1996	199,090,546	248,735,543	5,728,433	133,840,567	218,177,393	630,282,352	1,435,854,834
1997	203,064,478	278,049,122	4,768,153	145,489,652	232,204,413	729,184,486	1,592,760,304
1998	212,359,419	283,468,386	4,715,938	132,437,129	250,699,935	794,154,822	1,677,835,629
1999	203,540,457	293,889,369	4,986,934	129,852,996	276,887,645	732,849,328	1,642,006,729



Gross Sales during 1999 were 2% less than during 1998, down nearly \$36 million. The 1989 peak occurred as Exxon Valdez oil spill clean up funds poured into the economy.

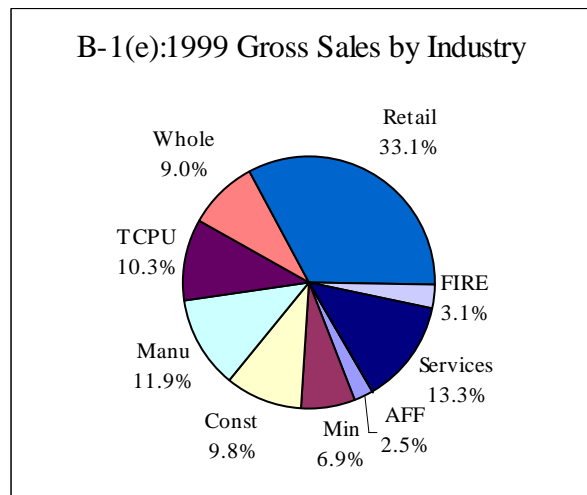
B-1(c): KPB Gross Sales History by Industry in \$

	1992	1993	1994	1995	1996	1997	1998	1999
AFF	59,463,622	68,175,983	55,127,480	85,622,167	49,107,965	48,486,540	39,478,920	40,630,106
Min	115,206,945	122,926,355	124,428,885	97,159,191	79,752,542	135,624,731	190,689,442	113,836,529
Const	114,971,399	126,479,119	144,711,802	170,702,084	157,231,273	179,034,507	182,229,986	161,311,401
Manu	148,637,011	126,551,175	134,104,039	172,106,649	179,180,963	187,236,458	159,325,114	195,843,714
TCPU	207,788,226	215,875,618	216,943,682	206,250,297	141,714,190	147,902,654	159,637,429	168,497,404
Whole	52,583,780	55,343,900	77,718,795	113,779,036	116,904,409	140,057,540	137,369,859	148,038,453
Retail	354,452,639	379,512,518	409,990,908	437,690,220	475,324,058	505,690,459	547,999,626	543,768,214
FIRE	42,797,802	46,658,014	54,955,169	46,629,940	53,541,134	52,471,261	50,699,917	50,849,154
Services	146,737,039	149,592,120	166,430,903	176,603,540	183,065,205	196,210,909	210,378,585	219,202,940
Govt	27,194	8,126	10,251	10,041	33,095	45,245	26,751	28,814
Total	1,242,665,657	1,291,122,928	1,384,421,914	1,506,553,165	1,435,854,834	1,592,760,304	1,677,835,629	1,642,006,729



Records for sales by industry only go back to 1991. Since then, Retail Sales have increased from 26.6% to 33.1% in the KPB economic picture. Wholesale goods increased from 4.6% to 9.0% and Services increased from 10.5% to 13.3% of total sales.

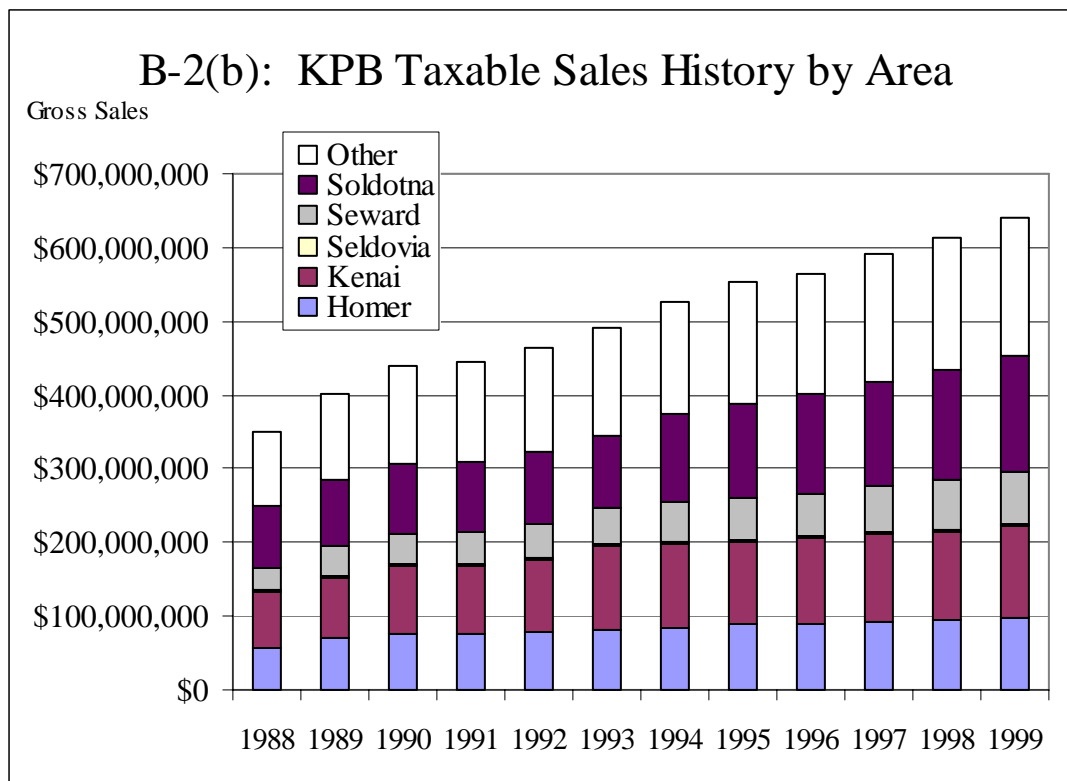
Travel, Communications and Public Utilities (TCPU) sale increased but declined by 8% as a percent of the economy, dropping from 18.3% to 10.3% during the period. Mining also experienced a major decline from 12.7% of Gross Sales during 1991 to 6.9% during 1999.



B-2: Taxable Sales

B-2(a): KPB Taxable Sales History by Area in \$

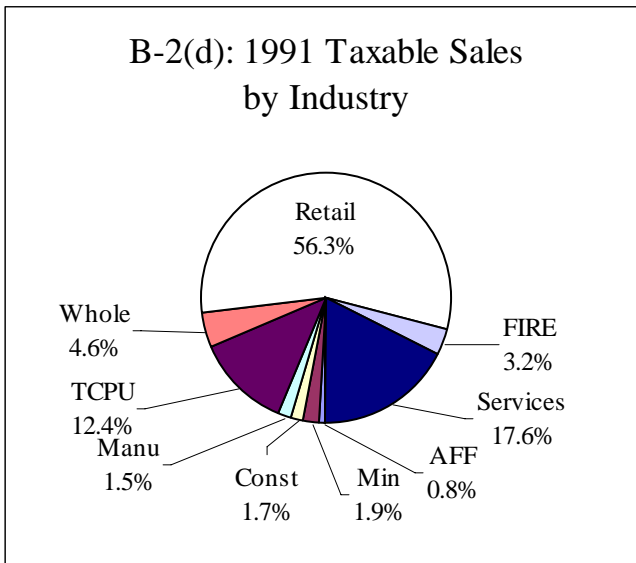
	Homer	Kenai	Seldovia	Seward	Soldotna	Other	Total
1988	56,184,895	75,717,840	2,958,801	30,327,438	83,221,981	100,413,384	348,824,339
1989	70,307,993	80,835,180	2,885,926	41,399,442	90,471,689	116,519,781	402,420,011
1990	76,439,087	90,617,470	3,043,021	41,946,543	95,878,026	131,668,721	439,592,868
1991	75,980,304	91,784,067	2,960,303	42,547,231	95,231,864	135,793,527	444,297,296
1992	78,602,892	97,119,914	2,922,385	45,219,606	99,094,387	140,258,780	463,217,964
1993	82,265,519	113,529,427	2,911,600	48,632,337	98,423,607	146,675,542	492,438,032
1994	84,113,058	114,423,291	3,117,185	53,259,177	119,713,676	152,674,684	527,301,071
1995	88,185,737	112,608,029	3,575,810	55,754,485	129,076,998	162,948,005	552,149,064
1996	89,905,763	116,555,839	3,428,750	57,191,500	133,306,920	164,445,031	564,833,803
1997	93,257,658	118,532,587	3,330,921	62,469,843	140,280,163	172,309,546	590,180,718
1998	94,426,771	120,043,136	3,390,492	67,239,757	147,750,879	179,445,307	612,296,342
1999	97,952,926	124,230,068	3,224,379	71,489,357	155,702,958	186,843,762	639,443,450



Taxable Sales have increased each year for a total increase of 83.3% since 1988, an annual average gain of 7.8% for eleven years. The 1999 increase was 4.4%. Seldovia sales are included in the chart, but due to low sales when compared to other communities reporting, the sales are insufficient to define an area on the chart.

B-2(c): KPB Taxable Sales History by Industry in \$

	1992	1993	1994	1995	1996	1997	1998	1999
AFF	3,861,553	3,558,968	3,430,375	3,334,982	3,055,022	3,423,724	3,514,124	3,642,010
Min	7,177,124	7,547,231	6,132,287	4,406,014	4,211,192	5,109,284	5,202,698	3,625,220
Const	6,598,268	7,615,285	8,103,082	8,718,877	8,429,258	8,754,767	9,779,034	9,886,676
Manu	7,032,246	7,201,284	7,894,777	8,304,737	8,719,638	9,304,302	9,583,450	9,384,064
TCPU	57,526,325	59,191,931	64,078,542	65,018,060	66,607,934	69,300,572	71,979,533	78,733,948
Whole	15,029,716	16,637,124	18,807,879	20,099,133	19,760,138	19,673,105	17,728,158	21,524,971
Retail	265,248,750	281,871,336	300,166,512	315,926,311	326,646,177	339,591,748	353,720,974	364,624,866
FIRE	15,746,922	17,132,519	18,023,597	18,809,387	18,545,010	18,308,208	18,562,554	18,634,516
Services	84,983,957	91,674,684	100,653,769	107,521,522	108,826,339	116,669,770	122,199,073	129,358,365
Govt	13,103	7,670	10,251	10,041	33,095	45,238	26,744	28,814
Total	463,217,964	492,438,032	527,301,071	552,149,064	564,833,803	590,180,718	612,296,342	639,443,450



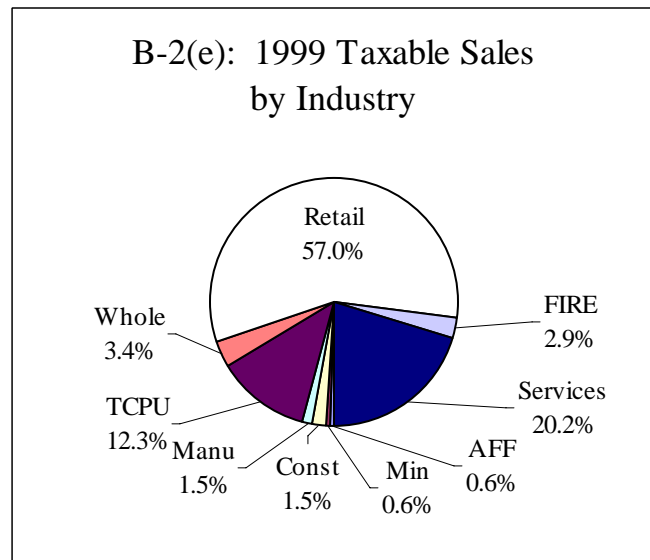
During 1991, Retail Sales provided 56.3% of taxable sales. By 1999, that portion had increased to 57.0%.

Services, the second largest sector, provided 17.6% of taxable sales. By 1999, services had increased to 20.2%.

Neither of these gains is spectacular for an eight year period, but these two industries are the only sectors to increase as a percentage of the whole.

TCPU sales comprised 12.4% of Taxable Sales during 1991, declining 0.1% by 1999. Wholesale goods dropped from 4.6% in 1991 to 3.4% during 1999. FIRE began at 3.2% and ended at 2.9%. Mining dropped from 1.9% to 0.6%. Starting at 1.7%, Construction dropped to 1.5%. AFF was at 0.8%, but dropped to 0.6% by 1999.

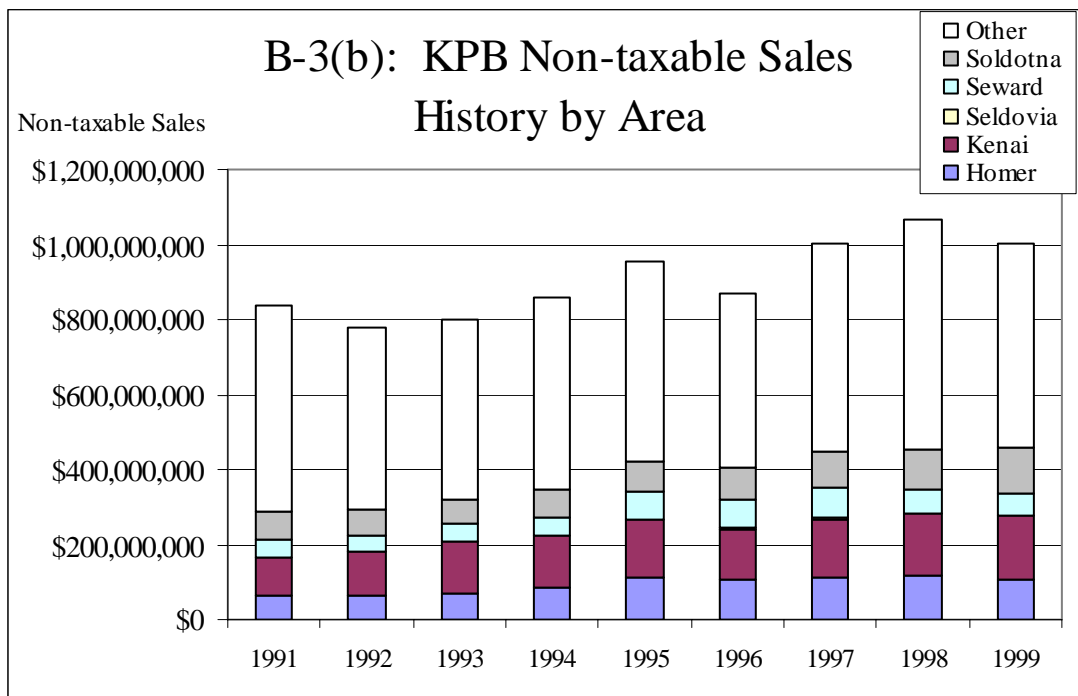
Only Manufacturing taxable sales were stable in market share at 1.5%.



B-3: Non-taxable Sales

B-3(a): KPB Non-taxable Sales History by Area in \$

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	Total
1991	62,767,067	101,240,532	1,740,209	48,023,946	75,702,882	547,828,670	837,303,306
1992	61,902,093	118,931,607	2,310,674	42,767,676	65,862,200	487,673,443	779,447,693
1993	68,828,473	139,532,847	1,340,341	43,923,585	67,184,985	477,874,665	798,684,896
1994	87,046,911	134,814,669	2,158,122	46,615,837	74,907,063	511,578,241	857,120,843
1995	109,408,503	155,506,072	2,260,913	71,711,046	83,747,601	531,769,966	954,404,101
1996	109,184,783	132,179,704	2,299,683	76,649,067	84,870,473	465,837,321	871,021,031
1997	109,806,820	159,516,535	1,437,232	83,019,809	91,924,250	556,874,940	1,002,579,586
1998	117,932,648	163,425,250	1,325,446	65,197,372	102,949,056	614,709,515	1,065,539,287
1999	105,587,531	169,659,301	1,762,555	58,363,639	121,184,687	546,005,566	1,002,563,279

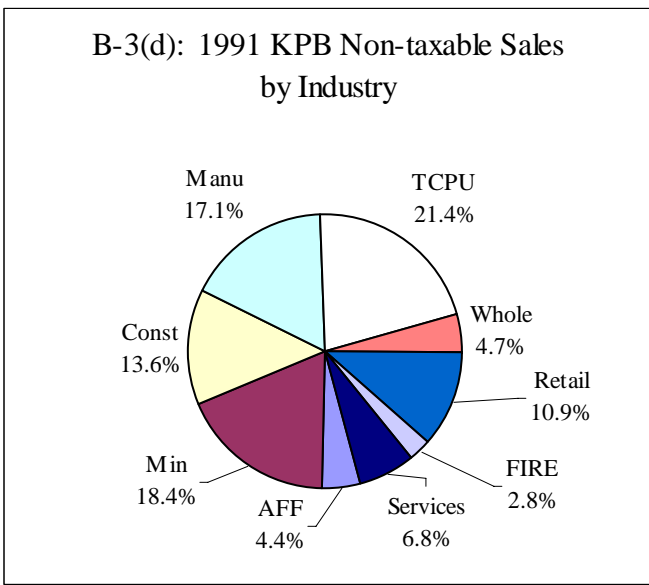


Non-taxable Sales within the Kenai Peninsula Borough include: sales outside the borough; sales for resale; sales to government agencies; sales to tax-exempt organizations; and sales in excess of \$500. Historically, 60% - 70% of sales within the KPB are Non-taxable and 55% - 65% of Non-taxable Sales occur outside the incorporated cities of the KPB.

B-3(c): KPB Non-taxable Sales History by Industry in \$

	1992	1993	1994	1995	1996	1997	1998	1999
AFF	55,602,069	64,617,015	51,697,105	82,287,185	46,052,943	45,062,816	35,964,796	36,988,096
Min	108,029,821	115,379,124	118,296,598	92,753,177	75,541,350	130,515,447	185,486,744	110,211,309
Const	108,373,131	118,863,834	136,608,720	161,983,207	148,802,015	170,279,740	172,450,952	151,424,725
Manu	141,604,765	119,349,891	126,209,262	163,801,912	170,461,325	177,932,156	149,741,664	186,459,650
TCPU	150,261,901	156,683,687	152,865,140	141,232,237	75,106,256	78,602,082	87,657,896	89,763,456
Whole	37,554,064	38,706,776	58,910,916	93,679,903	97,144,271	120,384,435	119,641,701	126,513,482
Retail	89,203,889	97,641,182	109,824,396	121,763,909	148,677,881	166,098,711	194,278,652	179,143,348
FIRE	27,050,880	29,525,495	36,931,572	27,820,553	34,996,124	34,163,053	32,137,363	32,214,638
Services	61,753,082	57,917,436	65,777,134	69,082,018	74,238,866	79,541,139	88,179,512	89,844,575
Govt	14,091	456	0	0	0	7	7	0
Total	779,447,693	798,684,896	857,120,843	954,404,101	871,021,031	1,002,579,586	1,065,539,287	1,002,563,279

B-3(d): 1991 KPB Non-taxable Sales by Industry



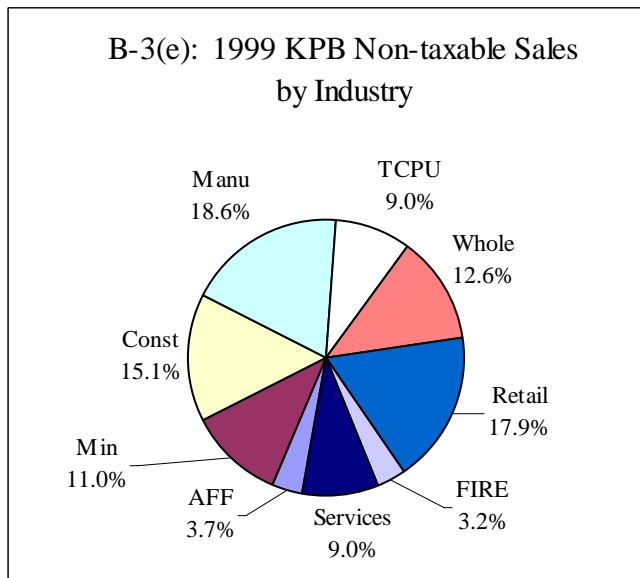
During 1991, TCPU (Travel, Communications and Public Utilities) was the big player in Non-taxable KPB Sales, with 21.4% of the total. Mining, Manufacturing, and Construction were not far behind, with 18.4%, 17.1% and 13.6%, respectively.

By 1999, TCPU Non-taxable Sales dropped from 21.4% to 9.0% of the total and Mining had dropped to 11.0% from 18.4%.

Manufacturing increased from 17.1% to 18.6% and Construction jumped from 13.6% to 15.1%.

Retail Sales reported the biggest increase, from 10.9% during 1991 to 17.9% during 1999.

B-3(e): 1999 KPB Non-taxable Sales by Industry



B-4: Cost of Living

B-4(a): Cost of Food for One Week

KENAI/SOLDOTNA	Dec-96	Dec-97	Dec-98	Dec-99	Change since 1998
Family of 2, 20-50 years of age	64.59	60.53	63.22	63.38	0.3%
Family of 2, 51 years and older	62.13		60.83	61.01	0.3%
Family of 4, children 1-5 years	93.36	87.21	91.25	91.48	0.3%
Family of 4, children 6-11 years	109.84	102.59	107.57	107.81	0.2%
Children 1-2 years of age	16.57	15.38	16.15	16.16	0.1%
Children 3-5 years of age	18.07	16.81	17.6	17.69	0.5%
Children 6-8 years of age	23.94	22.24	23.5	23.52	0.1%
Children 9-11 years of age	27.18	25.33	26.57	26.66	0.3%
Females 12-19 years of age	26.47	24.67	25.89	25.89	0.0%
Females 20-50 years of age	27.43	25.75	26.83	26.82	0.0%
Females 51 and older	26.66	24.92	26.06	26.15	0.3%
Males 12-14 years of age	30.67	28.59	29.99	30.13	0.5%
Males 15-19 years of age	31.57	29.43	30.84	30.97	0.4%
Males 20-50 years of age	31.29	29.26	30.67	30.8	0.4%
Males 51 and older	29.83	28.01	29.22	29.28	0.2%
Electricity, 1000 kWh	111	114.37	120.65	119.34	-1.1%
Gasoline, auto, 55 gal	74.75	79.64	73.87	79.75	8.0%
Lumber, 2X4X8	3.86	3.55	3.10	3.69	19.0%
Propane, 100 lb. refill	41.13		36.68	37.52	2.3%
Sewer & Water, monthly	41.29	41.00	41.00	na	na

Cost of Food surveys are conducted by the University of Alaska Fairbanks, Alaska Cooperative Extension each quarter in various communities throughout the borough. Only the Kenai/Soldotna surveys have been consistent for the past several years, therefore, year end information is presented above for only that area.

B-5: Consumer Price Index

1982-1984 = 100

	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Anchorage	108.6	111.7	118.6	124.0	128.2	132.2	135.0	138.9	142.8	144.8	146.9	148.3
U.S. Average	118.3	124.0	130.7	136.2	140.3	144.5	148.2	152.4	156.9	160.5	163.0	166.6

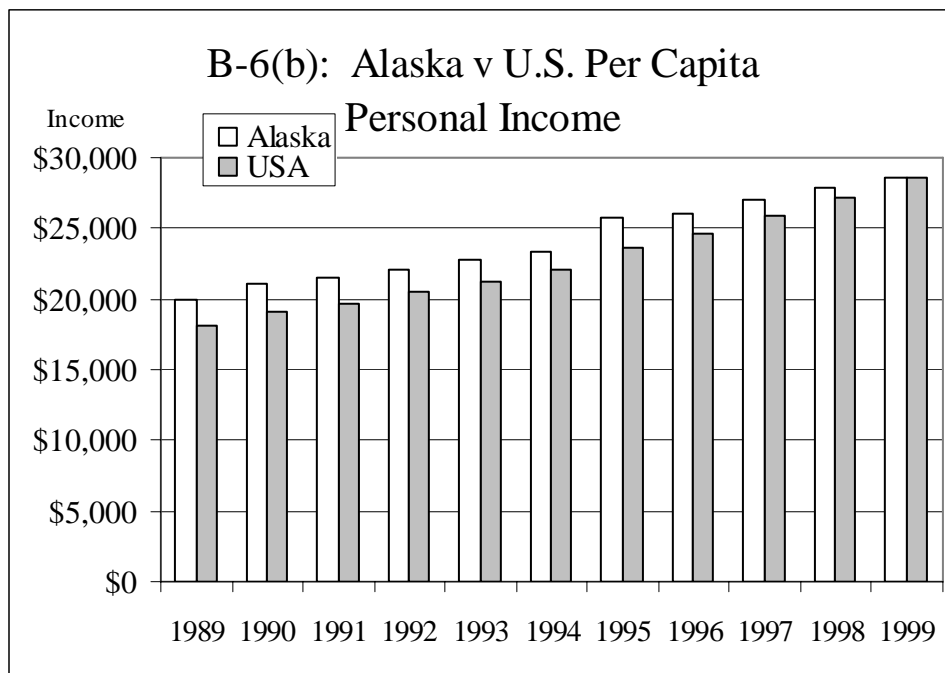
Since 1984, the Anchorage CPI has increased 48.3% while the U.S. average CPI has increased 66.6%.

B-6: Per Capita Personal Income

B-6(a): Alaska v US Per Capita Personal Income

	Alaska	Annual Change	USA	Annual Change	Percent Difference AK v US
1989	\$19,926		\$18,127		9.0%
1990	\$21,047	5.6%	\$19,142	5.6%	9.1%
1991	\$21,552	2.4%	\$19,636	2.6%	8.9%
1992	\$22,006	2.1%	\$20,581	4.8%	6.5%
1993	\$22,715	3.2%	\$21,220	3.1%	6.6%
1994	\$23,412	3.1%	\$22,056	3.9%	5.8%
1995	\$25,798	10.2%	\$23,562	6.8%	8.7%
1996	\$26,057	1.0%	\$24,651	4.6%	5.4%
1997	\$26,990	3.6%	\$25,924	5.2%	3.9%
1998	\$27,835	3.1%	\$27,203	4.9%	2.3%
1999	\$28,523	2.5%	\$28,518	4.8%	0.0%

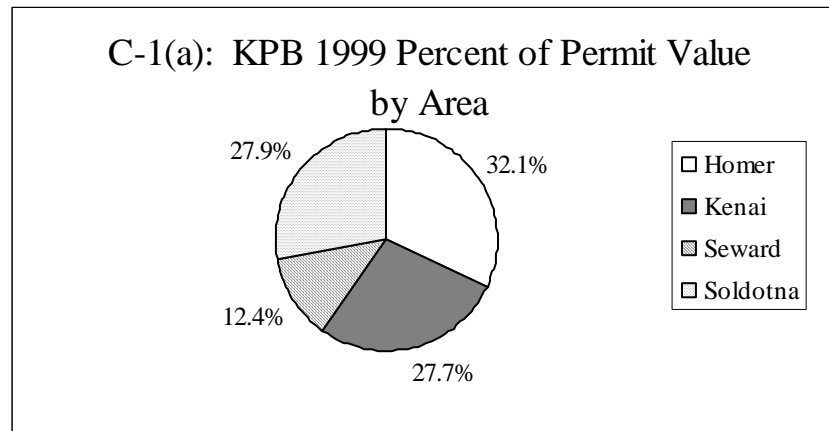
The United States Bureau of Economic Affairs publishes preliminary findings for per capita personal income, revising those figures as more complete data is reported. The table above and chart below present the most recent data published. Seventeen states have higher per capita income than Alaska.



C: Construction

Construction permits are not required within the Kenai Peninsula Borough except within boundaries of the incorporated cities of Homer, Kenai, Seldovia, Seward, and Soldotna. Therefore, data presented in this document does not include all construction activity. It does, however, provide an indicator of borough trends. Permits are categorized as Residential New (RN), Residential Alteration/Additions (RA), Commercial New (CN), and Commercial Alteration/Additions (CA). Individual cities may have other categories but, in an effort to provide consistent categories across the borough, these categories have been combined into one of the four.

C-1: Building Permit Value



Over \$34 million in building permit value was issued in the Kenai Peninsula Borough during 1999 compared to \$30 million during 1998. Homer issued \$10.9 million, Soldotna issued \$9.5 million, Kenai issued \$9.4 million and Seward issued \$4.2 million in assessed permit value.

New Commercial permits totaled \$18.6 million, New Residential permits totaled \$11.2 million, Commercial and Residential Alteration/Addition permits totaled \$2.5 million and \$1.8 million, respectively.

C-1(b): 1999 Total Building Permit Value by Category in \$

		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1999 Total
Homer	RN	1,673,000	1,038,000	740,000	195,000	3,646,000
Kenai	RN	0	1,573,000	1,049,000	702,000	3,324,000
Seward	RN	0	585,000	509,400	123,000	1,217,400
Soldotna	RN	0	1,453,674	1,368,900	225,888	3,048,462
TOTAL	RN	1,673,000	4,649,674	3,667,300	1,245,888	11,235,862

Homer	RA	0	118,000	199,000	50,000	367,000
Kenai	RA	122,000	187,600	267,000	221,400	798,000
Seward	RA	5,200	164,500	71,900	15,000	256,600
Soldotna	RA	54,000	181,361	141,867	0	377,228
TOTAL	RA	181,200	651,461	679,767	286,400	1,798,828

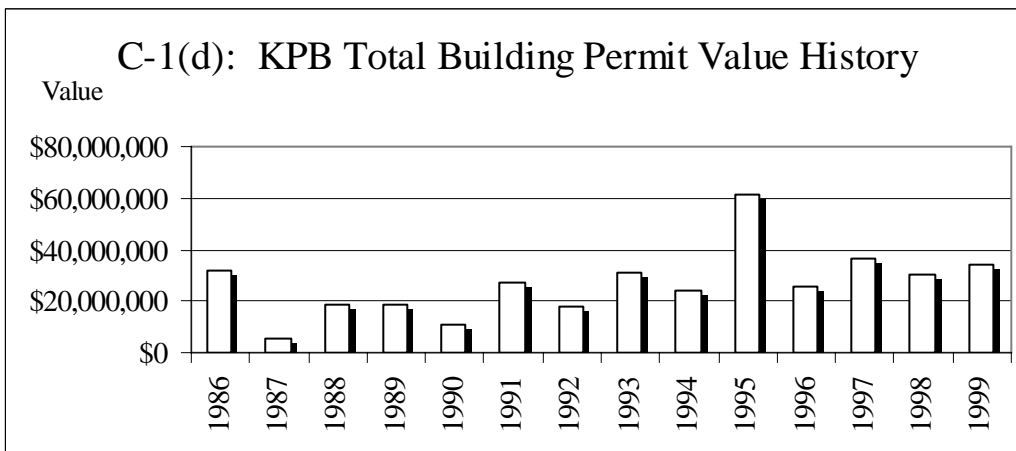
Homer	CN	270,000	1,520,000	4,800,000	316,000	6,906,000
Kenai	CN	14,500	61,000	4,597,250	125,000	4,797,750
Seward	CN	0	250,000	903,275	240,000	1,393,275
Soldotna	CN	0	2,723,818	2,495,816	281,905	5,501,539
TOTAL	CN	284,500	4,554,818	12,796,341	962,905	18,598,564

Homer	CA	0	15,000	6,000	0	21,000
Kenai	CA	103,000	201,000	209,400	8,600	522,000
Seward	CA	1,035,350	82,614	131,174	125,000	1,374,138
Soldotna	CA	29,696	426,199	119,996	2,000	577,891
TOTAL	CA	1,168,046	724,813	466,570	135,600	2,495,029

KPB Totals		1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1999 Total
	RN	1,673,000	4,649,674	3,667,300	1,245,888	11,235,862
	RA	181,200	651,461	679,767	286,400	1,798,828
	CN	284,500	4,554,818	12,796,341	962,905	18,598,564
	CA	1,168,046	724,813	466,570	135,600	2,495,029
	Total	3,306,746	10,580,766	17,609,978	2,630,793	34,128,283

Value by Category

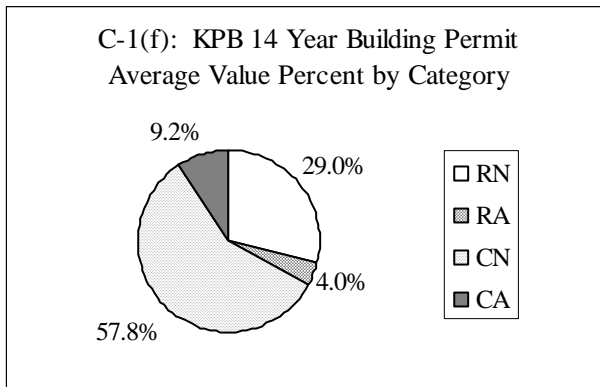
C-1(c): KPB Total Building Permit Value History by Category in \$					
	<u>Residential New</u>	<u>Residential Alter/Add</u>	<u>Commercial New</u>	<u>Commercial Alter/Add</u>	<u>Total</u>
1986	8,104,965	590,788	21,158,683	1,776,284	31,630,720
1987	2,291,100	399,960	1,974,498	897,300	5,562,858
1988	2,825,800	564,680	10,744,800	4,593,136	18,728,416
1989	2,363,000	664,370	13,511,700	1,797,800	18,336,870
1990	2,095,000	1,120,908	2,468,800	5,516,905	11,201,613
1991	8,110,750	911,330	16,434,576	1,750,575	27,207,231
1992	6,263,209	1,185,457	8,059,000	2,416,325	17,923,991
1993	6,809,482	1,046,118	21,781,937	1,363,034	31,000,571
1994	11,828,820	1,225,150	9,213,126	1,642,835	23,909,931
1995	10,952,600	1,039,390	46,693,780	2,824,262	61,510,032
1996	11,232,920	914,100	11,800,325	1,714,200	25,661,545
1997	11,861,406	1,718,057	20,021,950	3,081,855	36,683,268
1998	12,376,250	1,747,903	13,494,922	2,592,678	30,211,753
1999	11,235,862	1,798,828	18,598,564	2,495,029	34,128,283



Total permit values are illustrated in the chart above. The 1995 spike reflects permitting of the Alaska SeaLife Center in Seward. Values are quite varied but an upward trend is noticeable.

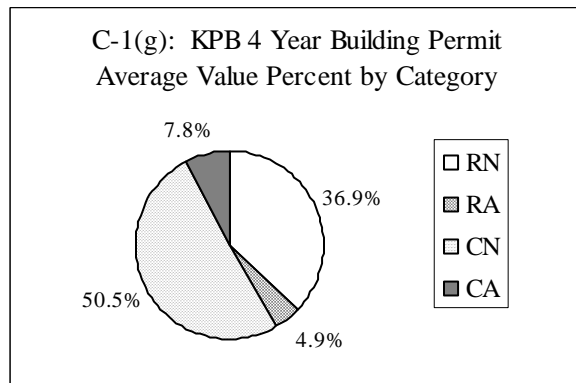
The most recent fourteen year (1986-1999) average total building permit value is \$26.7 million while the most recent four-year (1996-1999) average is \$31.7 million. Volume is also increasing. See Chart C-2(b). Residential permit assessed values are increasing more quickly than Commercial permit values.

C-1(e): KPB Total Building Permit Value Average by Category in \$					
	<u>Residential New</u>	<u>Residential Alter/Add</u>	<u>Commercial New</u>	<u>Commercial Alter/Add</u>	<u>Total</u>
14-year Average	7,739,369	1,066,217	15,425,476	2,461,587	26,692,649
4-year Average	11,676,610	1,544,722	15,978,940	2,470,941	31,671,212



New Residential permit value is increasing as a percent of total permitting, moving from 29.0% in the 14-year average to 36.9% in the 4-year average, gaining 7.9 percentage points. Residential Alter/Add permits increased from 4.0% to 4.9% of the total.

On the average, New Commercial permitting value has dropped as a percent of the total, from 57.8% to 50.5% while Alteration/Addition permits have dropped from 9.2% to 7.8%.



Value by Area

Permit assessed value history by area is provided below. Total permit value during 1999, \$34 million, was third highest on record following 1995 with \$61.5 million including the Alaska SeaLife Center, and \$36.7 million during 1997.

**C-1(h): KPB Total Building Permit Value History
by Area in \$**

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
1986	6,676,300	18,880,543	Unk	6,073,877	31,630,720
1987	1,708,084	2,395,926	Unk	1,458,848	5,562,858
1988	9,777,200	1,822,450	6,276,449	852,317	18,728,416
1989	1,923,900	1,854,800	12,494,120	2,064,050	18,336,870
1990	2,158,210	2,646,380	2,951,948	3,445,075	11,201,613
1991	3,210,775	17,948,300	1,971,456	4,076,700	27,207,231
1992	3,408,000	10,644,493	2,294,553	1,576,945	17,923,991
1993	3,752,500	12,950,925	1,471,412	12,825,734	31,000,571
1994	5,377,222	8,085,434	1,684,673	8,762,602	23,909,931
1995	15,511,700	7,885,902	31,663,450	6,448,980	61,510,032
1996	5,802,800	5,984,425	7,267,400	6,606,920	25,661,545
1997	7,689,265	14,053,550	9,261,147	5,679,306	36,683,268
1998	6,199,875	7,642,200	6,747,861	9,621,817	30,211,753
1999	10,940,000	9,441,750	4,241,413	9,505,120	34,128,283

C-1(i): KPB Total Building Permit Value History by Area in \$

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
14-year Average	6,009,702	8,731,220	7,360,490	5,642,735	26,692,649
4-year Average	7,657,985	9,280,481	6,879,455	7,853,291	31,671,212

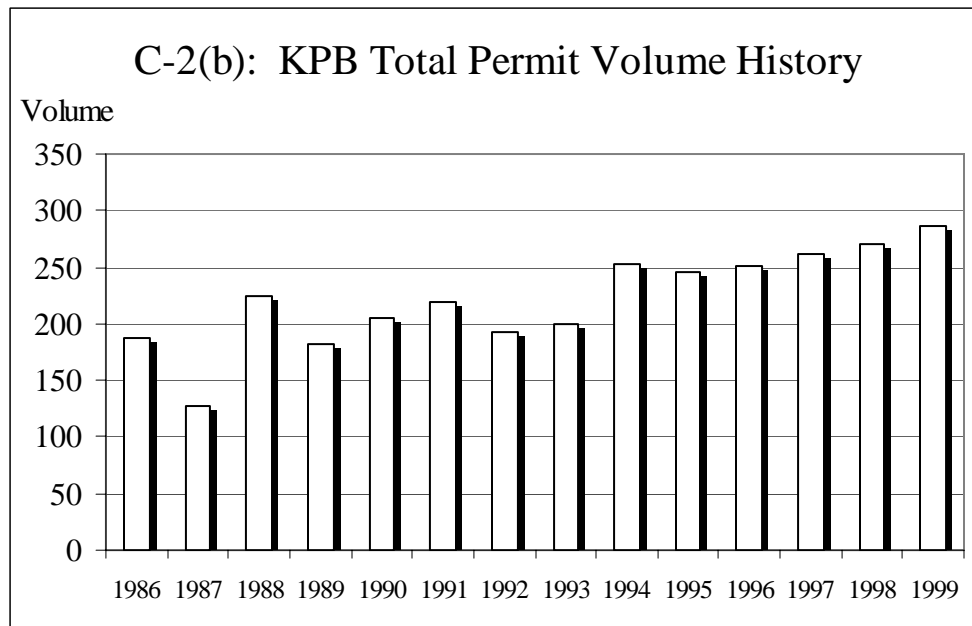
When comparing the 14 and 4-year averages, Soldotna reports the greatest percentage increase in total permit value while Seward is the only area to decrease in average total value.

C-2: Building Permit Volume

Permit volume for 1999 by category and area are listed below. Of the 287 permits issued, 76 were Residential New and 52 were Commercial New, accounting for 44.6% of volume.

C-2(a): KPB 1999 Total Building Permit Volume by Category

	Residential New	Residential Alter/Add	Res Total	Commercial New	Commercial Alter/Add	Comm Total
Homer	21	17	38	12	2	14
Kenai	26	42	68	13	21	34
Seward	10	15	25	7	24	31
Soldotna	19	16	35	20	22	42
TOTAL	76	90	166	52	69	121

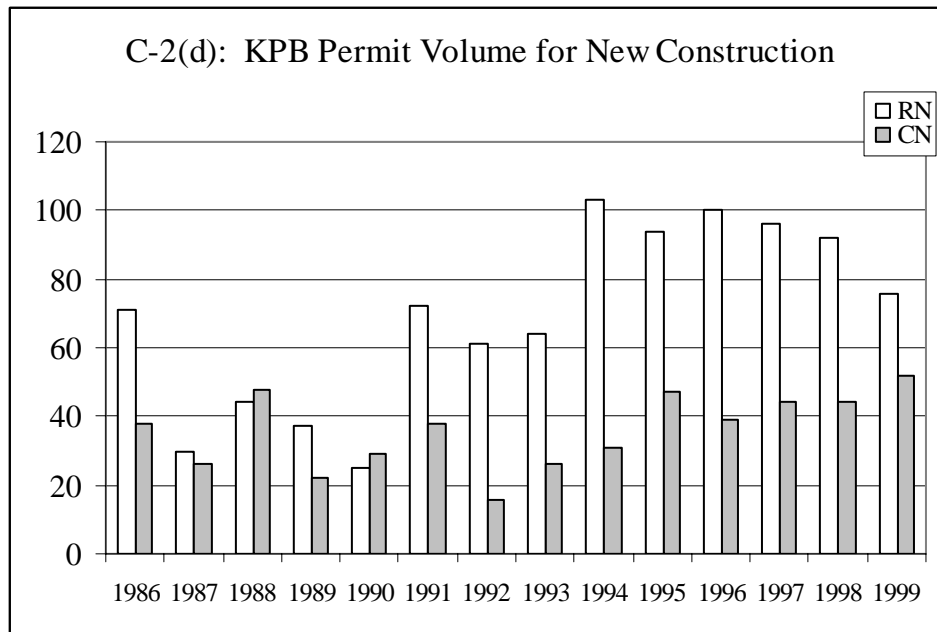


Total permit volume history is demonstrated above. Although 1999 was a record year, each of the past six years has experienced similar activity.

Volume by Category

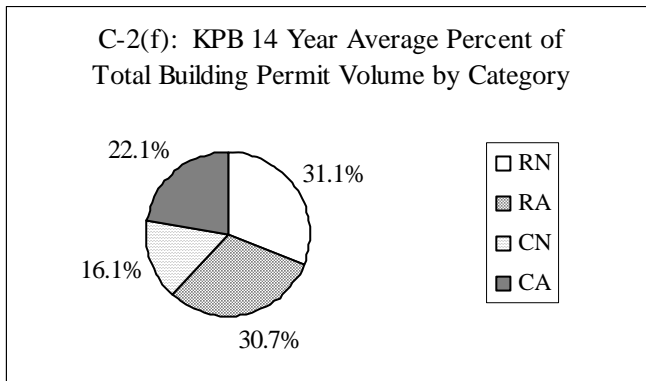
C-2(c): KPB Total Permit Volume History by Category					
	<u>Residential New</u>	<u>Residential Alter/Add</u>	<u>Commercial New</u>	<u>Commercial Alter/Add</u>	<u>Total</u>
1986	71	42	38	36	187
1987	30	46	26	25	127
1988	44	61	48	71	224
1989	37	72	22	51	182
1990	25	74	29	77	205
1991	72	61	38	49	220
1992	61	74	16	42	193
1993	64	69	26	40	199
1994	103	76	31	43	253
1995	94	62	47	43	246
1996	100	67	39	45	251
1997	96	83	44	39	262
1998	92	78	44	57	271
1999	76	89	52	70	287

The 1999 record setting pace of permitting produced the third consecutive high, the fourth in six years. The chart below demonstrates recent history of New Construction permit volume.



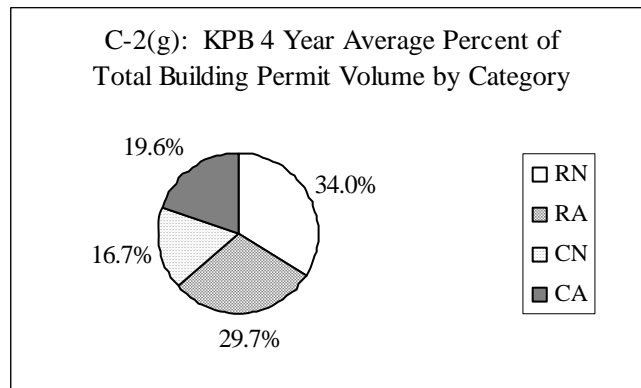
C-2(e): KPB Total Permit Volume History by Category					
	<u>Residential</u> <u>New</u>	<u>Residential</u> <u>Alter/Add</u>	<u>Commercial</u> <u>New</u>	<u>Commercial</u> <u>Alter/Add</u>	<u>Total</u>
14-year Average	69	68	36	49	222
4-year Average	91	80	45	53	268

The charts below demonstrate fourteen year (1986-99) and four year (1996-99) averages of permit volume per category. The recent permitting pace has been accelerating in all categories.



Volume of New Residential and Commercial permits, as a percent of the whole, has increased from the 14-year to the 4-year average, Residential by 2.9% and Commercial by 0.6%.

Alteration/Addition permitting has decreased as a percent of the whole as Residential permits decreased 1% and Commercial permitting decreased 2.5%.



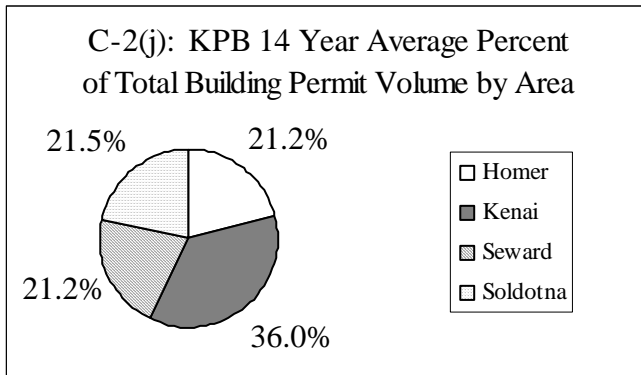
Volume by Area

Kenai led 1999 permit volume with 102 of the total 287 permits, 35.5%. Soldotna issued 77 permits while Seward and Homer issued 56 and 52, respectively.

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
1986	61	88	Unk	38	187
1987	31	69	Unk	27	127
1988	50	46	102	26	224
1989	37	59	59	27	182
1990	62	52	57	34	205
1991	38	89	34	59	220
1992	34	62	63	34	193
1993	34	87	34	44	199
1994	46	99	49	59	253
1995	47	102	49	48	246
1996	65	78	47	61	251
1997	55	89	60	58	262
1998	48	97	49	77	271
1999	52	102	56	77	287

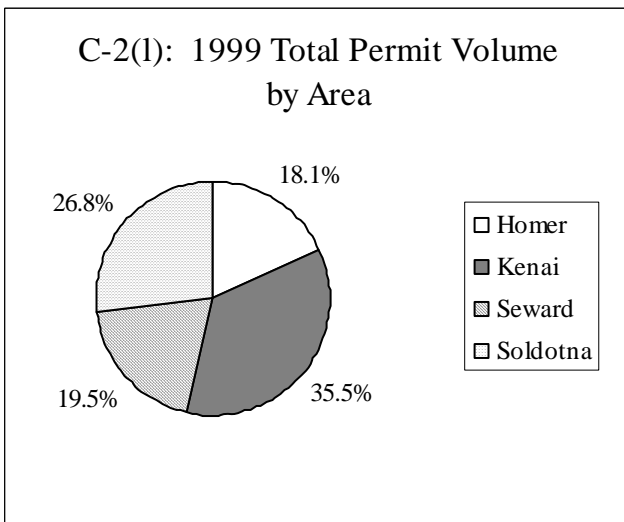
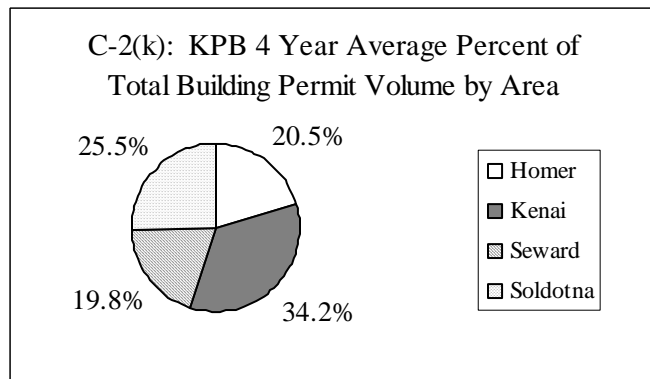
Rate of permitting is increasing in each of the four areas as the fourteen year annual average of 222 permits increases to the four year average of 268 permits, a 21% increase.

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
14-year Average	47	80	47	48	222
4-year Average	55	92	53	68	268



The fourteen-year average shows Kenai issuing 36.0% of permits, dropping to 34.2% in the recent 4-year average. Homer dropped from 21.2% to 20.5% and Seward dropped from 21.2% to 19.8% in the 14 and 4-year average comparison.

Soldotna, the only area reporting an increase in average percent of volume, issued 21.5% of permits in the fourteen year average but moves up to 25.5% in the short term picture.



During 1999 Kenai issued 35.5% of all permits and Soldotna issued 26.8%. Seward and Homer issued 19.5% and 18.1%, respectively.

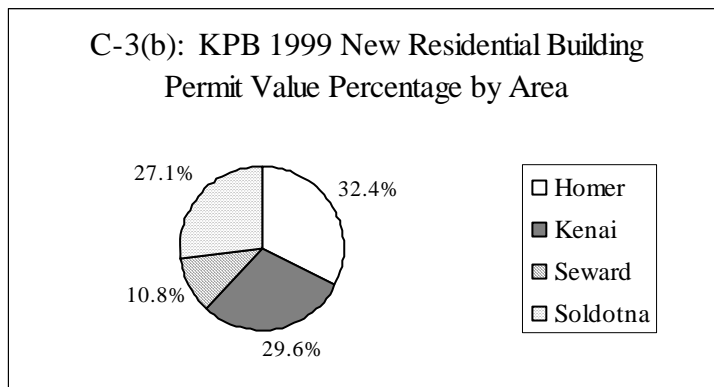
Homer issued the greatest permit value.

C-3: New Residential Construction

Values

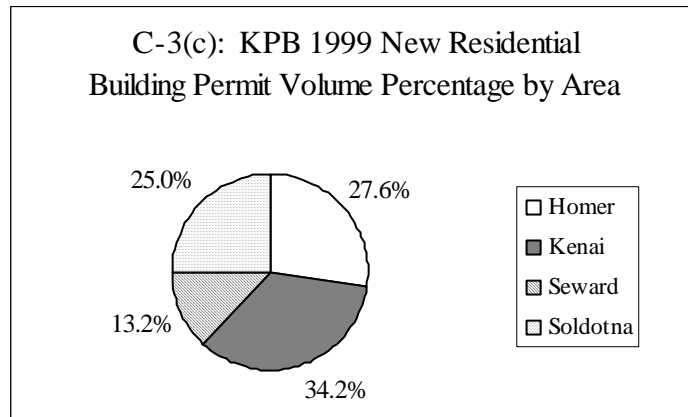
New Residential permit values by area for 1999 are demonstrated below. With over \$11 million in total permit values, Homer, Kenai and Soldotna reported similar totals, each in the \$3 million range. Only Seward had less with a \$1.2 million total.

	1999 Total
Homer	3,646,000
Kenai	3,324,000
Seward	1,217,400
Soldotna	3,048,462
TOTAL	11,235,862

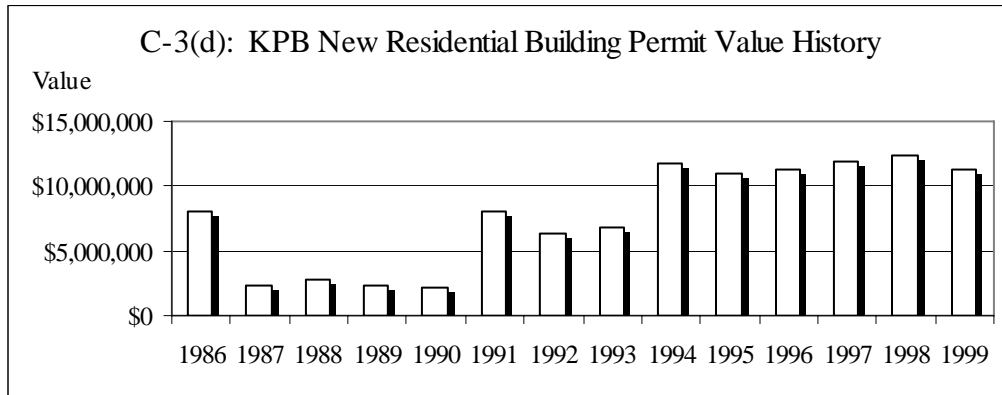


Homer permitting provided 32.4% of value during 1999, Kenai issued 29.6%, Soldotna added 27.1%, with Seward contributing 10.8% of the value.

Kenai supplied the greatest percentage of permit volume, 34.2%. Homer followed with 27.6%, Soldotna with 25.0% and Seward with 13.2%.



Numbers indicate that more expensive homes are being built in Homer and Seward, perhaps as families prepare for retirement while the lower home values of Kenai and Soldotna may be due to more “first home” situations as wage earners seek and gain employment, building more economical homes. Retirees are more likely to be able to build homes with greater production values.



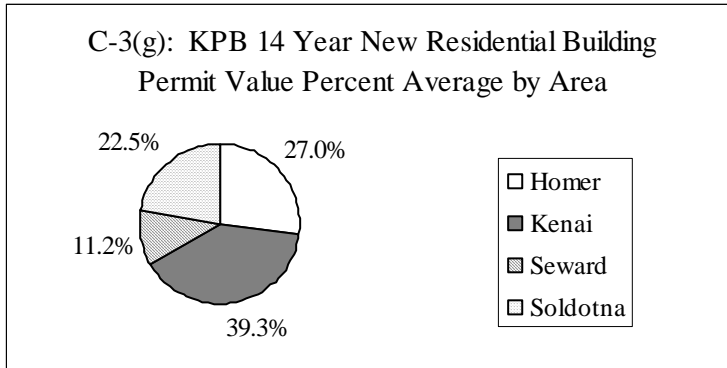
C-3(e): KPB New Residential Permit Value History by Area in \$

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
1986	4,401,000	3,158,500	Unk	545,465	8,104,965
1987	718,000	1,189,000	Unk	384,100	2,291,100
1988	181,300	568,000	1,966,500	110,000	2,825,800
1989	872,000	220,000	811,000	460,000	2,363,000
1990	853,000	555,000	390,000	297,000	2,095,000
1991	1,373,000	5,079,000	702,750	956,000	8,110,750
1992	939,000	3,184,086	1,433,123	707,000	6,263,209
1993	1,143,500	3,308,982	486,000	1,871,000	6,809,482
1994	3,620,820	4,307,500	568,000	3,332,500	11,828,820
1995	2,692,200	4,675,000	200,000	3,385,400	10,952,600
1996	3,238,800	3,235,100	900,300	3,858,720	11,232,920
1997	3,236,400	4,428,500	706,750	3,489,756	11,861,406
1998	2,850,750	6,033,500	1,145,000	2,347,000	12,376,250
1999	3,646,000	3,324,000	1,217,400	3,048,462	11,235,862

Each of the past six years produced high dollar values in New Residential permitting. The 1999 total value ranked fourth highest of the most recent fourteen years.

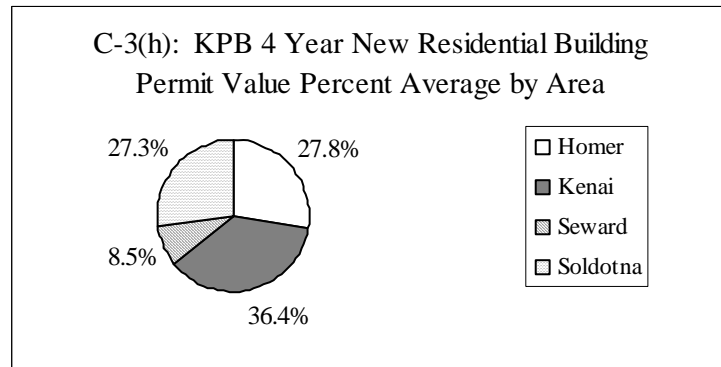
C-3(f): KPB New Residential Permit Value History by Area in \$					
	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
14-year Average	2,126,126	3,090,441	877,235	1,770,886	7,739,369
4-year Average	3,242,988	4,255,275	992,363	3,185,985	11,676,610

Average total value of New Residential structures has increased dramatically, especially in the Soldotna area. The recent fourteen-year average total for KPB is \$7.74 million while the recent four-year average total is \$11.67 million, a 51% increase.



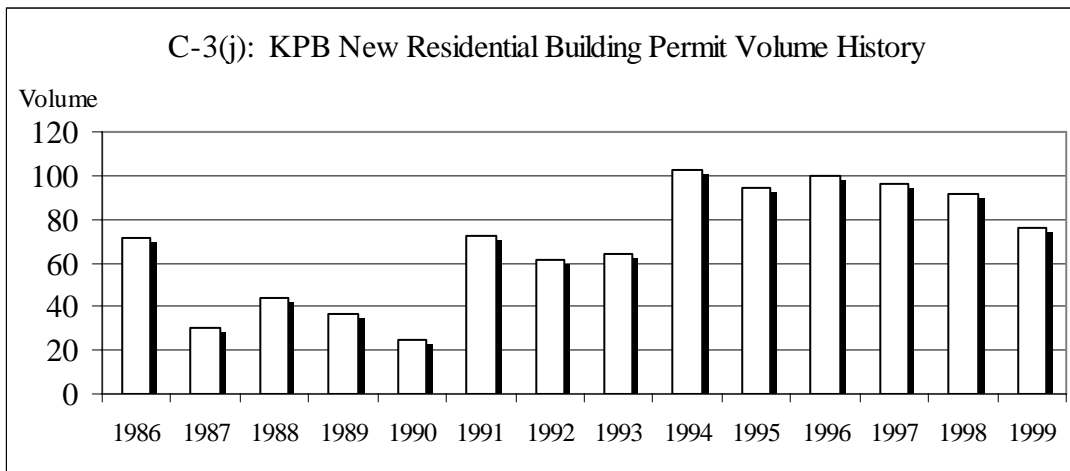
The fourteen-year average shows Kenai with 39.3% of New Residential permit value. The four-year average drops to 36.4%. Seward dropped from 11.2% to 8.5% in the same period.

Soldotna appears to be the big winner as the four-year average value increased to 27.3% of the total, compared to the fourteen-year average of 22.5%. Homer increased from 27.0% to 27.8% of the total.



New Residential Volume

C-3(i): KPB New Residential Building Permit Volume History by Area					
	Homer	Kenai	Seward	Soldotna	Total
1986	31	33	0	7	71
1987	10	15	0	5	30
1988	7	6	29	2	44
1989	13	5	14	5	37
1990	15	5	2	3	25
1991	16	39	5	12	72
1992	13	27	12	9	61
1993	15	30	3	16	64
1994	31	40	4	28	103
1995	24	37	3	30	94
1996	29	24	7	40	100
1997	28	36	6	26	96
1998	23	45	9	15	92
1999	21	26	10	19	76
14-year Average	20	26	7	16	69
4-year Average	25	33	8	25	91

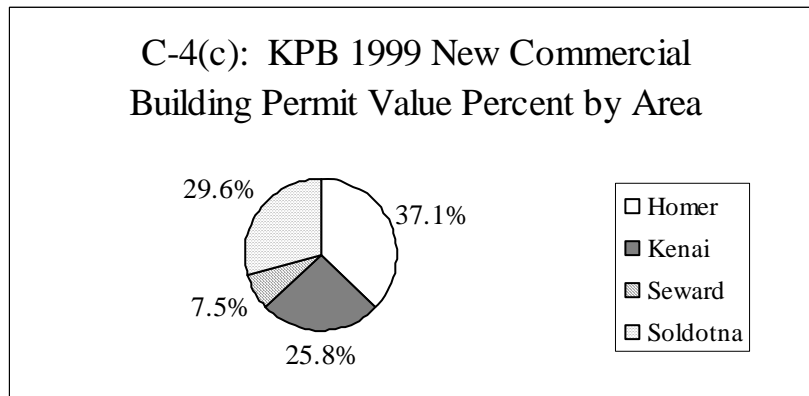
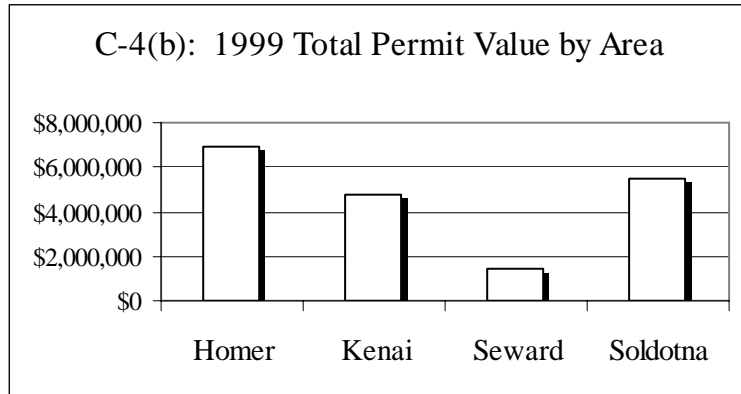


New Residential permit total value decreased 9.2% for 1999, while volume dropped 17.4%, indicating an increase in value per home.

C-4: New Commercial Construction

New Commercial permitting in 1999 totaled \$18,598,564 with Homer issuing nearly \$7 million, 37.1% of the total. Soldotna issued \$5.5 million or 29.6% and Kenai \$4.8 million or 25.8% of the total. Seward issued \$1.4 million in New Commercial permits, 7.5% of the total.

	1999 Total \$
Homer	6,906,000
Kenai	4,797,750
Seward	1,393,275
Soldotna	5,501,539
TOTAL	18,598,564



	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
14-year Average	3,243,044	4,451,618	4,681,791	3,049,024	15,425,476
4-year Average	3,689,381	3,777,894	4,745,077	3,766,589	15,978,940

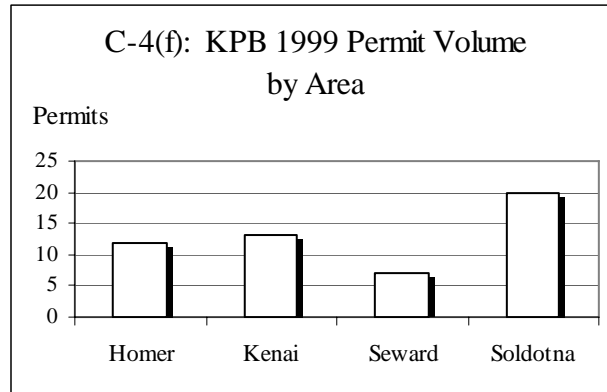
New Commercial Volume

KPB 1999 New Commercial permitting activity produced a new high of 52 permits. Soldotna issued 20 permits; Kenai issued 13, followed closely by Homer with 12, while Seward issued 7.

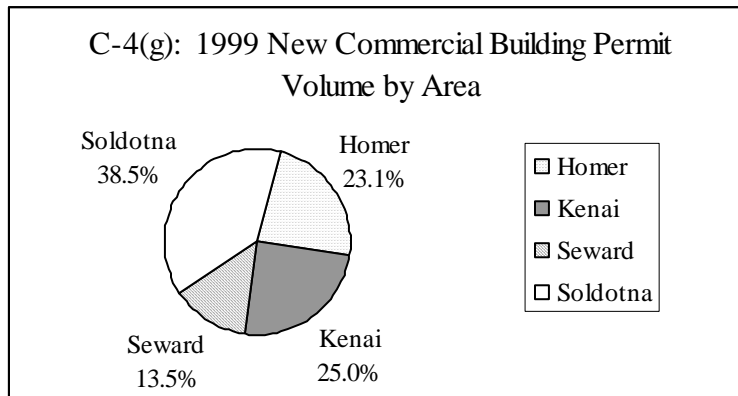
C-4(e): KPB 1999 New Commercial Permit Volume by Area

	1999 Total
Homer	12
Kenai	13
Seward	7
Soldotna	20
TOTAL	52

C-4(f): KPB 1999 Permit Volume by Area



C-4(g): 1999 New Commercial Building Permit Volume by Area



The fourteen year average volume is 36, while the most recent four year average is 45 permits. Soldotna's annual average nearly doubles in the calculation, while Seward gains 2, Homer gains 1, and Kenai loses 1 permit per year.

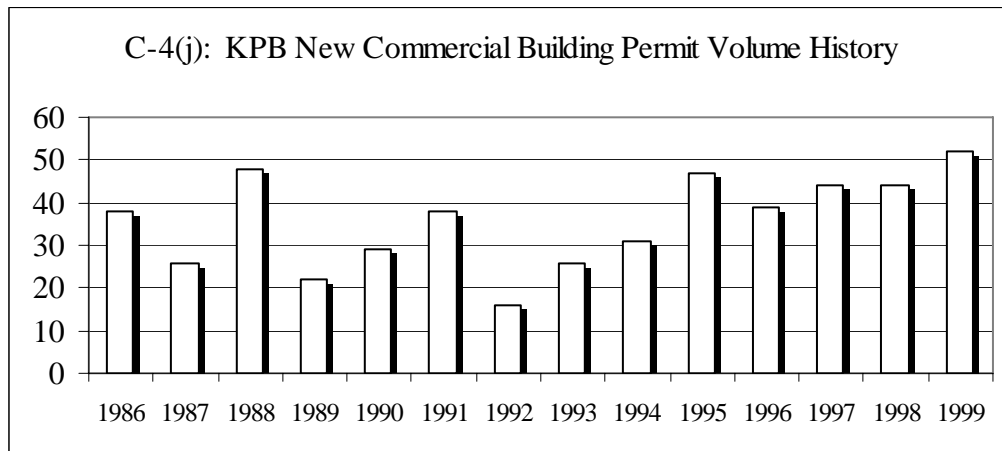
C-4(h): KPB New Commercial Building Permit Volume History

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
14-year Average	10	10	7	9	36
4-year Average	11	9	9	17	45

C-4(i): KPB New Commercial Building Permit Volume History

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
1986	9	17	Unk	12	38
1987	6	14	Unk	6	26
1988	23	6	13	6	48
1989	4	7	9	2	22
1990	17	8	2	2	29
1991	9	11	10	8	38
1992	6	5	4	1	16
1993	9	11	4	2	26
1994	7	12	4	8	31
1995	10	14	16	7	47
1996	15	10	6	8	39
1997	8	7	12	17	44
1998	9	4	10	21	44
1999	12	13	7	20	52

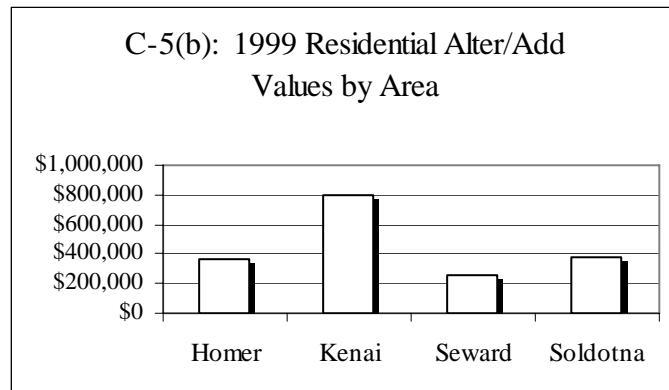
Volume of activity has varied over the years but the past five years have each been in record range. Both Homer and Kenai experienced their fourth best year on record during 1999, permitting 12 and 13 New Commercial structures, respectively. Seward volume was 7th best of the past 12 years, issuing 7 permits. Soldotna activity, at 20 permits, was second only to 1998 when 21 permits were issued.



C-5: Residential Alterations and Additions

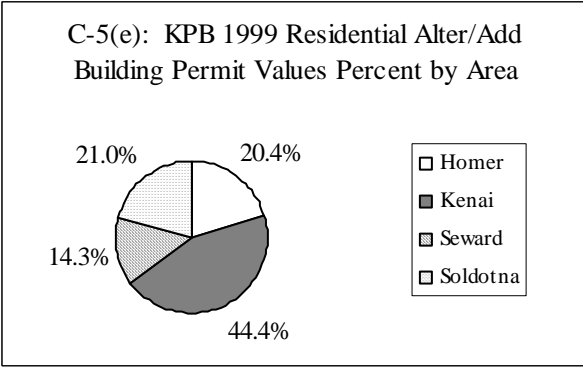
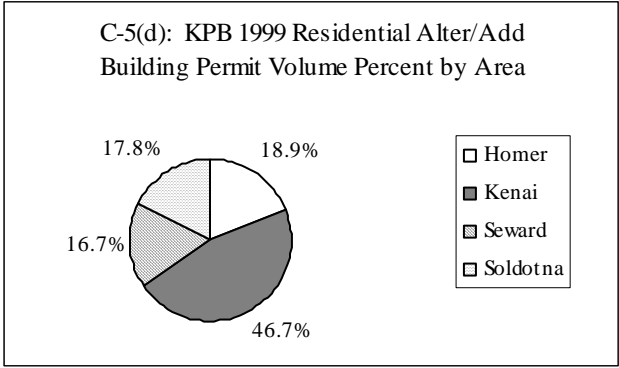
Alteration/Addition permits may indicate several varying scenarios. Individuals may be modernizing or maintaining structures, adding space, fixing up due to inability to finance new structures, or be limited by available properties/space for new structures in desired locations.

	1999 Total
Homer	367,000
Kenai	798,000
Seward	256,600
Soldotna	377,228
TOTAL	1,798,828



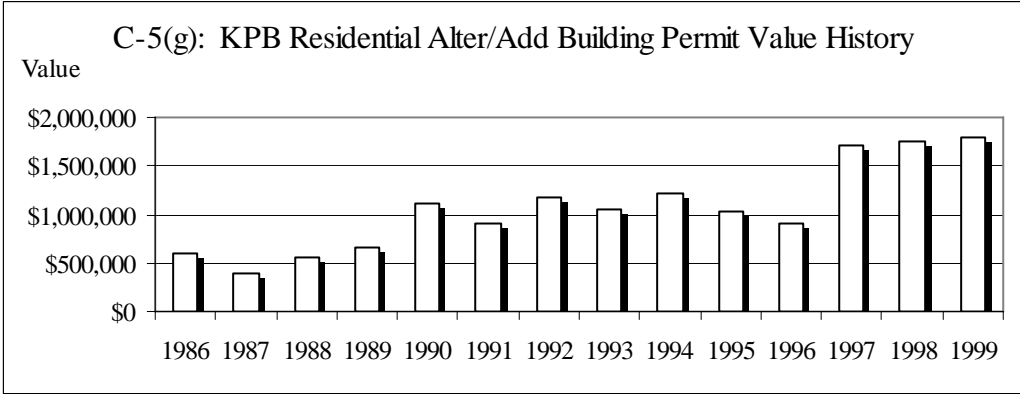
	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1999 Total
Homer	0	4	11	2	17
Kenai	3	14	12	13	42
Seward	1	7	5	2	15
Soldotna	4	8	4	0	16
TOTAL	8	33	32	17	90

Over the past year, 90 permits were issued for Residential remodeling or additions at an assessed value of \$1.8 million. Kenai issued 42 permits valued at \$798,000. Homer, Seward and Soldotna issued 17, 15, and 16 permits, respectively for values of \$367,000, \$256,600, and \$377,228.



C-5(f): KPB Residential Alter/Add Building Permit Value History by Area in \$

	<u>Homer</u>	<u>Kenai</u>	<u>Seward</u>	<u>Soldotna</u>	<u>Total</u>
1986	182,500	219,600	Unk	188,688	590,788
1987	100,500	206,200	Unk	93,260	399,960
1988	157,300	165,250	138,130	104,000	564,680
1989	194,500	260,600	88,320	20,950	664,370
1990	318,710	358,950	238,048	205,200	1,120,908
1991	231,775	337,800	64,625	277,130	911,330
1992	156,000	523,107	256,350	250,000	1,185,457
1993	66,000	544,668	121,100	314,350	1,046,118
1994	98,000	507,000	303,250	316,900	1,225,150
1995	298,500	479,940	148,950	112,000	1,039,390
1996	133,000	455,200	151,900	174,000	914,100
1997	518,865	625,000	332,292	241,900	1,718,057
1998	539,600	730,700	240,543	237,060	1,747,903
1999	367,000	798,000	256,600	377,228	1,798,828

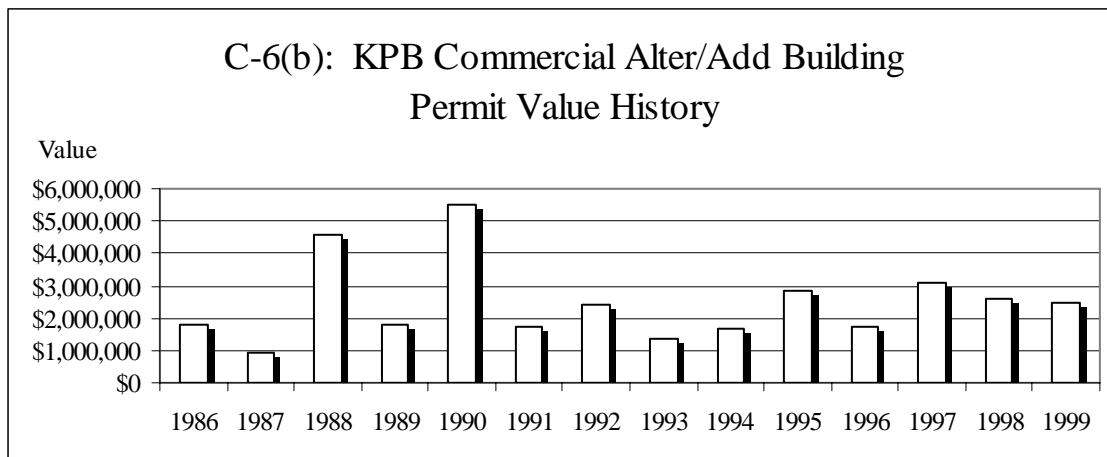


C-6: Commercial Alterations and Additions

During 1999, Seward issued permits totaling \$1,374,138. Kenai and Soldotna issued \$522,000 and \$577,891, respectively, while Homer issued \$21,000. Permit values for Commercial Alteration/Addition activity were near average with a 1999 total value of \$2,495,029.

	Values by Area in \$	Volume by Area
Homer	21,000	2
Kenai	522,000	21
Seward	1,374,138	24
Soldotna	577,891	22
TOTAL	2,495,029	69

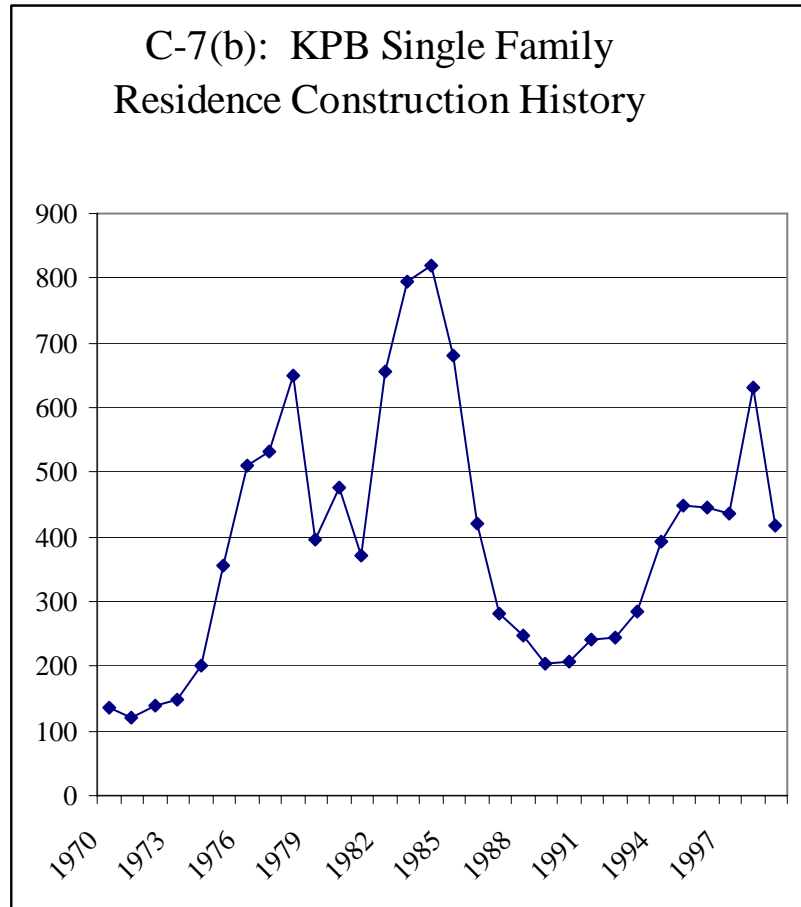
Kenai, Seward, and Soldotna had nearly equal activity, issuing 21, 24, and 22 Commercial Alteration/Addition permits for the year, respectively. Homer issued 2 permits.



C-7: Single Resident Construction

The KPB Assessing Department provides data for Single Residences constructed across the borough, both inside and outside of the incorporated cities. The numbers below include all Single Family dwellings in the KPB. Other construction types are not detailed.

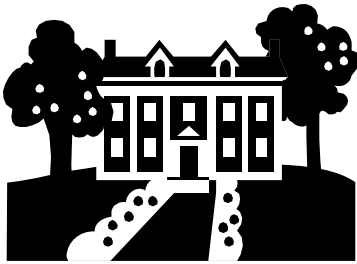
C-7(a): KPB Single Family Residence Construction	
Year	Volume
1970	135
1971	120
1972	139
1973	148
1974	200
1975	356
1976	509
1977	532
1978	651
1979	395
1980	476
1981	371
1982	656
1983	795
1984	821
1985	681
1986	421
1987	281
1988	246
1989	204
1990	206
1991	241
1992	243
1993	283
1994	394
1995	447
1996	444
1997	437
1998	630
1999	416



Single Family residence construction during 1999 was the lowest of the past five years with 416 new homes reported to the KPB Assessing Department.

Volume and values of New Single Family Residence construction within the KPB during 1998 and 1999 are listed in the table below.

C-7(c): New Construction Value Range				
Value Range	1998		1999	
	Volume	Percent of Total	Volume	Percent of Total
\$0-\$50,000	183	29.2	159	36.7
\$50,000-\$90,000	150	23.9	120	27.7
\$90,000-\$105,000	83	13.2	31	7.2
\$105,000-\$120,000	60	9.6	35	8.1
\$120,000-\$150,000	67	10.7	35	8.1
\$150,000-\$500,000	84	13.4	53	12.2



Note that information on this page was downloaded from the computer a few weeks after information on the previous page, making volumes inconsistent, though each was accurate at the time of its printing.

Homes included in the \$0-\$50,000 range may be homes under construction. These homes are appraised at values lower than the value of the home after completion.

The total number of Single Family dwellings constructed during 1999 was less than 1998 in each price range listed above. With regard to percent of total, the lower value homes have increased from 29.2% to 36.7%. This may change as homes listed in the low value category are completed and reappraised. However, higher interest rates may require buyers to purchase homes with lower value in order to maintain manageable mortgage payments.

D: KPB Employment

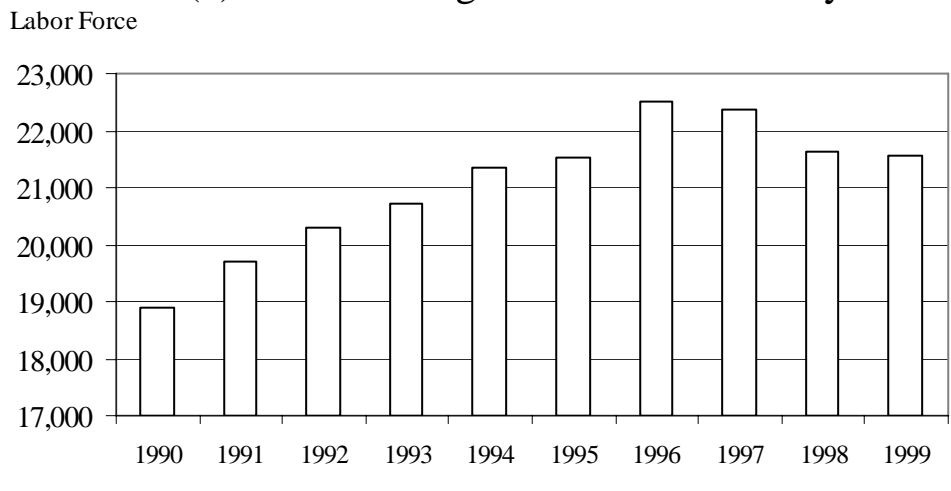
The AK DOL has not released employment statistic details for 1999. Only broad-spectrum statistics are available at the time of printing. Due to reporting deadlines and massive amounts of data, final reports are released one to one and a half years following the close of the statistical year.

D-1: Labor Force

D-1(a): KPB Historical Labor Force Average by Quarter

	1st Qtr Avg	2nd Qtr Avg	3rd Qtr Avg	4th Qtr Avg
1990	17,742	19,335	20,375	18,161
1991	18,555	20,042	21,371	18,846
1992	19,194	20,719	21,596	19,616
1993	19,287	21,156	22,581	19,878
1994	20,633	21,622	23,020	20,124
1995	20,918	21,448	23,132	20,596
1996	21,479	22,753	24,551	21,267
1997	22,020	22,759	24,120	20,622
1998	20,605	21,739	23,886	20,280
1999	20,791	21,587	23,686	20,202

D-1(b): KPB Average Labor Force History

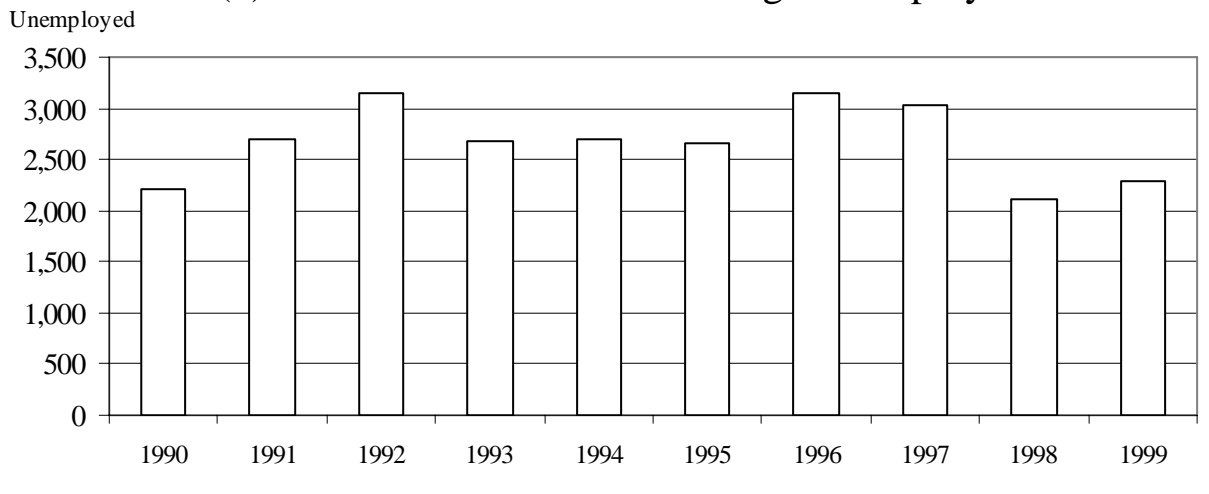


D-2: Unemployment

D-2(a): KPB Historical Unemployment by Quarter

	1st Quarter Average	2nd Quarter Average	3rd Quarter Average	4th Quarter Average
1990	2,602	2,136	1,770	2,342
1991	2,874	2,466	2,142	3,274
1992	4,112	3,189	2,249	3,003
1993	3,600	2,720	1,789	2,611
1994	3,438	2,689	2,043	2,662
1995	3,452	2,375	1,955	2,830
1996	3,715	2,957	2,450	3,465
1997	4,264	2,987	2,156	2,716
1998	2,838	2,024	1,553	2,049
1999	3,048	2,175	1,784	2,170

D-2(b): KPB Historic Annual Average Unemployment



The table on the previous page presents annual Labor Force data while this page demonstrates annual average Unemployment. Each illustrates the seasonality of the KPB economy due to fishing, construction, and tourism.

D-2(c): KPB 1999 Employment Statistics by Month

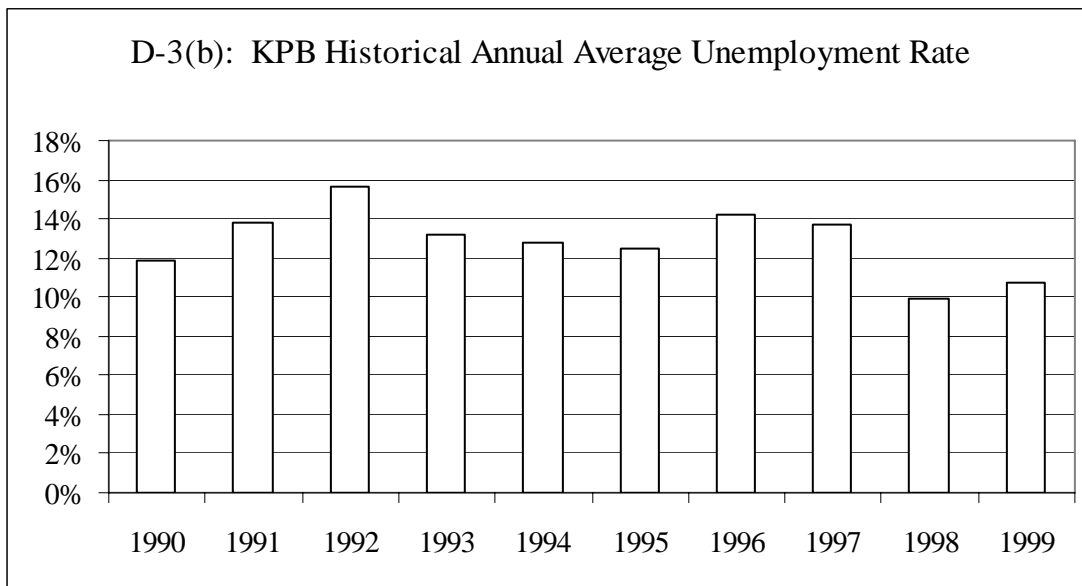
1999	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Labor Force	20,429	21,171	20,932	21,048	21,201	23,184	24,465	24,185	22,409	21,020	19,859	19,727
Unemployment	2,921	3,445	2,897	2,519	2,135	2,113	1,867	1,729	1,756	2,118	2,196	2,197
Employment	17,508	17,726	18,035	18,529	19,066	21,071	22,598	22,456	20,653	18,902	17,663	17,530
Unemployment Rate	14.3%	16.3%	13.8%	12.0%	10.1%	9.1%	7.6%	7.1%	7.8%	10.1%	11.1%	11.1%

D-3: Unemployment Rate

D-3(a): KPB Historical Unemployment Rate History by Quarter

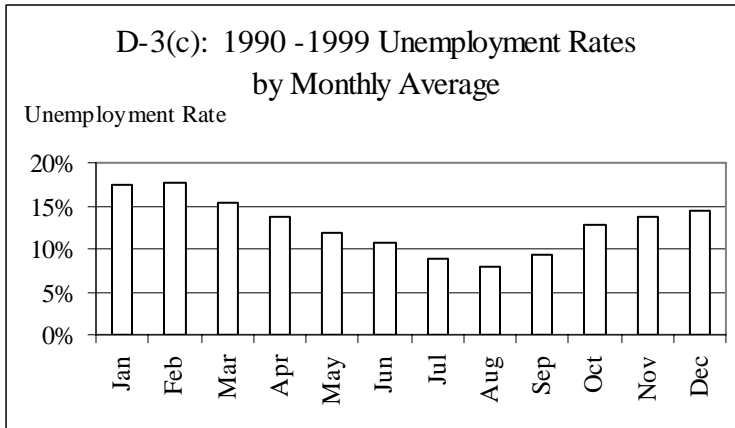
	1st Quarter Average	2nd Quarter Average	3rd Quarter Average	4th Quarter Average
1990	14.7%	11.1%	8.8%	12.9%
1991	15.5%	12.3%	10.1%	17.4%
1992	21.4%	15.5%	10.4%	15.3%
1993	18.7%	12.9%	7.9%	13.2%
1994	16.7%	12.5%	8.9%	13.2%
1995	16.5%	11.1%	8.5%	13.8%
1996	17.3%	13.0%	10.0%	16.3%
1997	19.4%	13.2%	8.9%	13.2%
1998	13.8%	9.3%	6.5%	10.1%
1999	14.6%	10.1%	7.5%	10.8%

D-3(b): KPB Historical Annual Average Unemployment Rate



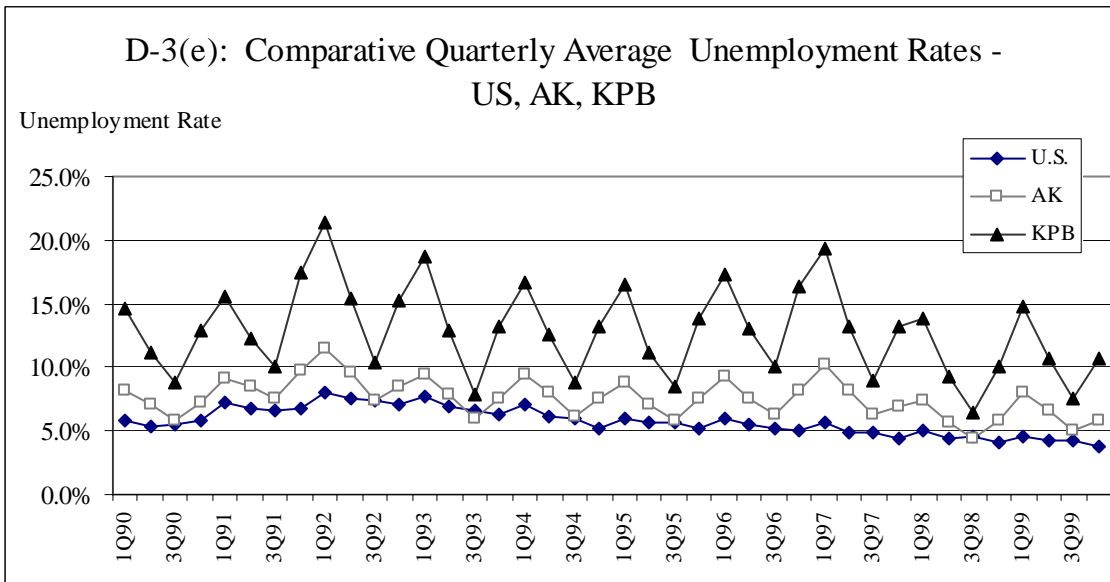
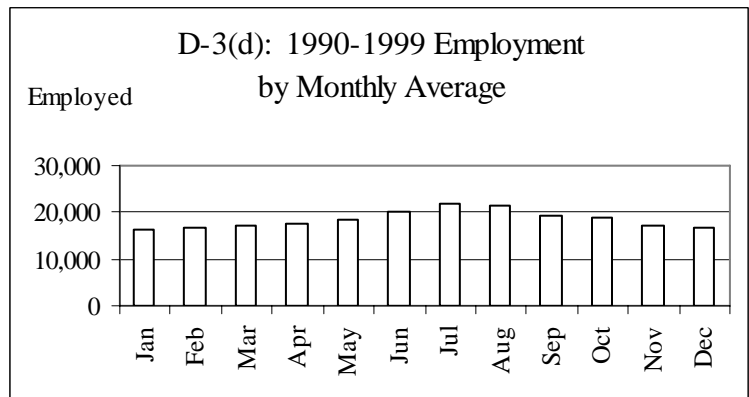
1999 Unemployment Rates increased slightly from 1998 record lows. August Unemployment dropped to 7.1%, July to 7.6% and September to 7.8%. The annual high of 16.3% was reported in February; January was second at 14.3%. The 1998 August low was 5.6% while the January high was 14.6%. The 1992 peak Unemployment included a February high of 22.5% and a 9.4% August low.

Unemployment v Employment

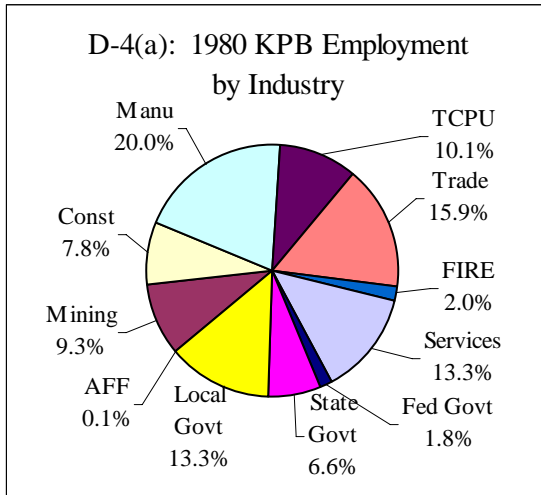


Average Unemployment Rates since 1990 reach annual highs during January and February with August providing the annual low. KPB 1999 averages are above the average Alaska rate of 6.2% and the average U.S. rate, 4.2%.

During an average year since 1990, employment increases approximately 30% from January to August, then drops back by the end of each year. The economic base of the KPB is highly seasonal.



D-4: Employment by Industry.

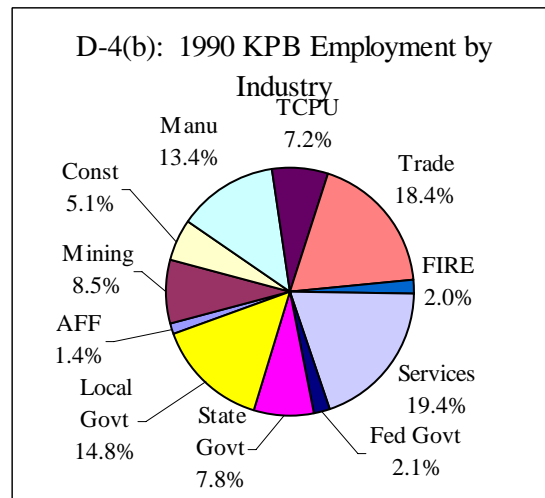


During 1980, Manufacturing accounted for 20% of KPB employment while Trade accounted for 16%.

Agriculture, Forestry and Fishing provided 0.1% of the job opportunities. Employment in Fisheries is due to regulations that do not require reporting by self-employed fishermen and their crews.

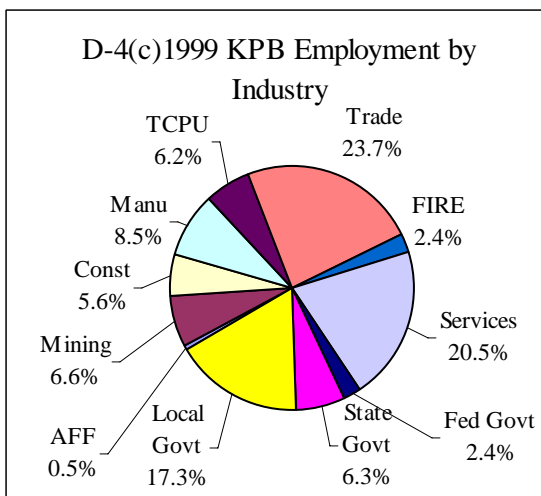
During the 1980's, Manufacturing dropped nearly seven percentage points of total KPB employment to 13.4%. Services gain six percentage points to reach 19.4%.

Other industries gained or lost up to 2½% over the decade.



The Trade industry increased its share of total employment by 5.3% from 1990 to 1999. Local and Federal Government; Construction and FIRE each gained a share of the total as well.

Manufacturing lost 4.9% of total KPB employment. Mining, TCPU, and AFF were the other losers.



D-5: Earnings

D-5(a): Annual Average Monthly Earnings by Industry in \$

INDUSTRY	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999*
AFF	2,303	3,214	3,385	3,068	na	na	1,750	1,670	1,745	1,732	1,659
Min	4,490	4,339	4,506	4,889	4,806	4,724	4,739	5,065	4,802	4,750	5,003
Const	3,459	3,474	2,918	2,830	3,002	3,120	3,043	2,933	3,040	3,057	3,085
Manu	2,882	2,961	2,925	2,933	2,888	3,064	3,219	3,038	2,882	3,149	3,452
TCPU	3,919	2,903	2,977	2,990	2,952	2,973	3,084	3,279	3,310	3,300	3,024
Whole	2,757	2,626	2,829	3,086	3,593	3,497	3,182	3,152	3,354	3,683	3,738
Retail	1,147	1,204	1,233	1,262	1,244	1,315	1,310	1,343	1,354	1,388	1,470
FIRE	1,534	1,588	1,617	1,692	1,769	1,741	1,762	1,862	1,889	2,027	2,050
Services	1,480	1,612	1,579	1,517	1,513	1,480	1,360	1,431	1,496	1,509	1,554
FedGovt	2,726	2,914	2,989	3,098	3,435	3,526	3,701	3,792	3,935	3,935	4,127
StateGovt	2,946	3,036	3,117	3,226	3,276	3,303	3,370	3,009	3,050	3,044	3,028
LocalGovt	2,462	2,506	2,698	2,741	2,627	2,736	2,753	2,744	2,801	2,702	2,773
Average	2,248	2,519	2,437	2,451	2,458	2,473	2,476	2,471	2,504	2,504	2,544

* - 1999 figures are preliminary

Source – 1989-1992 – EDD Situations and Prospects

1993-1998 – State of Alaska Department of Labor and Workforce Development, Employment & Earnings Summary Report

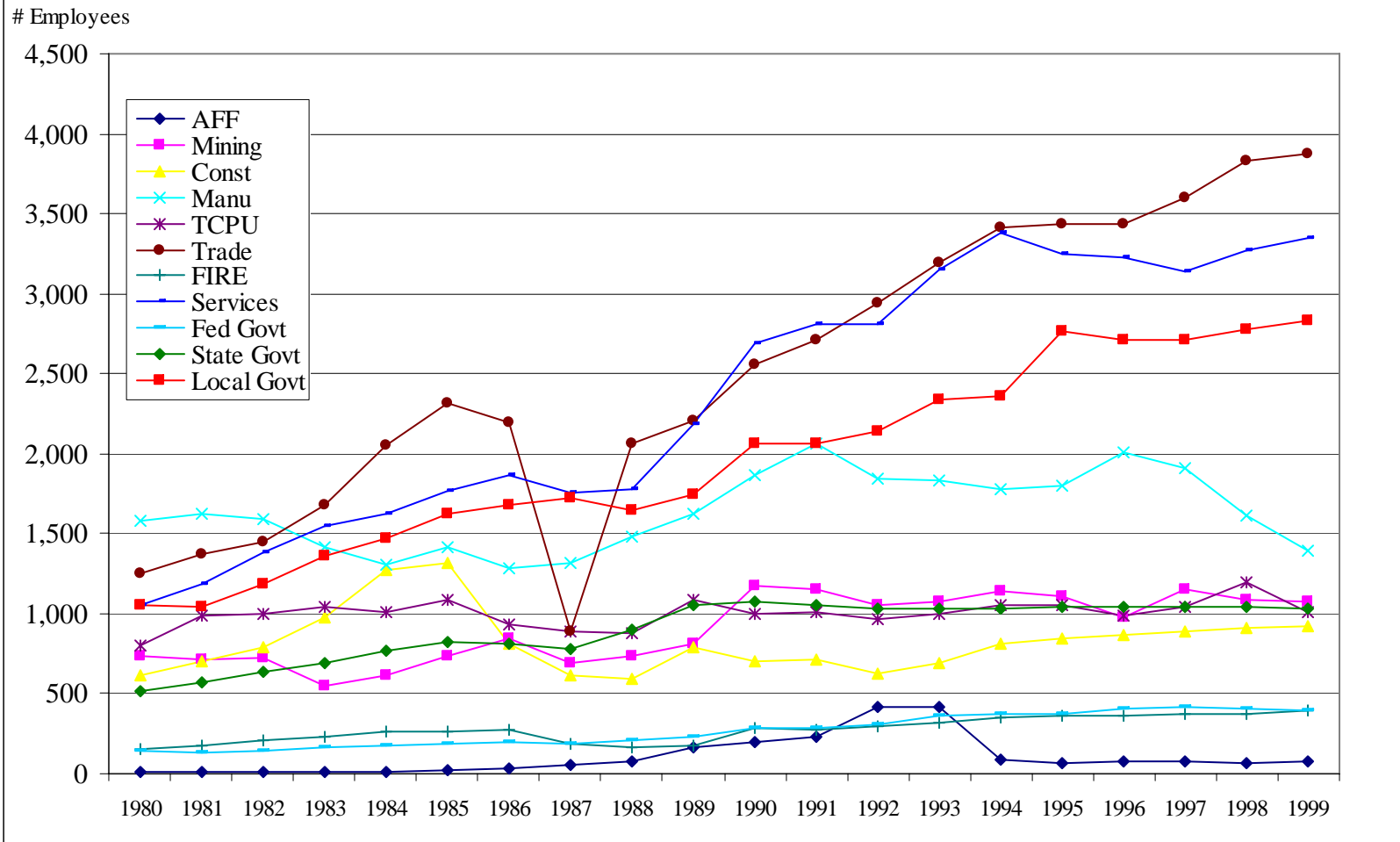
1999 – State of Alaska Department of Labor and Workforce Development

D-5(b): Railbelt Region - Mean Wage

Denali Borough, Fairbanks North Star Borough, Kenai Peninsula Borough, Matanuska-Susitna Borough, Southeast Fairbanks Census Area and Valdez-Cordova Census Area			
OES Code	Occupation	1997	1998
55338	Book/Acct/Audit	\$13.31	\$13.25
93935	Cannery Workers	\$7.58	\$7.97
49023	Cashier	\$9.09	\$9.21
87102	Carpenters	\$19.62	\$20.51
65026	Cooks-Restaurant	\$9.18	\$9.61
67005	Janitors/Cleaners	\$11.69	\$11.13
85302	Mechanics-Auto	\$19.50	\$20.33
32502	Nurses-Registered	\$21.67	\$21.70
55305	Receptionist	\$10.04	\$10.11
49011	Salesperson-Retail	\$11.88	\$12.36
55307	Typists, Include Word Processing	\$11.84	\$12.18
97102	Truck Driver -Hwy	\$18.50	\$19.12
65008	Waiter/Waitress	\$6.44	\$6.64
93914	Welder	\$21.58	\$21.69

Source – <http://www.labor.state.ak.us/research/wage/rboes.htm>

D-6(a): KPB Employment History by Industry



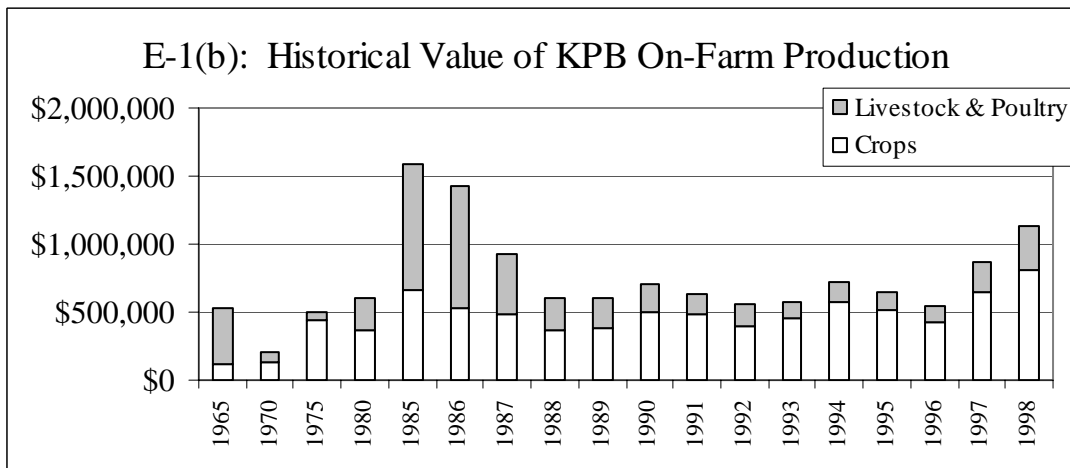
D-6(b): KPB Employment History by Industry

	<u>1980</u>	<u>1985</u>	<u>1990</u>	<u>1991</u>	<u>1992</u>	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	Annual Change
AFF	9	20	193	233	419	419	91	70	81	74	69	82	18.8%
Mining	733	735	1,175	1,156	1,051	1,071	1,146	1,105	978	1,152	1,088	1,076	-1.1%
Const	615	1,313	701	713	623	689	813	846	867	886	915	917	0.2%
Manu	1,580	1,414	1,861	2,066	1,848	1,833	1,779	1,804	2,006	1,908	1,614	1,396	-13.5%
TCPU	802	1,091	995	1,006	967	1,001	1,059	1,052	989	1,047	1,199	1,007	-16.0%
Trade	1,255	2,312	2,555	2,708	2,945	3,194	3,414	3,432	3,438	3,597	3,833	3,872	1.0%
FIRE	155	263	281	278	300	323	352	366	360	368	377	394	4.5%
Services	1,049	1,770	2,693	2,806	2,815	3,155	3,376	3,251	3,223	3,134	3,267	3,343	2.3%
Fed Govt	141	185	285	289	308	357	374	374	405	415	406	391	-3.7%
State Govt	521	823	1,077	1,051	1,029	1,031	1,033	1,040	1,047	1,041	1,041	1,027	-1.3%
Local Govt	1,052	1,626	2,059	2,058	2,141	2,341	2,361	2,767	2,716	2,706	2,781	2,828	1.7%
TOTAL	7,895	11,489	13,892	14,376	14,474	15,451	15,816	16,109	16,110	16,328	16,588	16,340	-1.5%

The table above provides detail for the chart on the previous page. Note that the table provides information on a five-year interval from 1980 to 1990. Annual detail is reported for the 1990's. KPB total employment was down 1.5% for 1999 with AFF gaining 13 positions for 18.8%. Manufacturing reported a 13.5% decline in employment while TCPU lost 16.0%. While experiencing a drop in total employment, 1999 still reports the second highest employment average on record.

E: Farm Production

E-1(a): Value of On-Farm Production for Selected Years on the Kenai Peninsula in \$			
	Crops	Livestock & Poultry	Total
1965	124,500	403,400	527,900
1970	137,100	73,900	211,000
1975	434,600	71,500	506,100
1980	373,000	235,500	608,500
1985	658,000	934,800	1,592,800
1986	536,000	897,200	1,433,200
1987	486,000	436,200	922,200
1988	373,000	229,400	602,400
1989	385,000	218,400	603,400
1990	495,000	204,000	699,000
1991	489,500	147,900	637,400
1992	400,900	161,800	562,700
1993	456,000	112,800	568,800
1994	569,000	149,600	718,600
1995	520,000	127,600	647,600
1996	426,000	112,900	538,900
1997	647,000	217,400	864,400
1998	815,000	318,000	1,133,000
1999	NA	NA	NA



E-2(a): Alaska and U.S. Prices Received for Crops and All Milk in \$

Alaska

Year	Barley (Bu)	Oats (Bu)	All Hay (Ton)	Potatoes (Cwt)	All Milk (Cwt)
1991	3.35	2.40	175.00	17.50	20.49
1992	3.35	2.40	175.00	19.00	20.61
1993	3.35	2.50	185.00	18.90	20.52
1994	3.35	2.50	180.00	19.40	2.54
1995	3.30	2.55	180.00	18.60	20.56
1996	3.15	2.50	190.00	19.80	20.53
1997	3.20	2.50	190.00	19.60	20.51
1998	3.60	2.60	200.00	20.90	20.30

United States

Year	Barley (Bu)	Oats (Bu)	All Hay (Ton)	Potatoes (Cwt)	All Milk (Cwt)
1991	2.10	1.21	71.20	4.96	12.36
1992	2.04	1.32	74.30	5.52	13.25
1993	1.99	1.36	84.30	6.17	12.96
1994	2.03	1.22	86.70	5.58	13.12
1995	2.89	1.67	82.20	6.77	12.93
1996	2.74	1.96	95.80	4.93	14.94
1997	2.40	1.60	102.50	5.68	13.53
1998	1.95	1.10	87.00	5.24	15.41

E-2(b): Alaska and U.S. Prices Received – Livestock in \$

Alaska

Year	All Hogs (Cwt)	Beef Cattle (Cwt)	All Cows (Cwt)	Steers & Heifers (Cwt)	Milk Cows (Head)	All Sheep (Cwt)
1991	60.00	68.00	55.00	73.00	945.00	35.00
1992	69.00	65.00	54.00	76.00	940.00	40.00
1993	65.00	70.00	55.00	81.00	959.00	45.00
1994	55.00	69.00	56.00	79.00	1,000.00	50.00
1995	55.00	66.10	56.00	80.00	1,100.00	5.00
1996	52.50	64.00	57.00	75.00	1,150.00	55.00
1997	57.30	62.00	55.00	76.00	1,200.00	60.00
1998	64.00	64.00	57.00	78.00	1,340.00	55.00
1999	not available					

United States

Year	All Hogs (Cwt)	Beef Cattle (Cwt)	All Cows (Cwt)	Milk Cows (Head)	All Sheep (Cwt)	All Sheep (Cwt)
1991	49.10	72.70	49.80	76.60	1,100.00	19.70
1992	41.60	71.30	47.40	75.30	1,130.00	25.80
1993	45.20	72.60	47.60	76.80	1,160.00	28.60
1994	39.90	66.70	43.00	69.40	1,170.00	30.90
1995	40.50	61.80	35.70	65.10	1,130.00	28.00
1996	51.90	58.70	30.50	62.50	1,090.00	29.90
1997	52.90	63.10	34.80	66.80	1,100.00	37.90
1998	34.40	59.60	33.70	62.80	1,120.00	30.60
1999	not available					

E-3: U.S. Per Capita Meat Consumption

in Pounds

	<u>Red Meats (Boneless)</u>				<u>Poultry (Boneless)</u>		<u>Fish & Shellfish</u>
	<u>Beef</u>	<u>Veal</u>	<u>Pork</u>	<u>Lamb & Mutton</u>	<u>Chicken</u>	<u>Turkey</u>	
1992	62.8	0.8	49.5	1.0	46.7	14.1	14.7
1993	61.5	0.8	48.9	1.0	48.5	14.0	14.9
1994	63.6	0.8	49.6	0.9	49.3	14.1	15.1
1995	64.4	0.8	49.0	0.9	48.8	14.1	14.9
1996	65.0	1.0	45.9	0.8	49.8	14.6	14.7
1997	63.8	0.9	45.6	0.8	50.9	13.9	14.5
1998	not available						
1999	not available						

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F: Housing and Property

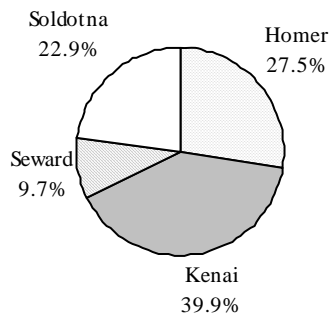
F-1: Housing Construction

Construction permits are not required within the Kenai Peninsula Borough except within the boundaries of the incorporated cities of Homer, Kenai, Seldovia, Seward, and Homer. Therefore, data presented does not include all KPB construction activity. Seldovia data is not current so is not included.

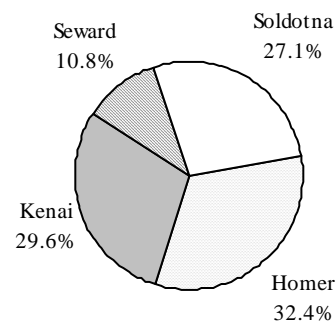
F-1(a): KPB New Residential Construction Value History by Area in \$

	Homer	Kenai	Seward	Soldotna	Total
1986	4,401,000	3,158,500	na	545,465	8,104,965
1987	718,000	1,189,000	na	384,100	2,291,100
1988	181,300	568,000	1,966,500	110,000	2,825,800
1989	872,000	220,000	811,000	460,000	2,363,000
1990	853,000	555,000	390,000	297,000	2,095,000
1991	1,373,000	5,079,000	702,750	956,000	8,110,750
1992	939,000	3,184,086	1,433,123	707,000	6,263,209
1993	1,143,500	3,308,982	486,000	1,871,000	6,809,482
1994	3,620,820	4,307,500	568,000	3,332,500	11,828,820
1995	2,692,200	4,675,000	200,000	3,385,400	10,952,600
1996	3,238,800	3,235,100	900,300	3,858,720	11,232,920
1997	3,236,400	4,428,500	706,750	3,489,756	11,861,406
1998	2,850,750	6,033,500	1,145,000	2,347,000	12,376,250
1999	3,646,000	3,324,000	1,217,400	3,048,462	11,235,862

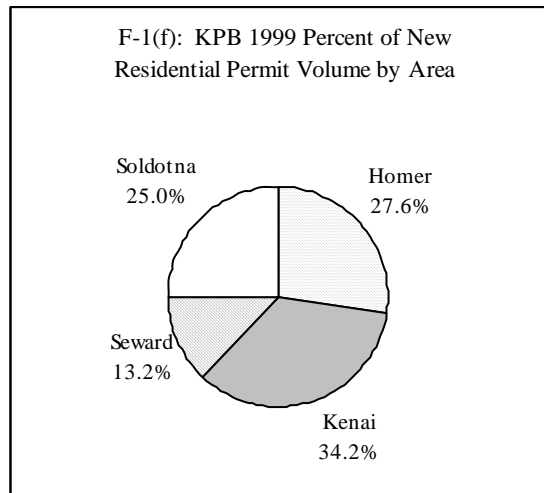
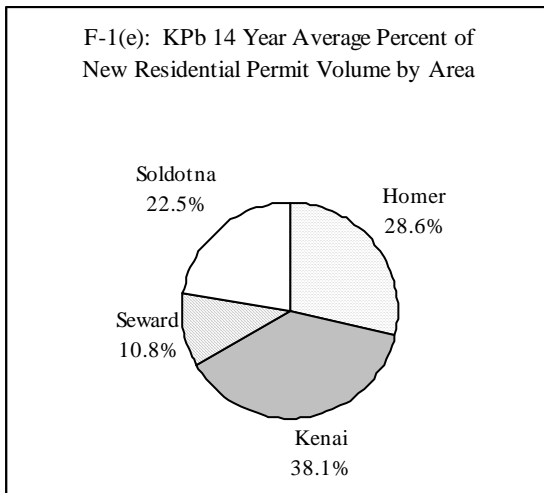
F-1(b): KPB 14 Year Average Percent of New Residential Construction Value by Area



F-1(c): KPB 1999 Percent of New Residential Construction Value by Area

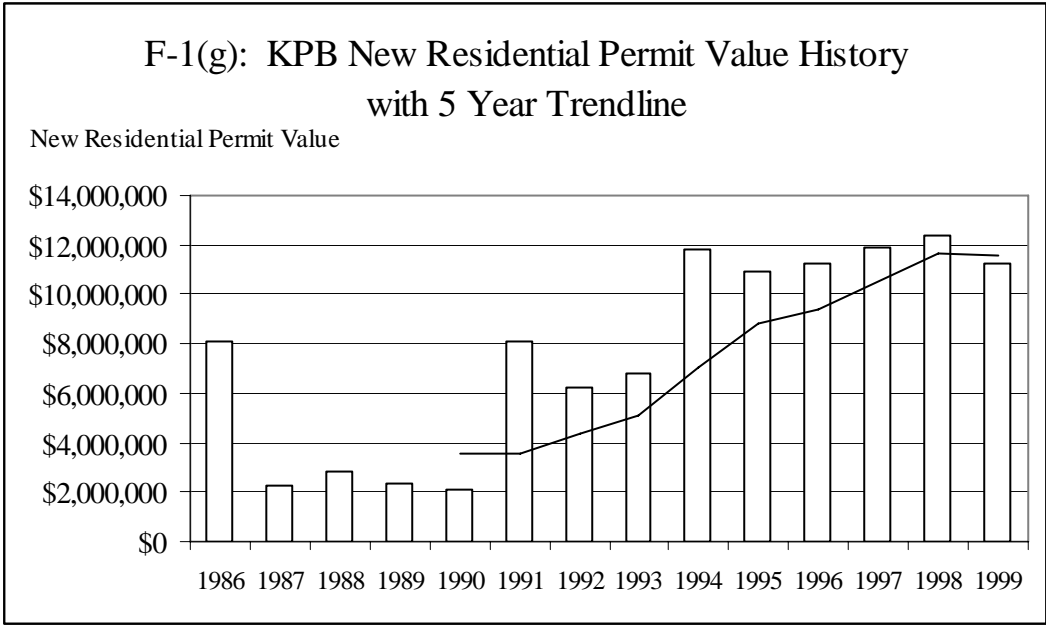


F-1(d): Kenai Peninsula New Residential Permit Volume History by Area					
	Homer	Kenai	Seward	Soldotna	Total
1986	31	33	0	7	71
1987	10	15	0	5	30
1988	7	6	29	2	44
1989	13	5	14	5	37
1990	15	5	2	3	25
1991	16	39	5	12	72
1992	13	27	12	9	61
1993	15	30	3	16	64
1994	31	40	4	28	103
1995	24	37	3	30	94
1996	29	24	7	40	100
1997	28	36	6	26	96
1998	23	45	9	15	92
1999	21	26	10	19	76

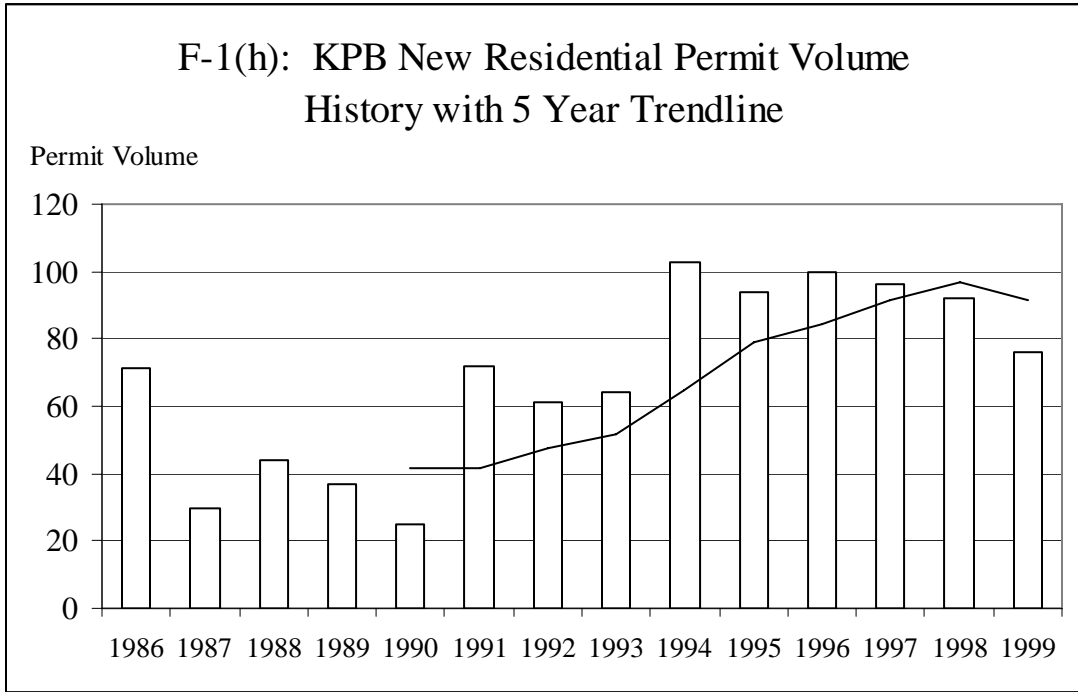


For the past six years, New Residential building permit values have been fairly constant while volume has followed a downward trend. The 1999 volume was the lowest since 1993, indicating new housing structure values are increasing. During 1994, the average new home was valued at \$114,843 while the 1999 average new home was valued at \$147,840. This is a 29% increase, nearly 6% annually.

During 1986, the average new home was valued at \$114,154, indicating minimal average value change from 1986 to 1994.



The five-year trendline in these charts appear similar but the annual data is more varied. Note that 1998 total value was above average while the volume was below average. The 1999 numbers are both below the trendline though values dropped 9% while volume dropped 17% for the year.



F-2: Housing Market

F-2(a): KPB Single Family Residential Listings and Sales							
	Active Listings			Sales Closed			
Qtr/Yr	YTD	Number	Avg. Days on Market	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)
1999			168	363	\$42,225,855	\$116,325	95.00
4Q1999	1999 quarterly data not available. Data presented is YTD.						
3Q1999	Data prior to 1999 is for Upper Kenai Peninsula only.						
2Q1999							
1Q1999	394	394	216	52	\$5,444,557	\$104,703	NA
4Q1998	1,040	253	126	67	\$8,020,151	\$119,704	NA
3Q1998	787	304	119	56	\$7,152,300	\$127,720	NA
2Q1998	483	286	158	46	\$5,651,892	\$122,867	NA
1Q1998	197	197	197	33	\$4,030,937	\$122,150	NA
4Q1997	961	189	170	47	\$6,933,237	\$147,516	NA
3Q1997	772	246	165	84	\$11,021,404	\$131,207	98.79
2Q1997	526	278	159	48	\$5,014,750	\$104,474	96.37
1Q1997	248	248	166	41	\$4,050,279	\$98,787	95.82
4Q1996	1,111	198	121	59	\$5,988,609	\$101,502	NA
3Q1996	913	313	169	85	\$8,503,029	\$100,036	96.10
2Q1996	600	331	169	85	\$8,861,408	\$104,252	97.11
1Q1996	269	269	177	56	\$5,581,755	\$99,674	93.43
4Q1995	1,090	280	173	98	\$9,784,317	\$99,840	96.12
3Q1995	810	298	149	99	\$8,547,032	\$86,334	96.29
2Q1995	512	276	182	89	\$9,022,900	\$101,381	97.29
1Q1995	236	236	198	47	\$4,777,700	\$101,653	95.29
4Q1994	1,106	255	173	78	\$6,999,688	\$89,740	96.08
3Q1994	851	313	144	98	\$9,570,665	\$97,660	96.48
2Q1994	538	305	142	97	\$9,487,241	\$97,807	97.10
1Q1994	233	233	177	91	\$8,398,078	\$92,287	96.25

Note – Average days on market are for sales closed, not for sales listed.

Changes in reporting result in lack of continuity in data. New data is more complete, therefore more beneficial.

According to AHFC, KPB single-family sales prices increased 13% from 1998 to 1999, the largest regional gain in the state. In the first half of 1998, sales prices averaged \$133,803 while first half 1999 sales prices averaged \$152,213.

Active listings doubled from first quarter 1998 to 1999 and sales increased 58% as renters took advantage of low interest rates to purchase homes.

F-3 Rental Market

1999 AHFC Alaska Rental Market Survey Results

Survey Area		Bedrooms	F-3(a): Apartment and Condominium Rental Units									
			Vacancy Rate (%)	# Units Surveyed	Median Rent (\$)		Percent Units Including Utility in Contract Rent					
					Contract	Adjusted	Heat	Light	Hot Wt.	Water	Sewer	Garb.
Kenai Peninsula Borough	Homer City	1	32.4	71	410	572	20	6	32	70	83	79
		2	11.0	172	600	726	48	10	52	80	83	80
		3	17.9	28	800	1,023	29	14	18	54	46	46
	Kenai City	1	8.1	99	450	498	56	14	69	69	69	66
		2	15.3	216	550	585	82	5	86	90	90	88
		3	7.4	68	650	721	87	4	84	100	100	90
	Seward City	1	3.2	62	510	555	76	45	73	76	76	74
		2	4.7	107	660	750	78	40	78	87	87	86
		3	5.6	18	809	817	94	94	94	94	94	94
	Soldotna City	1	4.3	116	500	522	100	8	99	100	100	100
		2	6.0	232	550	577	96	11	91	94	97	96
		3	1.3	76	725	758	74	4	75	88	87	84

* Sample size is less than 5 units.

KPB vacancy rates for rentals tied for second highest in the state, at 10.4%, nearly doubling 1998 rates.

Survey Area		Bedrooms	F-3(b): Single Family Residence Rental Units									
			Vacancy Rate (%)	# Units Surveyed	Median Rent (\$)		Percent Units Including Utility in Contract Rent					
					Contract	Adjusted	Heat	Light	Hot Wt.	Water	Sewer	Garb.
Kenai Peninsula Borough	Homer City	1	22.2	18	375	564	39	33	33	39	39	39
		2	16.7	24	613	816	8	8	13	29	38	21
		3	15.4	26	800	992	23	19	19	27	19	12
	Kenai City	1	11.1	9	550	550	89	78	89	89	89	67
		2	10.0	10	575	612	30	0	50	70	70	10
		3	4.8	21	825	924	19	14	38	76	81	14
	Seward City	1	10.0	20	543	599	30	30	35	40	40	35
		2	0.0	19	650	802	0	0	5	16	11	5
		3	0.0	8	825	1,000	13	13	13	38	38	25
	Soldotna City	1	23.1	13	475	500	54	54	62	62	69	62
		2	6.3	16	628	698	44	25	44	88	88	44
		3	18.8	16	800	891	13	6	13	100	100	0

F-4: Construction Costs

F-4(a): Average Price for Construction Materials in \$

Alaska Suppliers
1999

<u>Market Basket Items</u>	<u>Quantity/Units</u>	<u>Size</u>	<u>Length</u>	<u>Kenai</u>	<u>Anchorage</u>	<u>Kodiak</u>
BCI 60 Series	768ft	14"		1,829	1,992	2,012
2-4-1 T&G FF Underlay 4X8	62pcs	1 1/8		2,315	2,326	2,341
CDX 4X8 44#	74pcs	1/2"		1,205	1,085	1,151
CDX 4X8 53#	106pcs	5/8"		2,091	1,936	1,861
Studs #2 & btr kiln-dried	164pcs	2X4"	92 5/8"	495	408	479
Studs #2 & btr 14# kiln-dried	263pcs	2X6"	92 5/8"	1,297	1,009	1,197
Cedar Bevel Siding	3548ft	1X10"		3,365	4,768	3,867
4X12 Plain Sheetrock 84#	95pcs	1/2"		1,175	916	826
4X12 Type X Sheetrock 109#	68pcs	5/8"		1,032	785	736
3 Tab Shingles Brown	102bundles			1,369	1,298	1,885
Fiberglass Bat of Insulation (2,560 sqft)	27bags	R-38X24	96 sqft	1,638	1,615	1,672
Fiberglass Bat of Insulation (2,034 sqft)	35bags	R-21X15	58 sqft	1,129	1,023	1,018
NMB Electric Wire	3boxes	35035	250'	74	89	135
Single Breaker	15pcs	15 Amp		110	102	144
Copper Pipe Type "M"	150ft	3/4"		120	118	160
ABS Pipe	100ft	3"		97	148	153
Total (Without Concrete & Rebar)				19,343	19,619	19,636
Concrete	30yds			3,080	2,629	4,800
#4 Rebar	93yds	1/2"	20'	439	463	399
Total (With Concrete & Rebar)				22,862	22,711	24,835



F-4(b): Average Price for Doors and Windows in \$

<u>Market Basket Items</u>	<u>Quantity</u>	<u>Size</u>	<u>Kenai</u>	<u>Anchorage</u>	<u>Kodiak</u>
R7 Metal Insulated Doors with 6" Jamb	2 pcs	3'	449	407	426
Low E Argon Windows with R > 2.8 Vinyl Casements	3 pcs	2.6' X 3'	\$489	\$684	549
Low E Argon Windows with R > 2.8 Vinyl Casements 5.7 E-Gress	6 pcs	2.6' X 4'	\$1,110	\$1,461	1,248
Low E Argon Windows with R > 2.8 Vinyl Casements 5.7 E-Gress	2 pcs	8.0' X 4'	\$679	\$1,257	1,014
Total Cost of Windows & Doors			2,727	3,809	3,237

F-5: Apartment Vacancy Rates

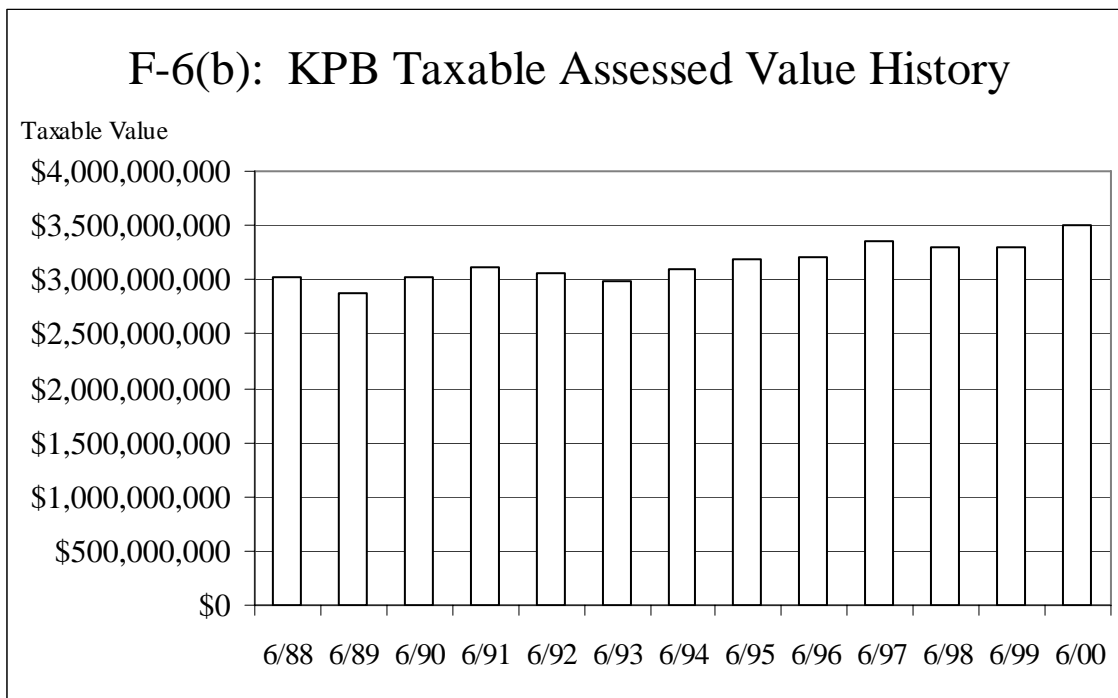
<u>Year</u>	<u>Median Rent</u>	<u>Units Polled</u>	<u>Total Vacancy</u>	<u>Efficiency</u>	<u>One Bedroom</u>	<u>Two Bedroom</u>	<u>Three Bedroom</u>
<u>Homer Apartments</u>							
1994	na	198	6.57	na	10.17	5.69	na
1995	na	269	1.49	0.04	0.00	1.65	0.00
1996	\$600	124	2.4%	na	3.80%	2.3%	na
1997	\$600	99	3.0%	na	0.00	3.0%	na
1998	\$600	300	5.70%	na	10.5%	2.6%	12.5%
1999	\$525	272	17.60%	na	32.4%	11.1%	17.9%
<u>Kenai Apartments</u>							
1994*	na	803	3.4%	na	5.42%	2.42%	4.26%
1995*	na	823	2.1%	0.0%	2.36%	1.79%	2.76%
1996	\$610	312	5.8%	na	6.8%	6.2%	4.2%
1997	\$575	200	4.5%	na	1.2%	5.9%	3.2%
1998	\$555	473	5.9%	na	2.9%	9.3%	0.0%
1999	\$550	385	11.9	na	8.1%	15.3%	7.4%
<u>Seward Apartments</u>							
1994	na	106	9.4%	na	11.1%	0.0%	18.8%
1995	na	195	6.2%	na	4.4%	3.0%	5.0%
1996	\$612	76	7.9%	na	4.3%	10.6%	na
1997	\$650	85	9.4%	na	2.0%	10.9%	14.3%
1998	\$650	178	6.7%	0	0.0%	8.8%	23.1%
1999	\$653	189	5.3%	na	3.2%	4.7%	5.6%
<u>Soldotna Apartments</u>							
1994*	na	803	3.4%	na	5.42%	2.42%	4.26%
1995*	na	823	2.1%	0.0%	2.36%	1.79%	2.76%
1996	\$550	338	5.9%	na	2.9%	7.4%	4.2%
1997	\$550	217	6.0%	0.0%	2.0%	6.0%	7.8%
1998	\$575	432	1.9%	0.0%	1.5%	1.7%	3.9%
1999	\$560	427	4.7%	na	4.3%	6.0%	1.3%

* - Kenai and Soldotna data were combined during 1994 and 1995.

F-6: Property Values

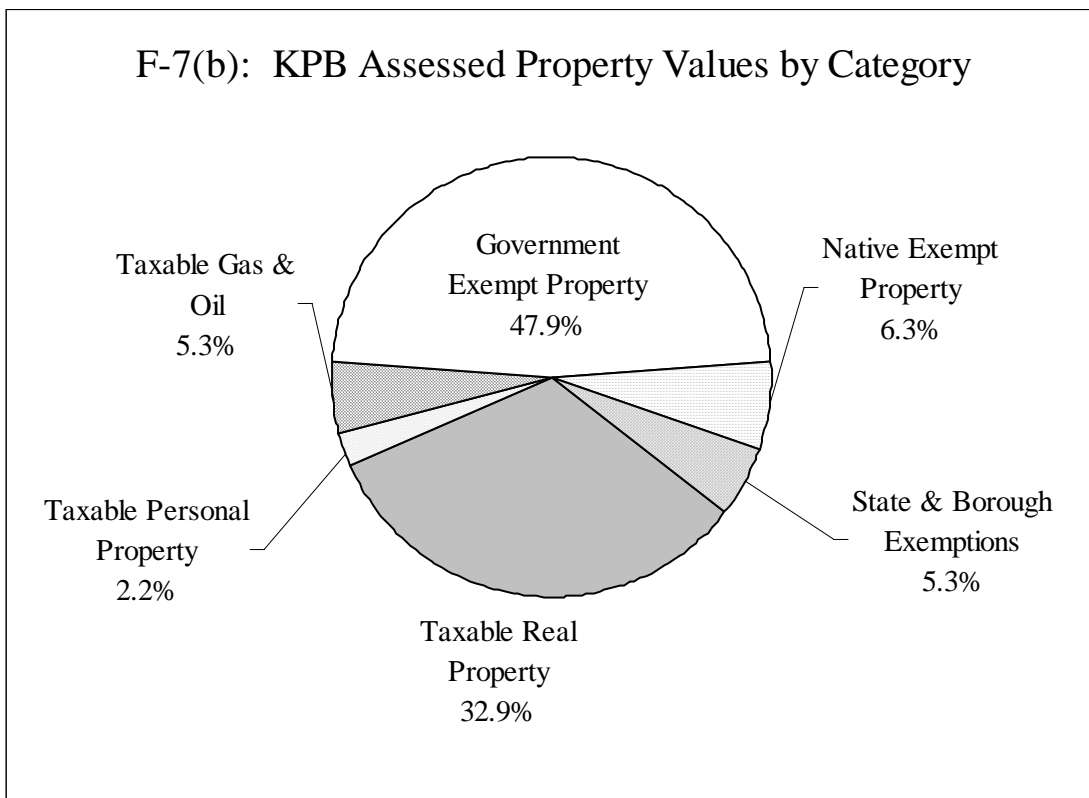
F-6(a): Borough Certified Taxable and Assessed Values in \$

Certified Date	Taxable Real Property	Taxable Oil Related Property	Taxable Personal Property	Total Taxable Property	Total Value Including Exemptions
6/88	2,277,229,227	487,144,680	260,066,922	3,024,440,829	4,444,406,939
6/89	2,164,753,545	519,285,850	199,797,882	2,883,837,277	4,248,602,024
6/90	2,160,722,591	641,923,550	219,130,033	3,021,776,174	4,379,782,211
6/91	2,172,233,125	675,983,390	263,574,623	3,111,791,138	5,210,523,490
6/92	2,221,408,762	574,284,280	260,993,329	3,056,686,371	5,212,862,320
6/93	2,185,510,233	521,919,840	271,282,568	2,978,712,641	4,933,448,140
6/94	2,292,861,788	506,342,880	291,612,624	3,090,817,292	5,484,395,771
6/95	2,375,738,417	505,183,080	308,395,956	3,189,317,453	5,659,760,410
6/96	2,402,010,557	507,535,270	298,195,126	3,207,740,953	5,968,190,622
6/97	2,447,973,674	590,418,930	313,966,303	3,352,358,907	6,175,877,460
6/98	2,540,676,847	512,562,050	238,828,387	3,292,063,560	6,145,216,655
6/99	2,682,358,784	452,600,420	169,893,536	3,304,852,740	6,308,094,659
6/00	2,847,696,197	462,171,190	193,996,087	3,503,863,474	8,655,371,483



F-7(a): 2000 Assessed Value - KPB Real Property

	2000
Taxable Real Property	\$2,847,696,197
Taxable Personal Property	\$193,996,087
Taxable Gas & Oil	\$462,171,190
Government Exempt Property	\$4,147,890,800
Native Exempt Property	\$543,619,400
State & Borough Exemptions	\$459,997,809
Total KPB Property	\$8,655,371,483



Certain real properties are exempt from taxation, as mandated by state law. They include the following:

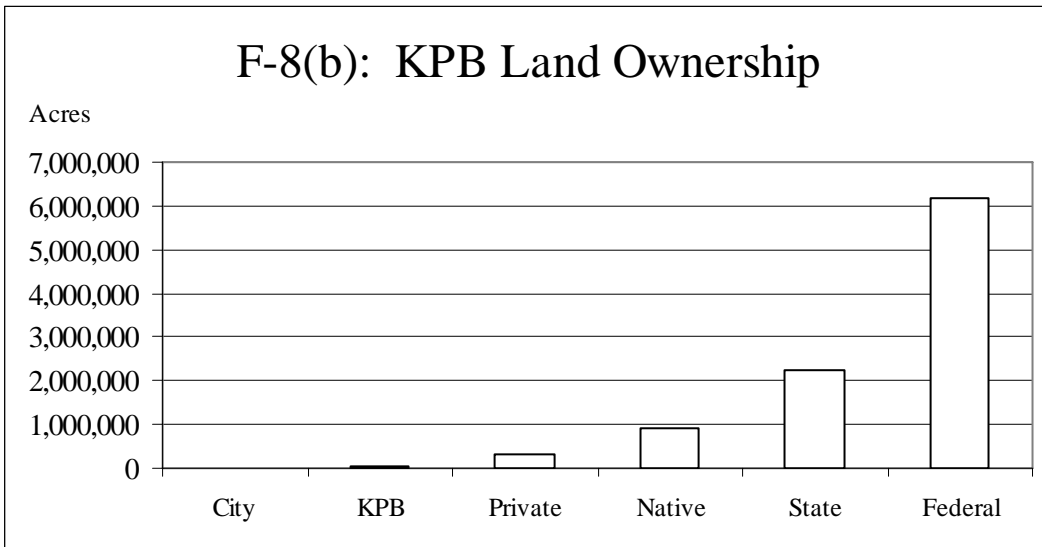
Government	ANCSA Native	Fire System Prevention	Mental Health Trust
Religious	Native Allotment	State Educational	Charitable
Senior Citizen	Armed Forces	Farm Deferment	Cemetery
Disabled Veteran	Electric Cooperative	Conservation Easements	Hospital

F-8: Land Ownership

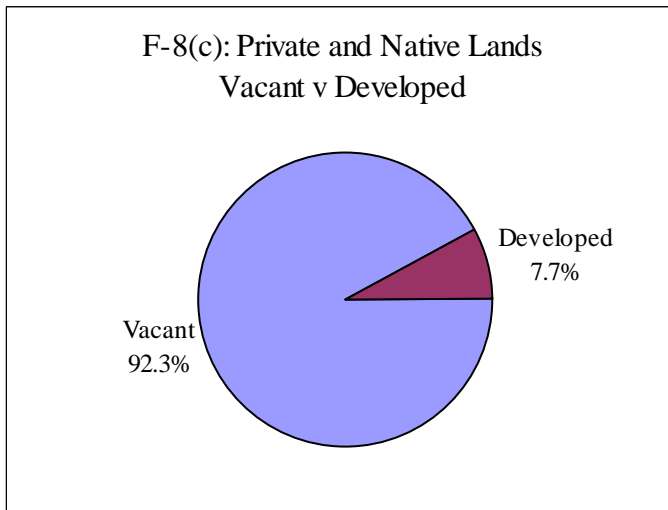
F-8(a): Kenai Peninsula Borough Land Ownership

	Ownership	Percent of Total
City	17,281.25	0.2%
KPB	68,524.40	0.7%
Private	323,271.76	3.3%
Native	927,437.27	9.5%
State	2,225,629.10	22.9%
Federal	6,177,241.80	63.4%
Total Acreage	9,739,385.58	100%

F-8(b): KPB Land Ownership



F-8(c): Private and Native Lands
Vacant v Developed



The majority of government-owned land is set aside for parks, reserves, sanctuaries and so forth. Private and Native owned lands are available for development but less than 8% has been developed.

F-9: Private and Native Owned Lands Developed v Vacant

VACANT PARCELS PRIVATELY OWNED	
<u>GENERAL LOCATION</u>	<u>ACRES</u>
North Kenai Total	32,766
City of Kenai Total	3,991
K-Beach-Ridgeway Total	10,349
City of Soldotna Total	1,788
Sterling- Funny River Total	15,000
Hope, Cooper Landing, Moose Pass Total	2,663
Soldotna South Total	28,449
Seward Area Total	3,786
Ninilchik-Anchor Point Total	39,115
Homer Area Total	38,852
West Side of Cook Inlet Total	37,478
TOTAL Privately Owned Acres	214,237

DEVELOPED PARCELS PRIVATELY OWNED	
<u>GENERAL LOCATION</u>	<u>ACRES</u>
North Kenai Total	10,138
City of Kenai Total	1,803
K-Beach-Ridgeway Total	5,578
City of Soldotna Total	915
Sterling- Funny River Total	9,767
Hope, Cooper Landing, Moose Pass Total	2,163
Soldotna South Total	12,224
Seward Area Total	1,321
Ninilchik-Anchor Point Total	10,039
Homer Area Total	21,592
West Side of Cook Inlet Total	3,745
TOTAL Privately Owned Acres	79,285

VACANT PARCELS NATIVE OWNED	
<u>GENERAL LOCATION</u>	<u>ACRES</u>
North Kenai Total	63,695
City of Kenai Total	459
K-Beach-Ridgeway Total	6,938
City of Soldotna Total	0
Sterling- Funny River Total	11,283
Hope, Cooper Landing, Moose Pass Total	484
Soldotna South Total	34,443
Seward Area Total	9,290
Ninilchik-Anchor Point Total	37,566
Homer Area Total	81,456
West Side of Cook Inlet Total	496,307
TOTAL Native-Owned Acres	741,921

DEVELOPED PARCELS NATIVE OWNED	
<u>GENERAL LOCATION</u>	<u>ACRES</u>
North Kenai Total	6
City of Kenai Total	0
K-Beach-Ridgeway Total	0
City of Soldotna Total	0
Sterling- Funny River Total	11
Hope, Cooper Landing, Moose Pass Total	80
Soldotna South Total	0
Seward Area Total	0
Ninilchik-Anchor Point Total	4
Homer Area Total	0
West Side of Cook Inlet Total	54
TOTAL Native-Owned Acres	155

F-10: Mill Rates* for Borough Cities

	1992	1993	1994	1995	1996	1997	1998	1999	2000
Homer	\$6	\$6	\$6	\$6	\$6	5.50	5.50	5.50	5.50
Borough	\$9	\$9	\$9	\$9	\$8	8.30	8.00	8.00	7.50
South Peninsula Hospital	\$2	\$2	\$2	\$2	\$2	2.00	2.00	2.00	2.00
Kenai Peninsula College			\$0	\$0	\$0	0.08	0.08	0.10	0.10
TOTAL	\$16	\$16	\$16	\$16	\$16	15.88	15.58	15.60	15.10
Kachemak	\$2	\$2	\$2	\$2	\$1	1.00	1.00	1.00	1.00
Borough	\$9	\$9	\$9	\$9	\$8	8.30	8.00	8.00	7.50
South Peninsula Hospital	\$2	\$2	\$2	\$2	\$2	2.00	2.00	2.00	2.00
Road Maintenance		\$0	\$0					0.00	0.00
Kenai Peninsula College			\$0	\$0	\$0	0.08	0.08	0.10	0.10
TOTAL	12.55	13.00	13.07	12.62	11.34	11.38	11.08	11.10	10.60
Kenai	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50	3.50
Borough	8.55	8.55	8.59	8.59	8.30	8.30	8.00	8.00	7.50
Central Peninsula Hospital	0.56	0.56	0.70	0.50	0.50	0.40	0.40	0.40	0.40
Kenai Peninsula College			0.03	0.03	0.04	0.08	0.08	0.10	0.10
TOTAL	12.61	12.61	12.82	12.62	12.34	12.28	11.98	12.00	11.50
Seldovia	7.75	7.75	7.50	7.25	7.25	7.25	7.25	7.25	7.25
Borough	8.55	8.55	8.59	8.59	8.30	8.30	8.00	8.00	7.50
Kenai Peninsula College			0.03	0.03	0.04	0.08	0.08	0.10	0.10
TOTAL	16.30	16.30	16.12	15.87	15.59	15.63	15.33	15.35	14.85
Seward	3.00	3.00	3.00	3.00	3.00	3.12	3.12	3.12	3.12
Borough	8.55	8.55	8.59	8.59	8.30	8.30	8.00	8.00	7.50
Kenai Peninsula College			0.03	0.03	0.04	0.08	0.08	0.10	0.10
TOTAL	11.55	11.55	11.62	11.62	11.34	11.50	11.20	11.22	10.72
Soldotna	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65
Borough	8.55	8.55	8.59	8.59	8.30	8.30	8.00	8.00	7.50
Central Emergency Service	2.85	2.85	2.85	2.85	2.85	2.75	2.75	2.75	2.75
Central Peninsula Hospital	0.56	0.56	0.70	0.50	0.50	0.40	0.40	0.40	0.40
Kenai Peninsula College			0.03	0.03	0.04	0.08	0.08	0.10	0.10
TOTAL	13.61	13.61	13.82	13.62	13.34	13.18	12.88	12.90	12.40

***Millage Rate** - A tax rate expressed in tenths of a cent; e.g., a tax rate of one mill per thousand means \$1 of taxes per \$1,000 of assessed value. (Dictionary of Real Estate Appraisal)

G: Public Health and Safety, Services, Utilities

As any local economy develops, provision of Services becomes a vital concern. The Kenai Peninsula Borough is no different. A portion of our tax dollars provides these services; a portion of our employment comes through provision of these services; and virtually every person who enters the borough benefits from the services.

G-1: Emergency Services

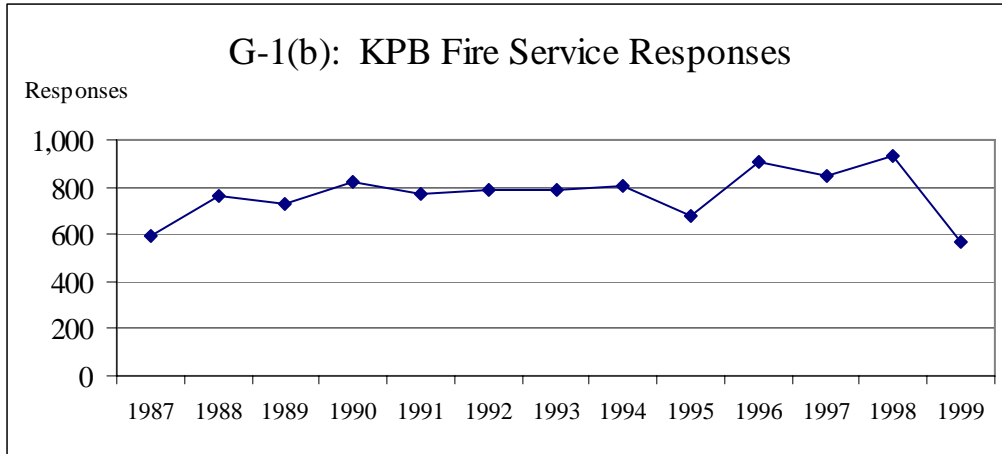
G-1(a): FIRE Service Responses

	CES*		Kenai		Nikiski		Homer**		Seldovia		Seward		Bear Creek		Moose Pass		Total
	I	O	I	O	I	O	I	O	I	O	I	O	I	O	I	O	
1987	119	12	99	11	115	54	95	1	NA		86	0	NA		NA		592
1988	98	24	106	59	67	219	40	25	2	2	107	2	15	0	NA		766
1989	131	17	165	27	141	0	62	21	NA		151	0	15	1	NA		731
1990	166	8	151	27	129	45	55	29	12	13	170	1	7	5	NA		818
1991	149	6	168	25	93	22	49	27	9	12	185	7	14	2	NA		768
1992	207	1	143	28	86	42	55	28	6	11	158	1	17	2	NA		785
1993	204	3	174	24	77	38	69	25	NA		160	2	NA		11	5	792
1994	235	0	161	26	85	39	66	17	6	6	148	9	NA		4	1	803
1995	228	0	164	22	121	4	67	29	3	1	NA		20	8	6	1	674
1996	282	2	207	30	80	43	71	29	5	0	143	8	NA		6	1	907
1997	261	1	170	45	87	47	63	22	3	0	132	6	NA		8	3	848
1998	264	7	168	37	152	37	67	12	3	0	164	0	16	3			930
1999	321	13	155	50	232		NA		1	4	NA		NA		NA		776

I = Inside service area
O = Outside service area

* - CES - Central Emergency Services - Soldotna area

** - Homer does not have a designated Service Area, but rather a Response Area



G-1(c): Emergency Medical Treatment Responses

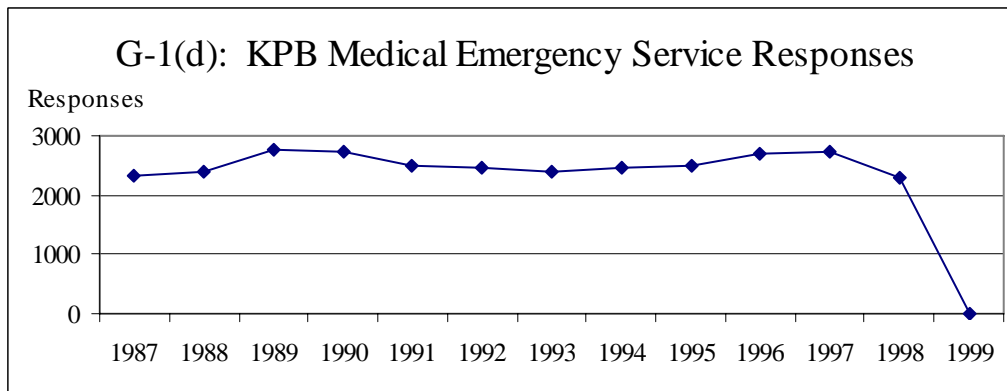
	CES*		Kenai		Nikiski		Homer**		Seldovia		Seward		Bear Creek		Moose Pass		Total
	I	O	I	O	I	O	I	O	I	O	I	O	I	O	I	O	
1987	591	330	359	7	402	5	362	2	31	4	159	67	NA	NA	NA	NA	2319
1988	981	44	351	13	447	11	266	48	NA	NA	151	58	17	2	NA	NA	2389
1989	1174	27	420	9	429	4	282	37	NA	NA	345	0	15	15	NA	NA	2757
1990	1084	70	424	2	482	15	214	43	57	3	304	0	17	14	NA	NA	2729
1991	842	43	478	2	489	3	197	44	48	7	309	0	24	18	NA	NA	2504
1992	806	70	494	1	320	113	223	50	58	8	273	0	32	8	NA	NA	2456
1993	722	32	629	4	430	12	213	62	NA	NA	284	0	NA	NA	11	5	2404
1994	820	15	595	3	404	12	225	47	29	9	275	0	NA	NA	12	13	2459
1995	763	13	559	7	464	3	225	53	24	5	312	0	11	18	46	1	2504
1996	849	18	567	33	444	6	269	52	33	5	394	4	NA	NA	39	0	2713
1997	878	14	539	4	436	2	267	63	24	3	444	2	NA	NA	49	3	2728
1998	888	17	541	1	489	0	322	12	26	2	NA	NA	NA	NA	NA	NA	2298
1999	958	29	506	31	495	NA	NA	25	3	NA	NA	NA	NA	NA	NA	NA	2047

I = Inside service area

O = Outside service area

* - CES - Central Emergency Services - Soldotna area

** - Homer does not have a designated Service Area, but rather a Response Area



G-2: Police Activity

Each city tracks incidents of crime through a standard procedure based upon property or violent crime definitions. Those definitions are:

Property Crime - Offense involving property only. No assault to persons are involved. Categories involved: arson, burglary, embezzlement/theft, fraud/forgery, trespass, vandalism/criminal mischief, and vehicle theft.

Violent Crime - Offense involving assault to a person. Categories involved: assaults, resisting arrest, robbery, sex abuse/assault, stalking, weapons offense.

Definitions - Homer Police Department Annual Statistical Report

According to the U.S. Census Bureau, during 1997 the State of Alaska experienced 701 violent crimes per each 100,000 of population, placing Alaska 10th in the national ranking. Florida ranked #1 with 1,024 crimes per 100,000 persons and North Dakota ranked #50 with 87 violent crimes per 100,000 persons. During 1990, Alaska ranked #25 with 525 such crimes per 100,000.

KPB Property Crime History

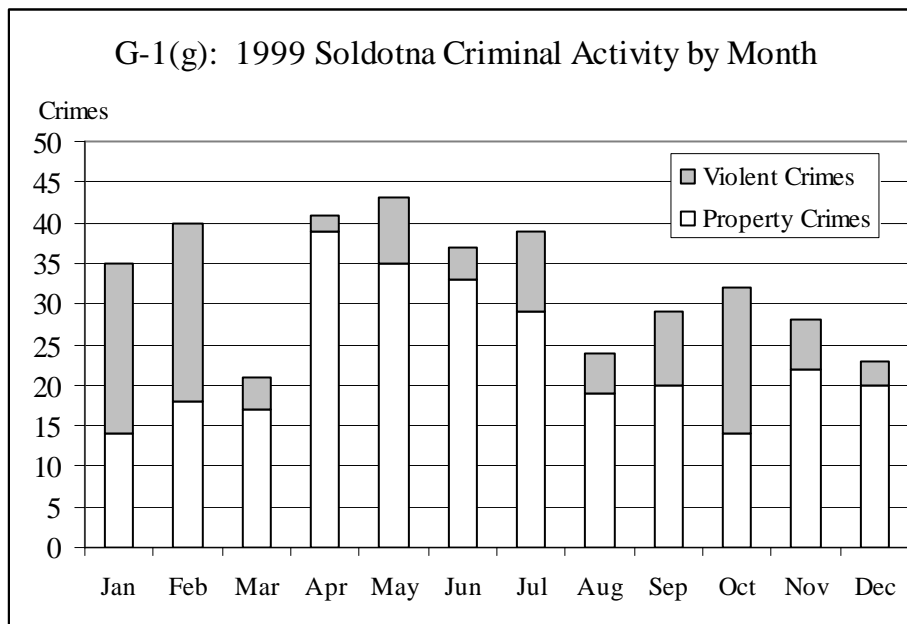
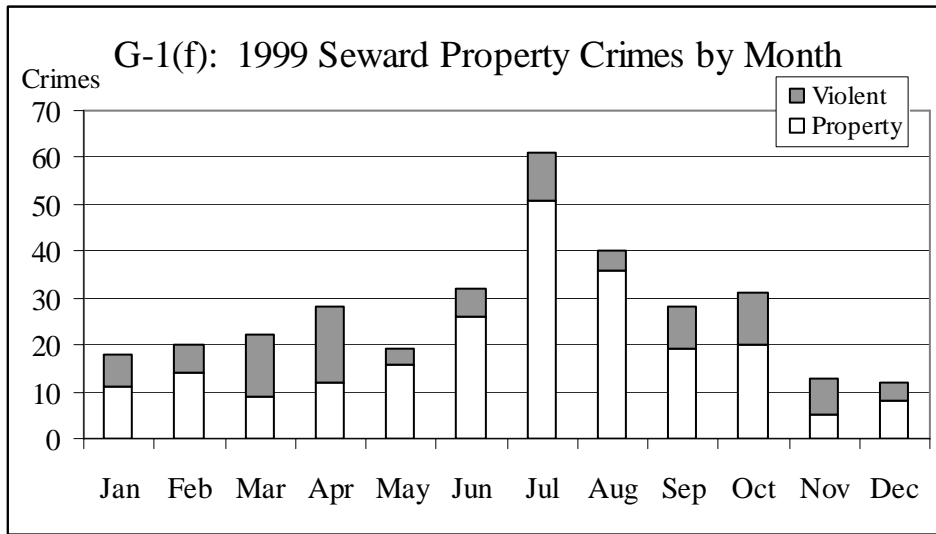
	Homer	Kenai	Seward	Soldotna
1987	483	391	na	366
1988	453	410	na	379
1989	516	383	na	369
1990	512	458	na	484
1991	575	451	na	579
1992	634	504	na	515
1993	587	498	na	475
1994	644	476	na	547
1995	565	489	na	588
1996	602	472	na	438
1997	387	484	na	486
1998	418	399	na	445
1999	287	339	227	289

1999 Crimes per 1,000 Population	
Homer	69.1
Kenai	48.4
Seward	75.4
Soldotna	69.8

KPB Violent Crimes Reported

1999 Violent Crimes per 1,000 Population	
Homer	17.33
Kenai	31.12
Seward	32.23
Soldotna	27.05

	Homer	Kenai	Seward	Soldotna
1987	75	132	na	51
1988	82	194	na	83
1989	113	171	na	93
1990	110	156	na	152
1991	85	212	na	147
1992	157	196	na	174
1993	173	204	na	193
1994	183	240	na	150
1995	122	267	na	200
1996	122	249	na	126
1997	91	288	na	128
1998	95	211	na	84
1999	72	218	97	112



G-3: Medical Services

G-3(a): Provision of Inpatient Care by Institution

	Central Peninsula General Hospital	Providence Seward Medical Center	South Peninsula General Hospital	Wesley Rehabilitation and Care Center	Heritage Place
1988	2,170		690	57	28
1989	2,129		778	49	29
1990	2,018		782	48	28
1991	2,024		873	45	37
1992	2,167	New	820	46	41
1993	2,135	Entity	873	45	43
1994	2,135		NA	50	43
1995	2,035		872	49	45
1996	2,258	NA	1,099	43	45
1997	2,763	NA	1,049	38	44
1998	2,884	98	959	33	44
1999	2,550	48	1,041	32	

G-3(b): Provision of Outpatient Care by Institution

	Central Peninsula General Hospital	Providence Seward Medical Center	South Peninsula General Hospital
1988	23,134		8,868
1989	20,892		9,832
1990	23,461		10,868
1991	29,425		9,724
1992	30,213	New	11,316
1993	29,966	Entity	11,927
1994	30,981		NA
1995	31,333		15,232
1996	31,958	NA	5,912
1997	33,617	NA	12,128
1998	41,311	NA	14,013
1999	47,089	15,413	14,454

G-4: United States Postal Service

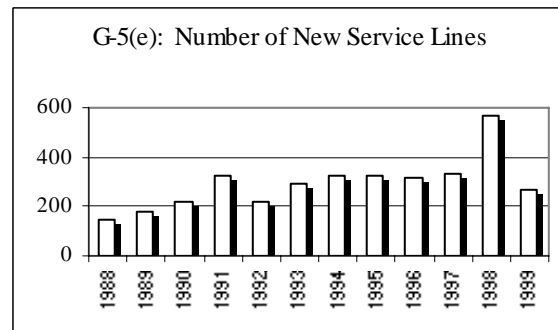
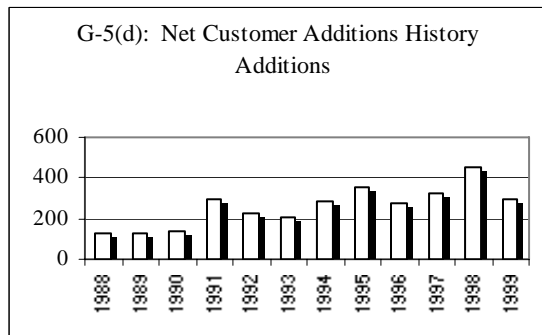
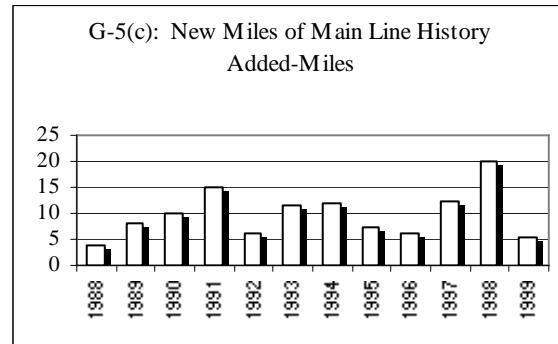
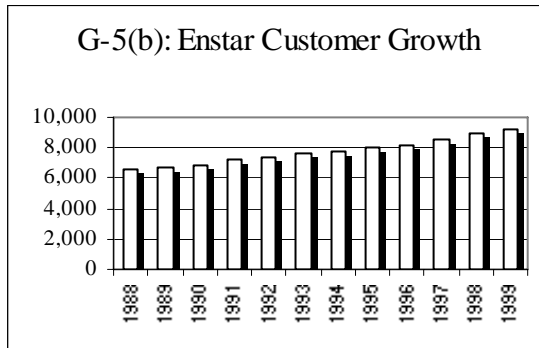
POST OFFICE BOXES AND ROUTES															
Source - Various Post Offices															
NA = Not Available															
Community	Capacity					Boxes Utilized					Star Route				
	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999	1995	1996	1997	1998	1999
Anchor Point	975	NA	NA	NA	NA	900	NA	NA	NA	NA	157	NA	NA	NA	NA
Clam Gulch	382	382	382	382	382	160	160	150	169	165	15	13	13	14	12
Cooper Landing	254	254	254	254	254	237	244	254	254	254	4	4	5	4	2
Halibut Cove	58	58	58	NA	NA	49	57	56	NA	NA	0	0	0	NA	NA
Homer	4,169	3,985	3,777	3,777	3,777	2,864	2,994	2,874	NA	2,942	314	331	310	NA	391
Hope	128	128	128	128	NA	125	122	120	122	NA	0	0	0	7	NA
Kasilof	1,162	1,162	1,176	1,176	1,176	968	950	1,010	921	916	45	38	46	41	40
Kenai	3,416	3,416	3,416	3,416	3,416	2,324	2,324	2,355	2,290	2,290	352	354	345	591	410
Moose Pass	158	158	158	158	158	130	121	131	128	125	18	18	20	22	9
Nanwalek	72	72	72	NA	NA	60	64	62	NA	NA	0	0	0	NA	NA
Nikiski	1,321	1,321	1,321	1,321	1,321	1,321	1,321	NA	1,015	1,003	0	0	NA	NA	NA
Ninilchik	NA	764	764	764	NA	NA	650	730	700*	NA	NA	15	15	25	NA
Port Graham	72	72	NA	NA	NA	71	72	NA	NA	NA	0	0	NA	NA	NA
Seldovia	260	260	260	NA	NA	260	260	240	NA	NA	0	0	0	NA	NA
Seward	2,978	2,980	2,980	2,980	2,980	2,249	2,304	2,319	2,375	2,405	63	64	63	60	58
Soldotna	4,000	4,200	3,754	3,754	3,754	3,300	3,169	3,169	3,230	3,275	620	620	620	679	601
Sterling	1,146	1,226	1,266	1,266	1,266	1	1,165	1,189	1,206	1,226	95	95	90	101	97
Tyonek	198	180	NA	NA	NA	84	84	NA	NA	94	0	0	NA	NA	0

* Estimate

G-5: Utilities

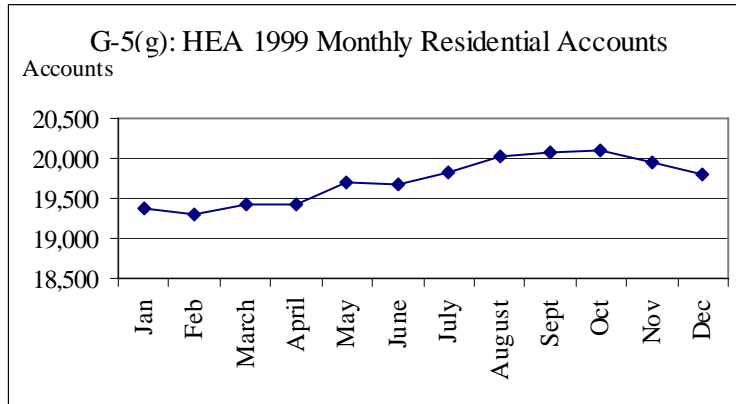
Enstar

Enstar provides natural gas service to the communities of Kenai, Nikiski, Soldotna, and Sterling. Enstar is unique because it does not install lines until customers request them.



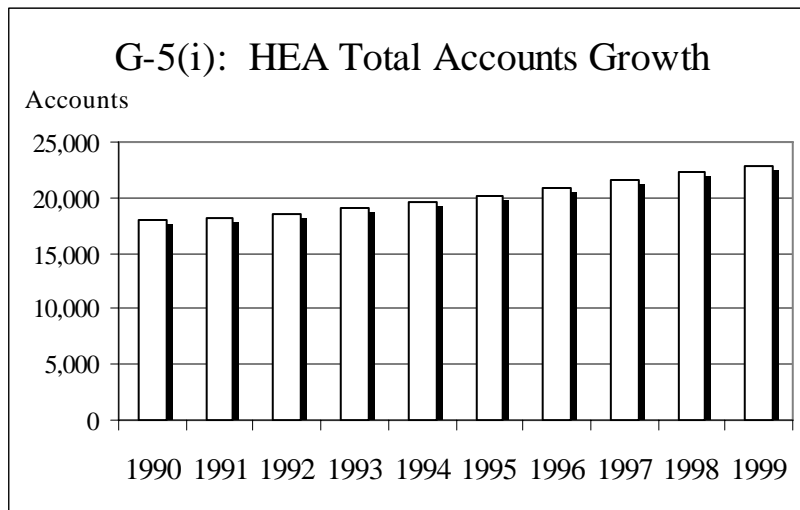
HEA

	Jan	Feb	March	April	May	June	July	August	Sept	Oct	Nov	Dec	Annual Average
Residential	19,373	19,307	19,431	19,435	19,691	19,673	19,836	20,021	20,068	20,108	19,951	19,798	19,724
Small Commercial	2,981	2,965	2,988	3,015	3,036	3,090	3,105	3,113	3,109	3,076	3,037	3,004	3,043
Large Commercial	24	24	24	24	24	25	24	24	24	24	24	24	24
Public Street/Hwy	89	89	90	90	90	90	90	92	94	92	90	90	91
Total	22,467	22,385	22,533	22,564	22,841	22,878	23,055	23,250	23,295	23,300	23,102	22,916	22,882



G-5(h): HEA Average Annual Utility Access Accounts by Type

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Residential	15,242	15,467	15,820	16,199	16,701	17,314	17,956	18,544	19,178	19,724
Small Commercial	2,611	2,640	2,684	2,746	2,809	2,843	2,888	2,941	2,993	3,043
Large Commercial	26	24	25	23	23	23	24	25	25	24
Public St/Hwy	42	42	37	35	45	49	61	84	89	91
Total	17,921	18,173	18,565	19,002	19,579	20,229	20,928	21,594	22,285	22,882

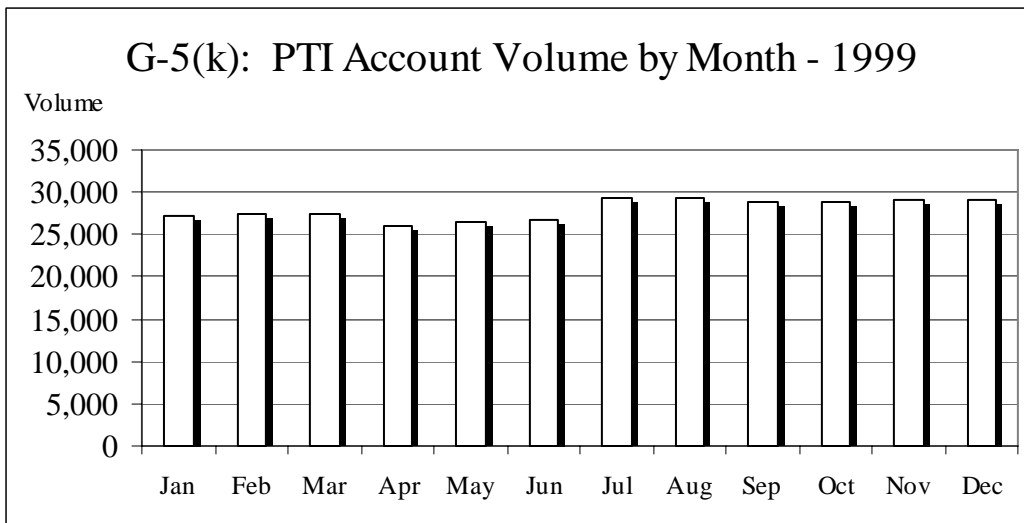


PTI Communications

G-5(j): PTI Account Volume by Month - 1999

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Annual Average
Homer	6,417	6,413	6,407	6,244	6,288	6,346	6,775	6,805	6,749	6,735	6,764	6,779	6,560
Kenai	6,704	6,718	6,717	6,414	6,548	6,599	8,935	8,907	8,667	8,693	8,754	8,791	7,704
Nikiski	2,353	2,341	2,333	2,294	2,298	2,307	1,335	1,333	1,345	1,339	1,335	1,334	1,829
Soldotna	10,300	10,510	10,652	9,776	9,865	9,937	10,799	10,844	10,818	10,906	10,975	10,820	10,517
Other	1,373	1,376	1,380	1,402	1,427	1,454	1,471	1,471	1,288	1,283	1,284	1,433	1,387
Total	27,147	27,358	27,489	26,130	26,426	26,643	29,315	29,360	28,867	28,956	29,112	29,157	27,997

G-5(k): PTI Account Volume by Month - 1999



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H: KPB Commercial Fishing Industry

The State of Alaska Constitution directs that its natural resources be managed for the maximum benefit of its people. It also directs that renewable resources be managed for sustainable yield. Each of these directives impact management of commercial fisheries in Kenai Peninsula Borough waters, namely Cook Inlet and Prince William Sound. Fisheries within the borough include five species of salmon; sockeye or red salmon, chinook or king salmon, coho or silver salmon, pink salmon or humpy, and chum or dog salmon. Other fisheries include crab; herring; groundfish such as halibut, cod, sablefish, sole and pollock; shrimp; scallops; abalone; and developing fisheries of sea cucumbers and urchins.

Salmon fisheries are more politicized than other fisheries as commercial fishers, sport fishers and subsistence users vie for greater shares of the resource. More permits are issued, and greater production is harvested in this fishery than any other within the KPB. Management of the fisheries was under federal jurisdiction from the time Alaska was purchased until statehood occurred. Federal management was weak, so as the state took over, a science based management style was implemented. Two management goals were adopted; to ensure spawning stock escapement and to provide allocation of fish to user groups by management plan priorities. Management plans provide that subsistence uses must be given top priority, a dynamic political issue.

The most prevalent harvest methods are trolling, gill netting and purse seining. Allocation conflicts occur within these commercial fishery sub - groups as well.

Commercial fishing in the region now known as the Kenai Peninsula Borough began in the 1880's when salting was the primary preservation method. Since that time, canning and more recently, freezing have emerged as preservation methods of choice by commercial buyers.

Issues concerning management include the potential for over harvest, pollution, conservation, equity between fisheries, predatory threats, ocean environmental conditions and jurisdictional rights. Some of these issues are poorly understood and may be impossible to manage.

The salmon industry has the greatest impact on the KPB economy due to the size of the fishery. It is difficult to assess the impact on employment because many operations are family-owned and operated, releasing them from normal labor reporting practices.

Profitability within the industry is increasingly elusive in the worldwide competitive market. Harvest costs increase as wages rise and equipment and maintenance costs increase. The price per pound of fish decreases as competition from the farmed salmon market pushes the price downward. Salmon farming is not allowed in the state of Alaska.

H-1: Employment

The State of Alaska Department of Labor and Workforce Development provides detail of employment within the industry for employees covered by employment regulations. Employment within the fishing industry includes family business employees that are not reported to the state. Since reporting is not required, these employees are enumerated by crewmember licenses sold. During 1999, a total of 1,534 permits were issued with 2,017 crewmembers. Permit holders are not required to obtain a crew license so a total of 3,551 persons were involved. Permit data in table H-1(a) shows numbers of permit holders and crewmembers by area and is categorized by address of permit holder, not area of fishing activity.

Two tables are presented on the next page. Table H-1(b) lists employment in “food and kindred products,” the employment category that includes fish processing, in comparison with total borough employment. Sector employment as a percent of KPB employment has gradually declined from 14.7% during 1980 to 6.0% during 1999. Although the percentage was down in 1999, employment has not decreased as much as the percentage column would indicate. The percentage figures reflect greater employment growth in other industrial sectors than in the commercial fishing and processing sector.

H-1(a): 1999 Permit Holders and Crew Members		
Community	Permit Holders	Crew Members
Anchor Point	84	105
Beluga	0	1
Clam Gulch	37	31
Cooper Landing	5	3
English Bay	1	0
Fritz Creek	12	18
Halibut Cove	6	1
Homer	522	681
Hope	2	3
Kasilof	159	127
Kenai	226	278
Moose Pass	2	6
Nanwalek	5	4
Nikishka	2	2
Nikiski	53	97
Nikolaevsk	19	30
Ninilchik	50	44
Port Graham	15	17
Seldovia	62	51
Seward	69	163
Soldotna	162	262
Sterling	21	63
Tyonek	20	30
Total	1,534	2,017

H-1(b): Fishing Industry Average Monthly Employment			
Year	Processing	KPB	Processing as % of Whole
1980	1,235	8,398	14.7%
1981	1,118	9,116	12.3%
1982	1,090	9,854	11.1%
1983	888	10,400	8.5%
1984	735	11,403	6.4%
1985	826	12,214	6.8%
1986	730	11,436	6.4%
1987	783	10,804	7.2%
1988	948	11,089	8.5%
1989	1,034	13,063	7.9%
1990	1,161	13,891	8.4%
1991	1,284	14,376	8.9%
1992	1,137	14,474	7.9%
1993	1,024	15,451	6.6%
1994	989	15,816	6.3%
1995	967	16,107	6.0%
1996	1,097	16,110	6.8%
1997	1,076	16,328	6.6%
1998	808	16,586	4.9%
1999	641	16,340	3.9%

H-2: Permitting

The next several pages present Basic Information Tables from the Commercial Fisheries Entry Commission about some of the KPB fisheries. Introductory information will help the reader to understand the data sets which were downloaded from the Commercial Fisheries Entry Commission website. Basic Information Tables are printed alphabetically by permit code. The top half of the next page provides definitions about the permit tables. Detail about the tables is listed on the bottom half of the page.

Basic Information Table Description

Data for any year after 1998 should be considered PRELIMINARY.

Permits Issued to Residents - Number of permits issued to residents of the State of Alaska.

Alaska residency is determined by the fee class selected at the time of renewal.

Permits Issued to Non-residents - Number of permits issued to people who are not residents of the State of Alaska.

Total Permits Fished - Number of permits actually fished, as reflected by the fish tickets.

Total Gross Earnings - Total gross earnings from the fish landed on permits in this fishery. The CFEC uses Processor Annual Reports and fish tickets to derive a weighted average price per pound for each species, gear, and area of landing combination. This price is multiplied by the pounds to come up with estimated gross earnings for the species-gear-area of landing. This field is *** when values have not been determined for at least 95% of the pounds landed.

Average Gross Earnings - Average gross earnings for each permit fished. This is simply the Total Gross Earnings divided by the Total Permits Fished.

Total Pounds Landed - Total pounds of fish landed, as reflected by the fish tickets. The pounds figure represents targeted and incidental catch on permits for this fishery.

Average Permit Price (Limited fisheries only) - Average selling price of permanent permits in this fishery.

This report includes all "commercial" catch landed on known permits. It does not include "non-commercial" catch such as test fishing, illegal landings, derbies, educational permits, confiscated catch and unknown permits.

Statutes and regulations governing **Confidentiality Standards** are (AS 16.05.815 and 20 AAC 05.930). Pounds, earnings, and permit values are replaced by periods when reporting the figures would breach confidentiality standards.

Fishing Permit Codes

G 01H - Herring (roe & food/bait), purse seine, Cook Inlet

S 01H - Salmon, purse seine, Cook Inlet

S 03H - Salmon, drift gill net, Cook Inlet

S 04H - Salmon, set gill net, Cook Inlet

FOR EACH OF THE FOLLOWING TABLES, THESE NOTES APPLY

Notes:

1. Estimate of gross earnings not produced unless values have been determined for at least 95% of the pounds landed.
2. Data has been omitted when fewer than four people participated in a fishery.
3. Gross earnings are estimated using an average annual ex-vessel price per area, species, and gear type.
4. These data are aggregated by type of permit fished, so this report contains both targeted species and incidentally landed species
5. Average Permit Price Notes:
A "." indicates confidential information because fewer than four surveys exist.
6. Data includes only commercial catch landed on valid permits. Data associated with test fishing, illegal landings, derbies, educational permits, or unmatchable permits are excluded.

G 01 H – HERRING (ROE & FD/BT), PURSE SEINE, COOK INLET

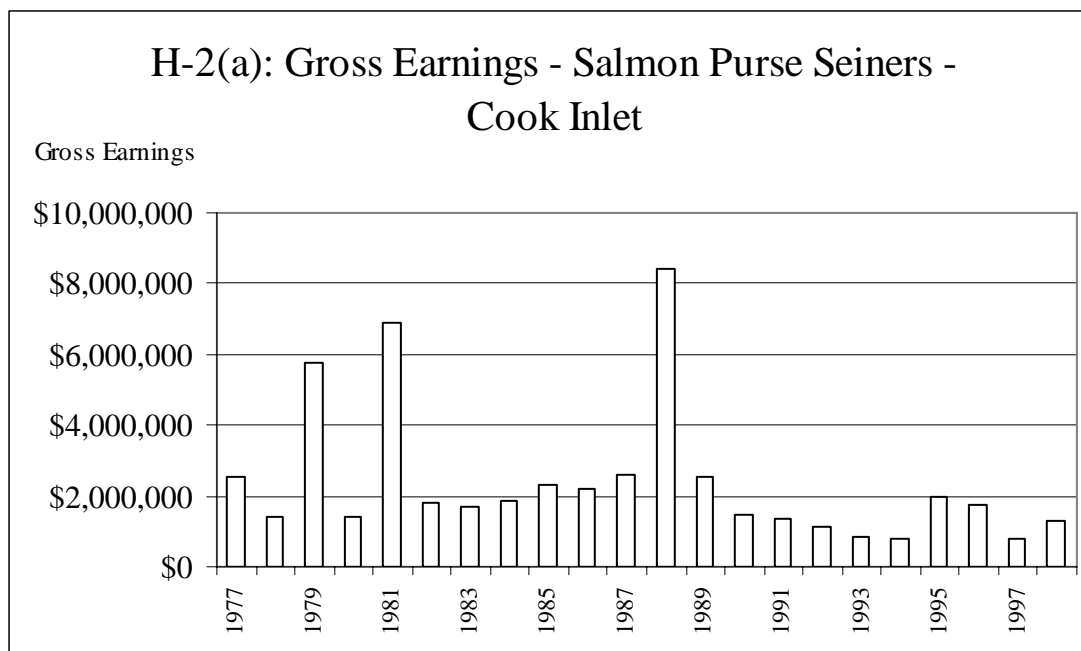
Year	Permanent Permits Issued to Residents	Permanent Permits Issued to Non-Res	Total Permits Fished	Total Gross Earnings	Average Gross Earnings	Total Pounds Landed	Average Permit Price
1999	51	23	0	.	.	.	\$55,000
1998	52	22	19	\$74,437	\$3,918	595,497	\$108,000
1997	51	23	44	\$341,656	\$7,765	3,382,731	\$108,000
1996	50	24	62	\$5,925,889	\$95,579	5,967,663	\$104,800
1995	48	26	59	\$4,149,384	\$70,329	6,703,366	\$74,600
1994	48	25	60	\$1,605,147	\$26,752	4,105,235	\$67,000
1993	47	26	60	\$2,220,758	\$37,013	7,140,700	\$80,600
1992	48	25	56	\$1,410,028	\$25,179	4,563,197	\$80,600
1991	49	24	58	\$1,522,419	\$26,249	3,844,492	\$128,000
1990	51	22	72	\$1,762,378	\$24,477	4,450,450	\$228,333
1989	53	20	74	\$2,996,831	\$40,498	9,825,674	\$241,667
1988	56	17	74	\$9,629,267	\$130,125	11,106,865	\$206,250
1987	57	16	68	\$7,985,891	\$117,440	13,782,022	\$111,364
1986	58	15	56	\$1,990,287	\$35,541	4,486,554	\$31,058
1985	59	14	28	\$857,030	\$30,608	2,695,063	\$16,700

Gross earnings have been decreasing with average permit gross earnings dropping to less than \$4,000 during 1998. Historical records show this as the lowest ever average gross income per permit.

Average permit market prices have been sporadic, peaking at \$241,667 during 1989, dropping to \$67,000 during 1994, peaking again four years later at \$108,000, then dropping by nearly 50% to \$55,000 in 1999. Permit price data is not published unless at least four surveys are included.

S 01 H - SALMON - PURSE SEINE - COOK INLET

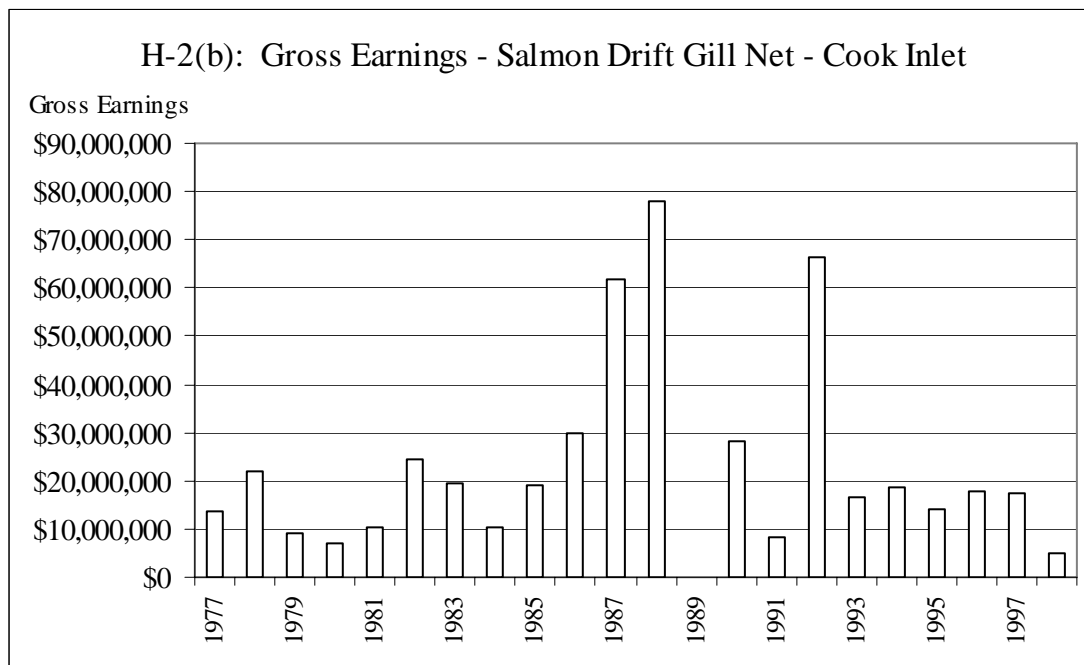
Year	Permanent Permits Issued to Residents	Permanent Permits Issued to Non-residents	Total Permits Fished	Total Gross Earnings	Average Gross Earnings	Total Pounds Landed	Average Permit Price
1999	74	8	na	.	.	.	\$17,200
1998	77	5	39	\$1,301,990	\$33,384	2,851,252	\$24,100
1997	77	7	23	\$767,827	\$33,384	1,619,433	\$32,000
1996	77	7	34	\$1,740,062	\$51,178	1,798,149	\$37,400
1995	75	8	46	\$1,982,432	\$43,096	5,875,726	\$90,800
1994	77	6	30	\$768,850	\$25,628	2,506,111	\$134,500
1993	78	5	51	\$842,496	\$16,520	2,109,936	\$134,500
1992	79	3	61	\$1,107,528	\$18,156	1,458,139	\$134,500
1991	80	2	68	\$1,360,809	\$20,012	3,286,704	\$163,000
1990	81	1	71	\$1,444,426	\$20,344	1,775,490	\$186,667
1989	81	1	64	\$2,539,823	\$39,685	4,566,177	\$90,000
1988	81	1	72	\$8,437,869	\$117,193	7,214,531	\$66,089
1987	81	1	67	\$2,591,820	\$38,684	3,102,565	\$60,455
1986	81	1	61	\$2,196,680	\$36,011	6,429,603	\$60,000
1985	79	1	51	\$2,298,087	\$45,061	5,661,689	\$58,375



Cook Inlet salmon purse seiners saw average permit values peak at \$186,667 in 1990, then drop 90% to \$17,200 during 1999.

S 03 H - SALMON - DRIFT GILL NET - COOK INLET

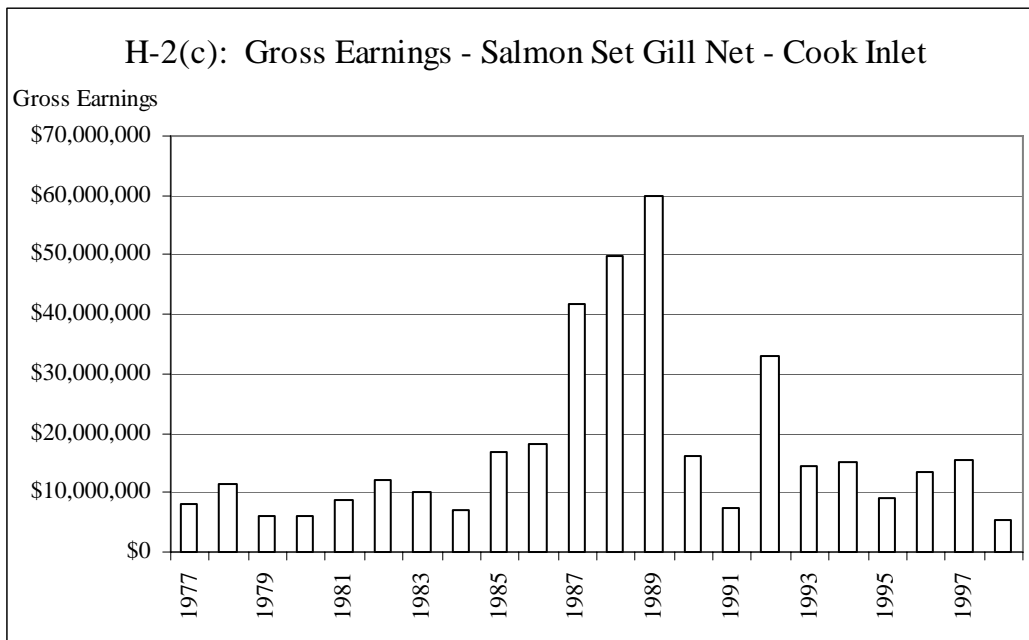
Year	Permanent Permits Issued to Residents	Permanent Permits Issued to Non-residents	Total Permits Fished	Total Gross Earnings	Average Gross Earnings	Total Pounds Landed	Average Permit Price
1999	386	183	na	.	.	.	\$25,200
1998	386	182	528	\$5,178,787	\$9,808	5,406,367	\$42,000
1997	381	185	572	\$17,448,054	\$30,504	16,020,707	\$75,800
1996	382	183	560	\$17,736,374	\$31,672	16,874,926	\$75,100
1995	379	185	577	\$13,912,083	\$24,111	15,485,598	\$85,500
1994	379	185	569	\$18,766,136	\$32,981	16,289,701	\$65,000
1993	384	179	580	\$16,537,133	\$28,512	16,815,486	\$89,800
1992	389	173	580	\$66,362,059	\$114,417	45,304,809	\$88,800
1991	397	165	578	\$8,099,133	\$14,012	9,215,538	\$177,500
1990	391	170	582	\$28,384,895	\$48,771	19,874,014	\$202,058
1989	401	160	10	\$33,363	\$3,336	26,090	\$176,844
1988	402	159	584	\$78,124,815	\$133,775	35,218,949	\$138,725
1987	401	159	585	\$61,662,596	\$105,406	41,727,427	\$86,944
1986	396	163	584	\$29,957,099	\$51,296	30,140,018	\$64,962
1985	394	163	584	\$18,968,650	\$32,481	20,085,925	\$62,605



Permit holders saw average permit prices drop from \$202,000 to \$25,000 in the period 1990 to 1999.

S 04 – SALMON – SET GILL NET – COOK INLET

Year	Permanent Permits Issued to Residents	Permanent Permits Issued to Non-residents	Total Permits Fished	Total Gross Earnings	Average Gross Earnings	Total Pounds Landed	Average Permit Price
1999	618	127	0	.	.	.	\$13,200
1998	620	125	559	\$5,270,364	\$9,428	5,670,497	\$20,600
1997	622	123	603	\$15,637,913	\$25,934	14,316,576	\$24,700
1996	620	125	604	\$13,570,507	\$22,468	12,716,723	\$37,100
1995	626	119	625	\$8,936,995	\$14,299	9,131,234	\$30,300
1994	628	117	617	\$15,272,678	\$24,753	13,162,797	\$28,400
1993	638	107	641	\$14,317,093	\$22,336	14,671,119	\$35,500
1992	638	107	654	\$33,100,968	\$50,613	22,876,698	\$43,000
1991	645	100	648	\$7,361,565	\$11,360	7,986,161	\$71,900
1990	646	97	662	\$16,129,521	\$24,365	11,550,650	\$98,514
1989	647	96	658	\$59,818,985	\$90,910	37,160,146	\$61,511
1988	660	83	655	\$49,936,893	\$76,240	22,330,850	\$43,766
1987	664	79	650	\$41,836,319	\$64,364	28,959,523	\$26,837
1986	666	77	645	\$18,259,193	\$28,309	16,892,410	\$18,191
1985	677	67	625	\$16,862,692	\$26,980	14,755,368	\$16,312

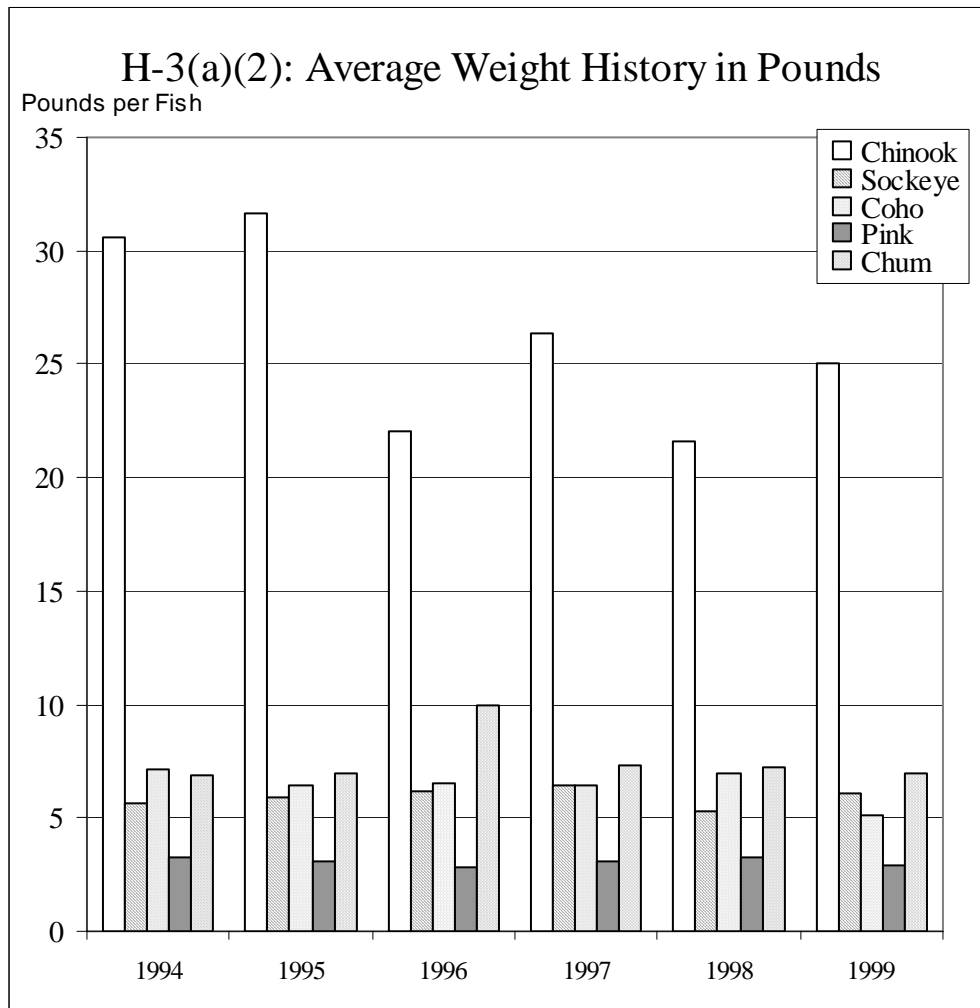


Gross earnings for set gill-netters peaked at nearly \$60 million during 1989 and average permit values peaked a year later just short of \$100,000. During 1998 gross earnings were \$5,270,364 and the average permit sold for \$20,600, dropping to \$13,200 in 1999.

H-3: Cook Inlet Commercial Salmon

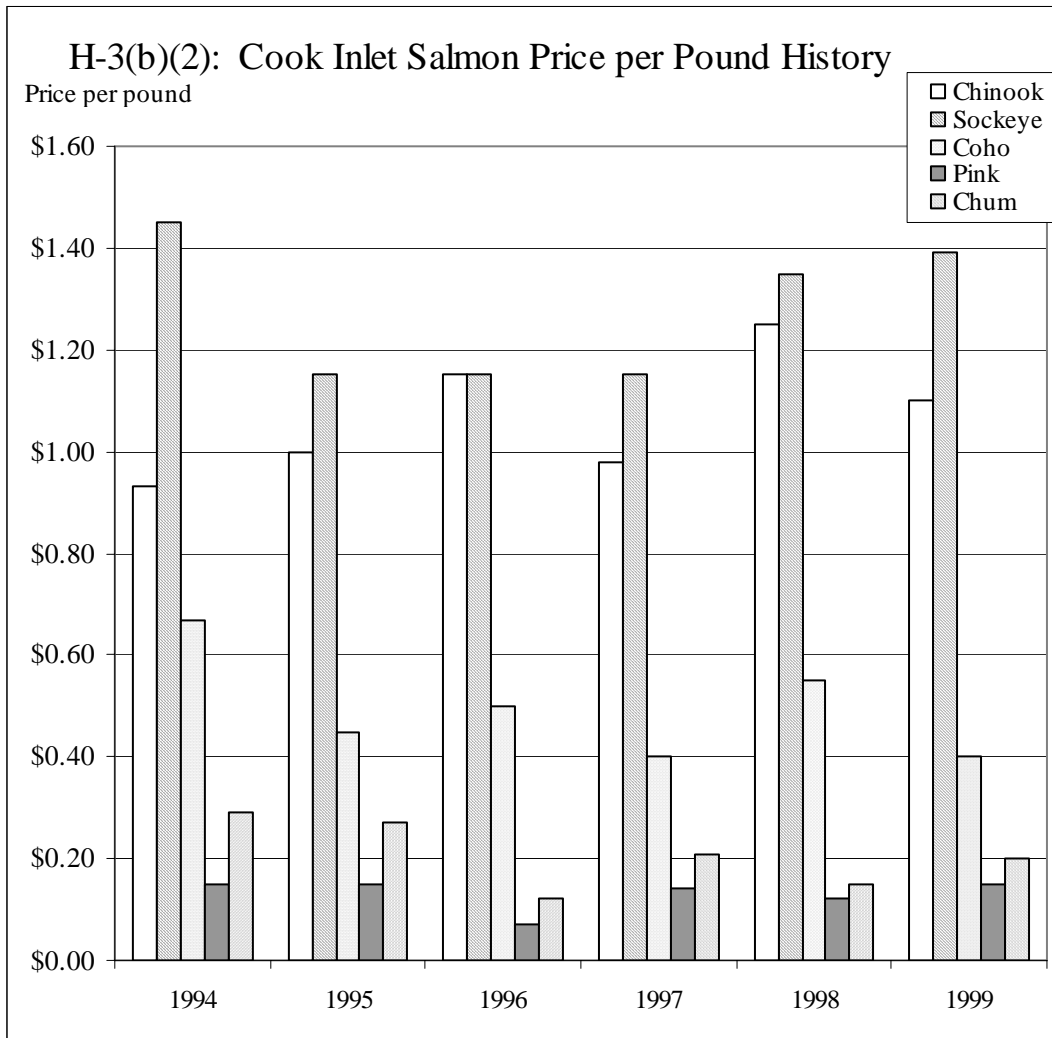
H-3(a): Weight

H-3(a)(1): Average Weight History in Pounds						
	1994	1995	1996	1997	1998	1999
<u>Chinook</u>	30.61	31.62	22	26.38	21.63	25
<u>Sockeye</u>	5.64	5.9	6.2	6.44	5.31	6.1
<u>Coho</u>	7.18	6.46	6.5	6.43	6.97	5.1
<u>Pink</u>	3.22	3.1	2.83	3.09	3.3	2.9
<u>Chum</u>	6.89	7	10	7.33	7.27	7



H-3(b): Price Per Pound

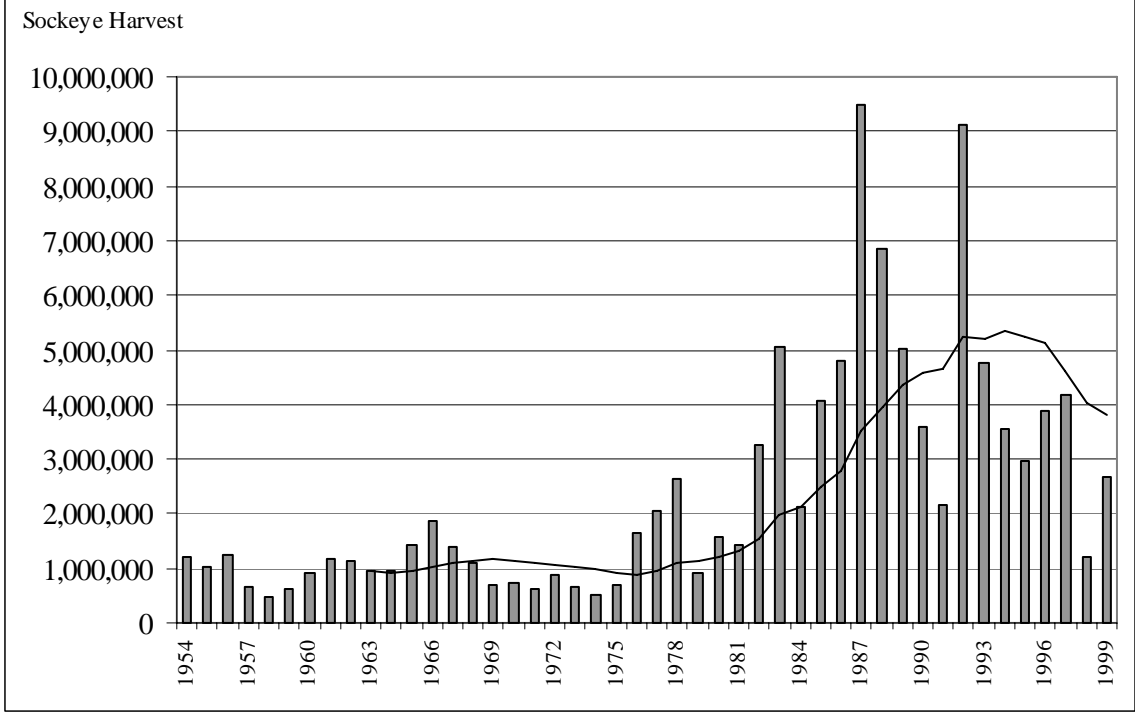
H-3(b)(1): Average Price Per Pound History						
	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
<u>Chinook</u>	\$0.93	\$1.00	\$1.15	\$0.98	\$1.25	\$1.10
<u>Sockeye</u>	\$1.45	\$1.15	\$1.15	\$1.15	\$1.35	\$1.39
<u>Coho</u>	\$0.67	\$0.45	\$0.50	\$0.40	\$0.55	\$0.40
<u>Pink</u>	\$0.15	\$0.15	\$0.07	\$0.14	\$0.12	\$0.15
<u>Chum</u>	\$0.29	\$0.27	\$0.12	\$0.21	\$0.15	\$0.20



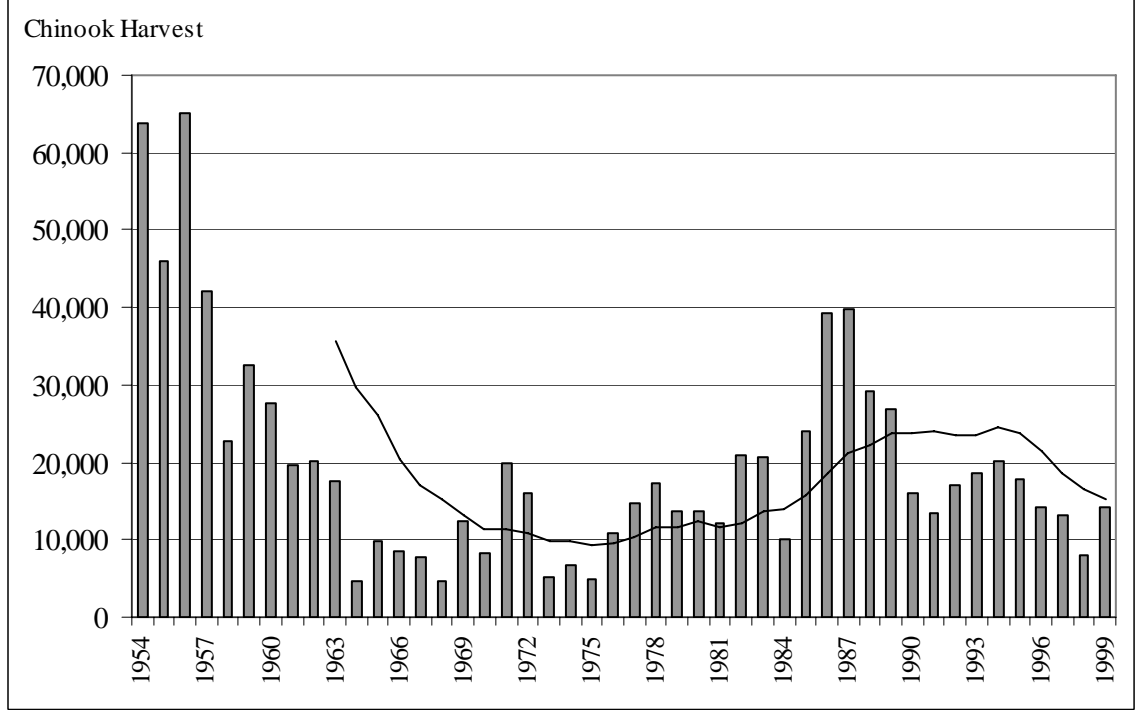
H-3(c)(1): Cook Inlet Salmon Harvest – # of Salmon

	Chinook	Sockeye	Coho	Pink	Chum	Total
1954	63,780	1,207,046	321,525	2,189,207	510,068	4,291,626
1955	45,926	1,027,528	170,777	101,680	248,343	1,594,254
1956	64,977	1,258,789	198,189	1,595,375	782,051	3,899,381
1957	42,158	643,712	125,434	21,228	1,001,470	1,834,002
1958	22,727	477,392	239,765	1,648,548	471,697	2,860,129
1959	32,651	612,676	106,312	12,527	300,319	1,064,485
1960	27,512	923,314	311,461	1,411,605	659,997	3,333,889
1961	19,737	1,162,303	117,778	34,017	349,628	1,683,463
1962	20,210	1,147,573	350,324	2,711,689	970,582	5,200,378
1963	17,536	942,980	197,140	30,436	387,027	1,575,119
1964	4,531	970,055	452,654	3,231,961	1,079,084	5,738,285
1965	9,741	1,412,350	153,619	23,963	316,444	1,916,117
1966	8,544	1,852,114	289,837	2,005,745	532,756	4,688,996
1967	7,859	1,380,062	177,729	32,229	296,837	1,894,716
1968	4,536	1,104,904	469,850	2,278,197	1,119,114	4,976,601
1969	12,397	692,175	100,777	33,383	269,847	1,108,579
1970	8,336	732,605	275,399	814,895	776,229	2,607,464
1971	19,765	636,303	100,636	35,624	327,029	1,119,357
1972	16,086	879,824	80,933	628,574	630,103	2,235,520
1973	5,194	670,098	104,420	326,184	667,573	1,773,469
1974	6,596	497,185	200,125	483,760	396,840	1,584,506
1975	4,787	684,752	227,379	336,333	951,796	2,205,047
1976	10,865	1,664,150	208,695	1,256,728	469,802	3,610,240
1977	14,790	2,052,291	192,599	553,855	1,233,722	4,047,257
1978	17,299	2,621,421	219,193	1,688,442	571,779	5,118,134
1979	13,738	924,415	265,166	72,982	650,357	1,926,658
1980	13,798	1,573,597	271,418	1,786,430	390,675	4,035,918
1981	12,240	1,439,277	484,411	127,164	833,542	2,896,634
1982	20,870	3,259,864	793,937	790,648	1,433,866	6,299,185
1983	20,634	5,049,733	516,322	70,327	1,114,858	6,771,874
1984	10,062	2,106,714	449,993	617,452	680,726	3,864,947
1985	24,088	4,060,429	667,213	87,828	772,849	5,612,407
1986	39,240	4,787,982	756,830	1,299,360	1,134,173	8,017,585
1987	39,661	9,500,186	451,404	109,801	349,139	10,450,191
1988	29,060	6,834,342	560,022	469,972	708,573	8,601,969
1989	26,742	5,010,698	339,201	67,430	122,027	5,566,098
1990	16,105	3,604,064	500,634	603,630	351,197	5,075,630
1991	13,535	2,177,576	425,724	14,663	280,223	2,911,721
1992	17,171	9,108,340	468,911	695,859	274,303	10,564,584
1993	18,719	4,754,698	306,822	100,918	122,767	5,303,924
1994	20,260	3,567,392	580,567	520,481	299,300	4,988,000
1995	17,857	2,951,827	446,954	133,575	529,422	4,079,635
1996	14,248	3,888,778	321,411	242,911	156,457	4,623,805
1997	13,235	4,176,696	152,404	70,928	103,036	4,516,299
1998	7,997	1,218,956	160,644	551,260	95,654	2,034,511
1999	14,155	2,668,933	123,587	16,163	178,955	3,001,793

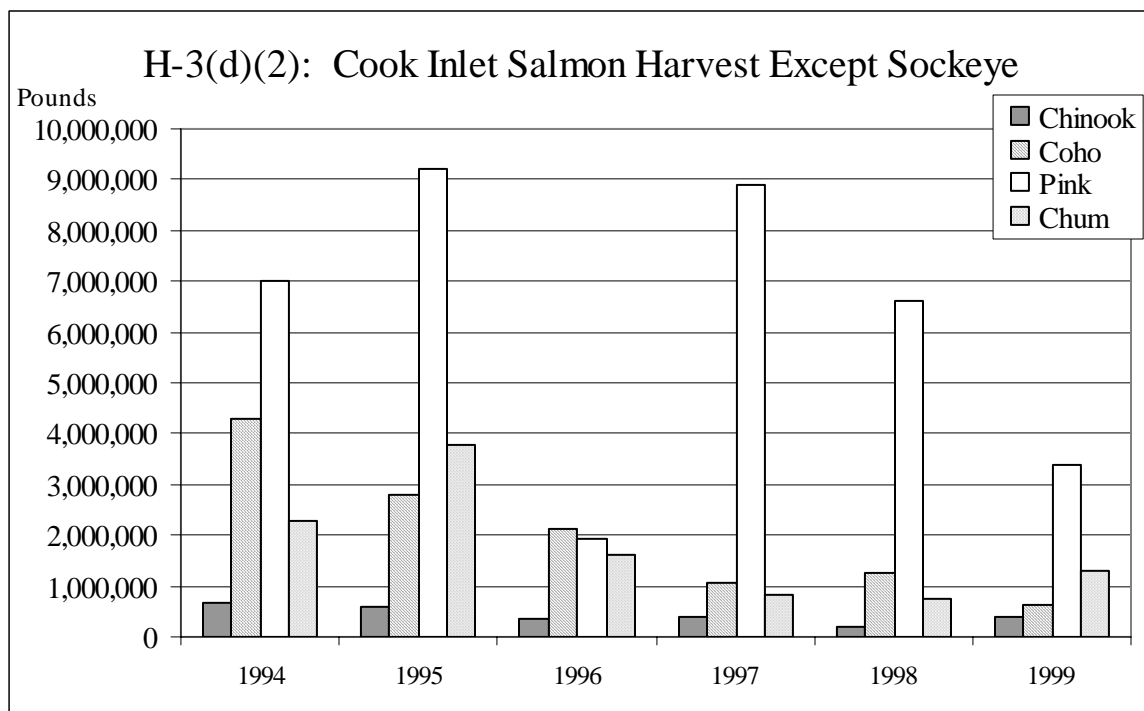
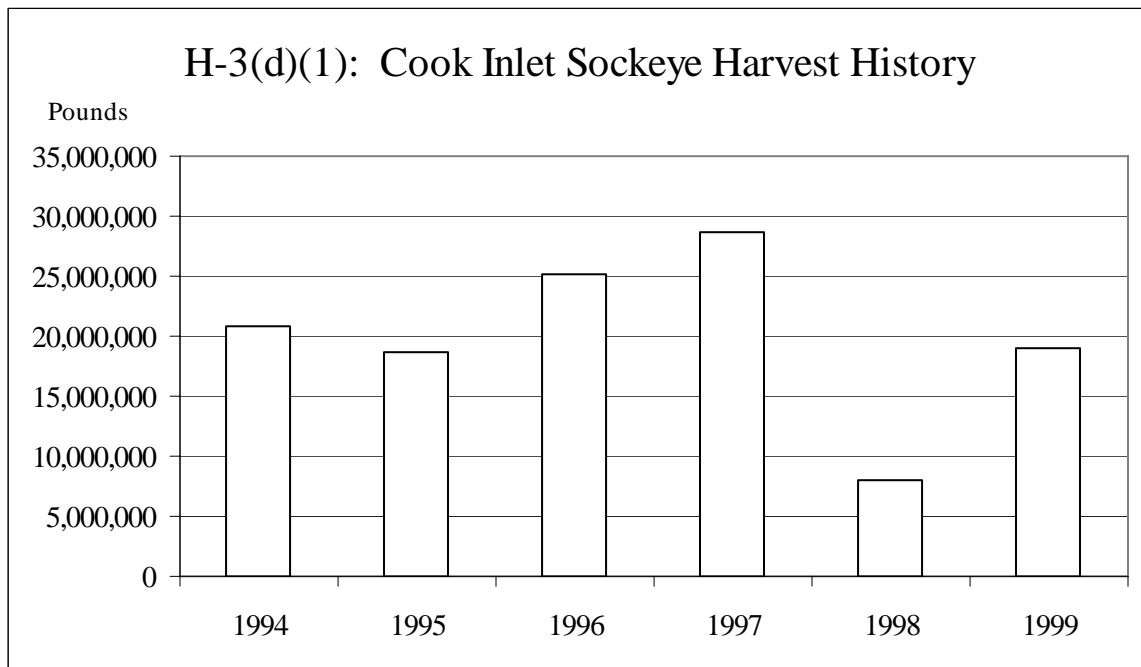
H-3(c)(2): Sockeye Historical Commercial Catch - Upper Cook Inlet With 10 Year Moving Average Trendline



H-3(c)(3): Chinook Historical Commercial Catch - Upper Cook Inlet With 10 Year Moving Average Trendline

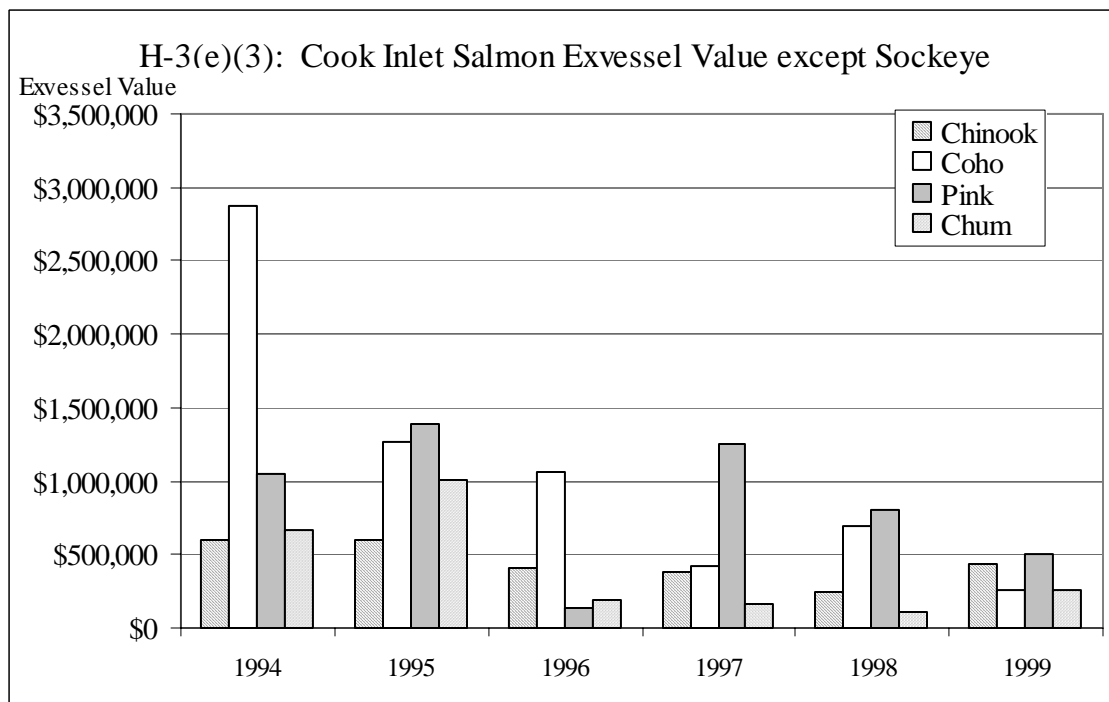
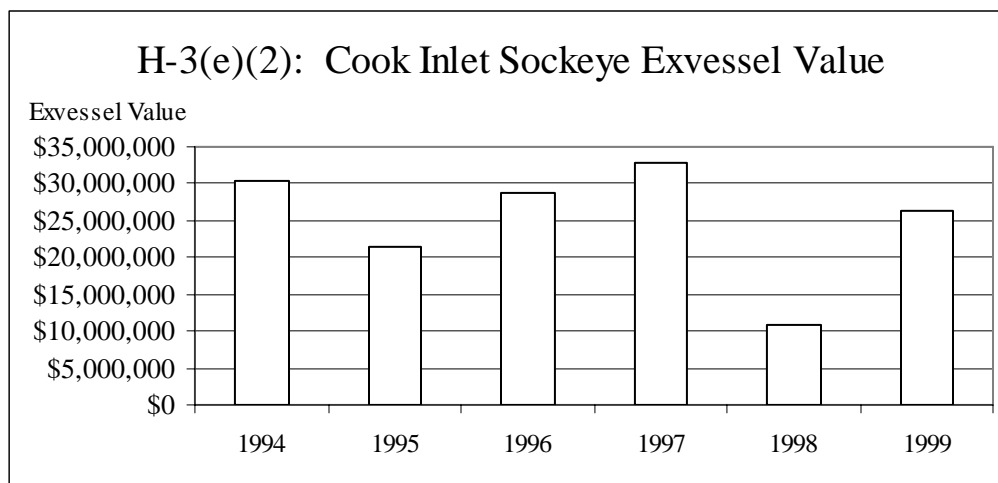


H-3(d): Pounds of Fish



H-3(e): Exvessel Value

H-3(e)(1): Estimated Salmon Exvessel Value History in \$ (All species - rounded to nearest 1,000)						
	1994	1995	1996	1997	1998	1999
Chinook	600,000	600,000	410,000	380,000	250,000	440,000
Sockeye	30,300,000	21,530,000	28,890,000	32,940,000	10,840,000	26,420,000
Coho	2,880,000	1,260,000	1,060,000	420,000	690,000	260,000
Pink	1,050,000	1,390,000	130,000	1,250,000	800,000	510,000
Chum	670,000	1,010,000	190,000	170,000	110,000	260,000
All Species	35,500,000	25,790,000	30,680,000	35,160,000	12,690,000	27,890,000



H-4: Cook Inlet Commercial Halibut

Cook Inlet's halibut fishery is located within Statistical Area 261 (formerly 261 and 272) which is part of the broader Management Area 3A.

H-4(a): 3A Commercial Halibut Vessel Landings by Port of Landing

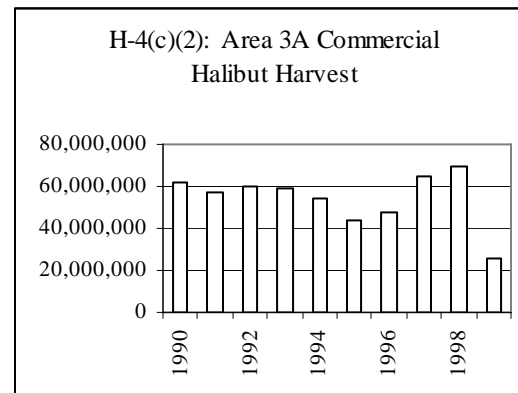
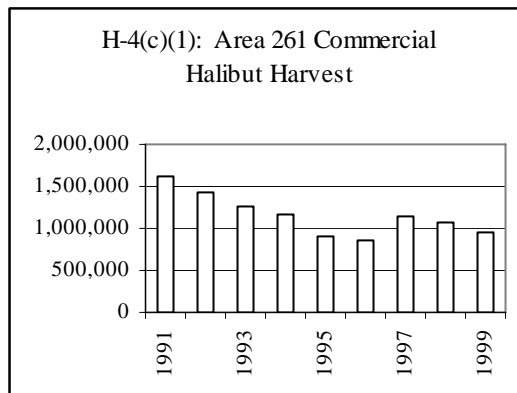
	Homer	Kasilof	Kenai	Nikiski	Ninilchik	Port Graham	Seldovia	Seward
1995	732	2	103	10	29		10	457
1996	763	3	71	5	21		9	435
1997	851		66		33	15	14	447
1998	946	1	52	1	43		12	421
1999	920		49		25		12	497

H-4(b): 3A Commercial Halibut Pounds Landed by Port of Landing

	Homer	Kasilof	Kenai	Nikiski	Ninilchik	Port Graham	Seldovia	Seward
1995	3,148,250	6,557	257,830	34,647	80,532		2,148	2,775,481
1996	3,943,651	2,822	364,276	14,081	60,200		1,009	3,201,294
1997	5,192,623		249,075		128,923	42,029	1,161	4,732,861
1998	10,358,062	1,599	262,914	101	311,756		2,374	5,469,734
1999	11,563,889		189,431		88,837		2,273	6,823,915

Commercial Catch of Pacific Halibut by Regulatory Area
Round weight rounded to 1,000 pounds

	Area 261	Area 3A	IPHC Total
1990		28,848,000	61,606,000
1991	1,627,000	22,858,000	56,989,000
1992	1,438,000	26,782,000	59,892,000
1993	1,257,000	22,738,000	59,269,000
1994	1,160,000	24,844,000	54,730,000
1995	916,000	18,342,000	43,882,000
1996	858,000	19,696,000	47,342,000
1997	1,136,000	24,628,000	65,198,000
1998	1,065,000	25,703,000	69,736,000
1999	964,000	24,670,000	25,634,000



H-4(d): Commercial Halibut Value History

By delivery area

	Pounds Landed	Estimated Exvessel Value	Area Average Price
Cook Inlet			
1985	9,866,587	\$9,096,993	\$0.922
1986	14,347,044	\$20,329,761	\$1.417
1987	13,839,595	\$19,707,583	\$1.424
1988	15,776,473	\$19,057,979	\$1.208
1989	13,817,013	\$20,449,179	\$1.480
1990	13,023,161	\$23,285,412	\$1.788
1991	9,983,561	\$19,927,188	\$1.996
1992	11,341,336	\$11,091,827	\$0.978
1993	9,790,892	\$11,905,725	\$1.216
1994	10,185,568	\$19,362,765	\$1.901
1995	6,319,341	\$12,815,624	\$2.028
1996	7,657,456	\$17,282,878	\$2.257
1997	10,456,407	\$22,700,860	\$2.171
1998	Not available		
1999	Not available		

	Pounds Landed	Estimated Exvessel Value	Area Average Price
Prince William Sound			
	1,162,940	\$995,477	\$0.856
	2,553,775	\$3,373,537	\$1.321
	2,001,505	\$2,744,063	\$1.371
	1,553,200	\$1,801,712	\$1.160
	1,465,933	\$2,156,387	\$1.471
	2,696,106	\$4,664,283	\$1.730
	2,215,080	\$4,388,073	\$1.981
	2,531,212	\$2,381,870	\$0.941
	2,169,612	\$2,536,276	\$1.169
	2,054,731	\$3,856,730	\$1.877
	1,004,253	\$1,975,366	\$1.967
	1,229,288	\$2,780,649	\$2.262
	1,657,910	\$3,722,008	\$2.245
	Not available		
	Not available		

Insert Halibut Fisheries Area Map

H-5: Commercial Groundfish Harvest – Region II

Harvest from State Waters, Both State & Federally Managed Fisheries
 These numbers are preliminary and based on current management areas.
 (round weight in pounds)

H-5(a): Cook Inlet Management Area (includes North Gulf Coast)

<u>Year</u>	<u>Pacific Cod</u>	<u>Rockfish</u>	<u>Pollock</u>	<u>Sablefish</u>	<u>Lingcod</u>	<u>Other^a</u>	<u>Total</u>
1991	1,916,380	223,716	9,528	103,561	63,664	38,430	2,355,279
1992	5,440,905	362,510	3,874	126,816	46,375	106,009	6,086,489
1993	3,661,536	189,199	154,341	94,961	88,522	84,782	4,273,341
1994	2,696,583	401,802	238,261	45,029	58,657	59,506	3,499,838
1995	4,408,379	500,201	2,995	23,490	80,091	67,696	5,082,852
1996	4,643,676	196,515	1,943,654	88,862	59,270	279,091	7,211,068
1997	4,111,930	217,267	3,895,097	125,127	32,120	107,983	8,489,524
1998	3,398,340	80,180	9,693,093	74,516	41,207	251,188	13,538,524
1999	4,681,253	87,370	2,983,371	76,651	28,189	144,090	8,000,924

H-5(b): Prince William Sound

<u>Year</u>	<u>Pacific Cod</u>	<u>Rockfish</u>	<u>Pollock</u>	<u>Sablefish</u>	<u>Lingcod</u>	<u>Other^a</u>	<u>Total</u>
1991	2,229,113	157,689	272	350,303	41,134	26,588	2,805,099
1992	1,974,460	192,654	8,932	465,725	50,994	60,040	2,752,805
1993	1,304,865	108,806	5,632	391,353	78,389	8,708	1,897,753
1994	1,902,244	203,212	5,809	340,895	46,871	16,144	2,515,175
1995	1,595,631	312,007	6,550,811	577,031	126,416	29,840	9,191,736
1996	854,075	183,315	3,694,012	291,341	39,923	127,346	5,190,012
1997	1,122,566	166,548	4,866,011	208,182	56,200	67,132	6,486,639
1998	1,096,349	109,140	4,648,148	244,467	30,115	86,173	6,214,392
1999	1,719,741	70,996	5,175,716	213,748	31,316	22,673	7,234,190

H-5(c): Central Region Total

<u>Year</u>	<u>Pacific Cod</u>	<u>Rockfish</u>	<u>Pollock</u>	<u>Sablefish</u>	<u>Lingcod</u>	<u>Other^a</u>	<u>Total</u>
1991	4,145,493	381,405	9,800	453,864	104,798	65,018	5,160,378
1992	7,415,365	555,164	12,806	592,541	7,369	166,049	8,839,294
1993	4,966,401	298,005	159,973	486,314	166,911	93,490	6,171,094
1994	4,598,827	605,014	244,070	385,924	105,528	75,650	6,015,013
1995	6,004,010	812,208	6,553,806	600,521	206,507	97,536	14,274,588
1996	5,497,751	379,830	5,637,666	380,203	99,193	406,437	12,401,080
1997	5,234,496	383,815	8,761,108	333,309	88,320	175,115	14,976,163
1998	4,494,689	189,320	14,341,241	318,983	71,322	337,361	19,752,916
1999	6,400,994	158,366	8,159,087	290,399	59,505	166,763	15,235,114

H-5(d): Groundfish Average Price per Pound

<u>Year</u>	<u>Average Price Per Pound</u>					
	<u>Pacific Cod</u>	<u>Rockfish</u>	<u>Pollock</u>	<u>Sablefish</u>	<u>Lingcod</u>	<u>Other^a</u>
1991	\$0.26	\$0.20	\$0.05	\$0.49	\$0.27	\$0.23
1992	\$0.20	\$0.25	\$0.13	\$0.39	\$0.20	\$0.04
1993	\$0.23	\$0.32	\$0.08	\$0.93	\$0.39	\$0.13
1994	\$0.19	\$0.42	\$0.01	\$1.17	\$0.34	\$0.16
1995	\$0.24	\$0.58	\$0.10	\$2.21	\$0.31	\$0.10
1996	\$0.24	\$0.57	\$0.09	\$1.83	\$0.42	\$0.07
1997	\$0.27	\$0.59	\$0.09	\$2.32	\$0.43	\$0.17
1998	\$0.24	\$0.51	\$0.08	\$1.65	\$0.49	\$0.06
1999	\$0.36	\$0.58	\$0.09	\$1.72	\$0.50	\$0.06

^aincludes Flounders, Sole, Skates & Sharks

H-5(e): Commercial Groundfish Harvest Region II

Harvest from State and Federal Waters, State Managed Fisheries

Figures are preliminary and given in round weight in pounds.

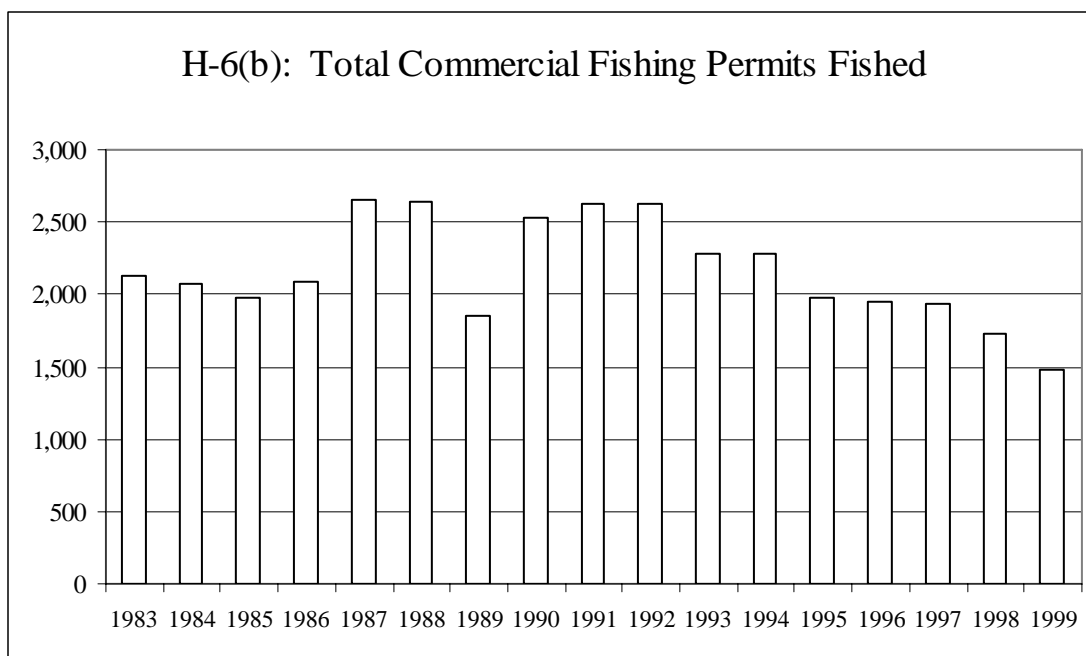
Table 4. Central Region
Total

<u>Year</u>	<u>Hardshell Clams & Mussels</u>	<u>Scallops</u>	<u>Shrimp</u>	<u>Razor Clams</u>
1991	64,056	NO EFFORT	170,128	201,320
1992	57,345	208,836	294,155	296,727
1993	64,704	83,183	552,999	310,481
1994	44,861	20,431	98,653	355,165
1995	74,510	23,310	52,887	248,358
1996	48,684	28,228	131,367	355,448
1997	32,751	38,336	94,125	366,532
1998	24,190	36,897	70,799	371,877
1999	19,345	40,725	64,374	352,910

King, Tanner and Dungeness Crab fisheries are closed.

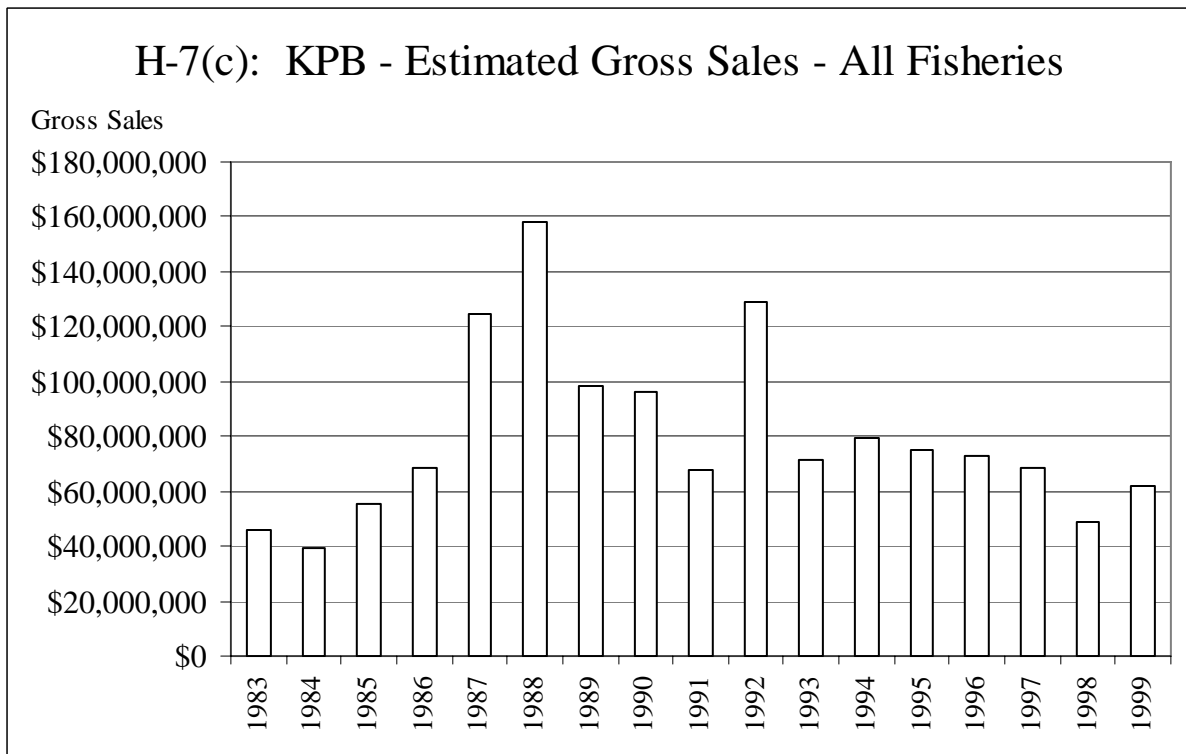
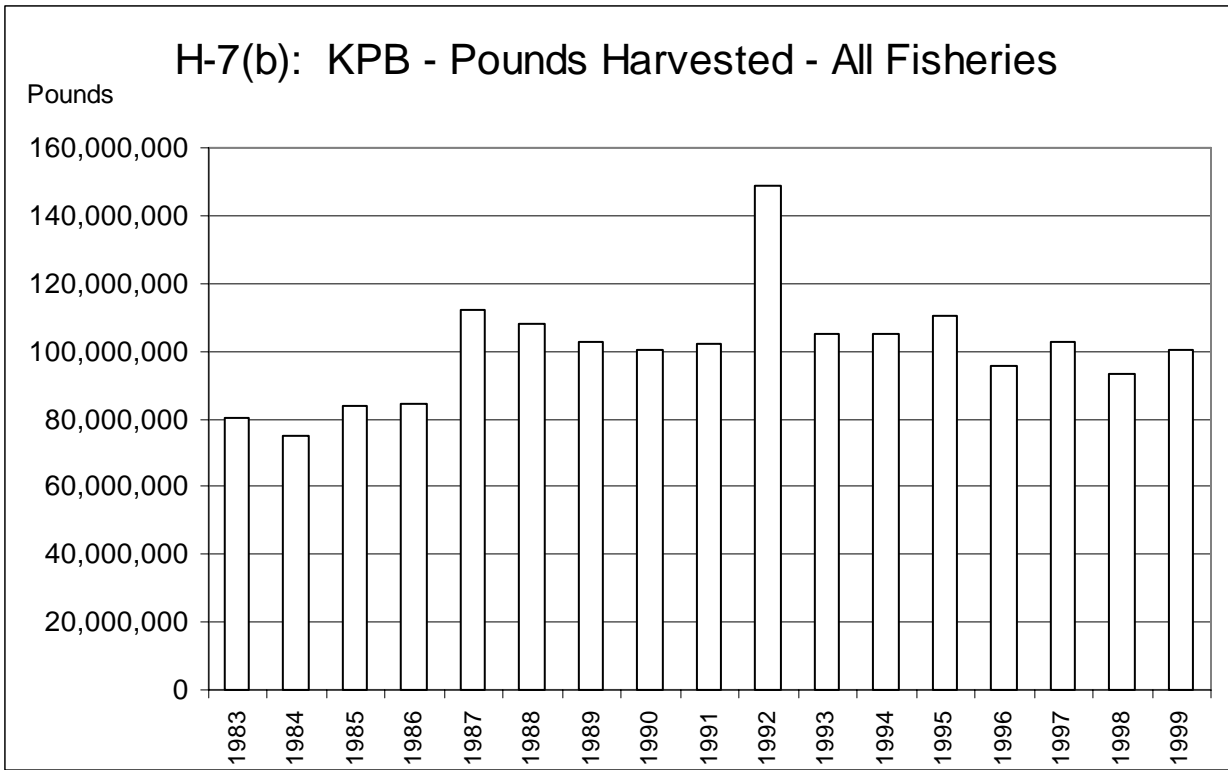
H-6(a): Commercial Fishing Permits Fished - All Classes, All Types

	1983	1984	1985	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Anchor Point	178	158	152	140	167	168	115	178	198	199	178	165	148	137	125	120	106
Beluga	3	3	3	3	3	3	2	1									
Clam Gulch	49	50	59	60	75	81	63	70	69	70	54	46	44	45	48	43	39
Cooper Landing	3	4	6	8	7	8	9	7	6	2	4	2	2	3	3	3	4
English Bay	12	11	7	10	8	8	3	3	2	1			2	1	1	1	
Fritz Creek	26	1	8	6	7	8	4	1	20	22	24	26	24	18	19	11	7
Halibut Cove	609	22	14	18	12	9	4	10	15	15	17	14	11	10	6	7	4
Homer	1	620	605	635	910	933	690	917	1,041	1,058	920	945	817	789	787	705	598
Hope		4							1	1					1		1
Kasilof	100	113	101	119	143	151	137	205	193	184	173	178	164	161	153	156	129
Kenai	434	370	306	335	392	371	246	356	341	322	274	307	236	250	233	211	195
Moose Pass	3	5	6	5	6	6	4	5	5	5	2	1	3	3	3	2	1
Nikishka	1	14	14	17	20	16	10	9	6	5	6	8	7	3	2	2	1
Nikiski	1	4	11	29	41	42	48	55	52	59	49	56	59	64	61	56	51
Nikolaevsk									8	18	20	26	24	32	39	34	24
Ninilchik	93	96	96	106	108	95	75	96	88	94	73	74	54	50	52	38	40
Port Graham	26	26	25	26	39	23	9	18	17	15	16	12	10	7	9	6	7
Red Mountain	7	5	5	6	6	5	3	3									
Seldovia	101	124	111	101	150	134	81	111	119	120	101	76	67	71	76	69	47
Seward	150	147	164	167	208	221	110	181	164	180	136	119	93	111	114	91	69
Soldotna	294	259	226	249	305	297	200	260	239	217	194	187	174	151	167	145	122
Sterling	23	18	28	23	33	46	28	27	18	20	20	22	20	22	23	21	18
Tyonek	24	25	26	24	23	22	19	18	19	20	20	18	20	20	16	13	17
KPB - Total	2,134	2,073	1,972	2,086	2,660	2,646	1,856	2,530	2,620	2,626	2,279	2,279	1,977	1,947	1,936	1,734	1,480



H-7(a): KPB - Pounds of Fish Harvested - Commercial Permits - All Types													
	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
Anchor Point	5,278,178	4,506,447	2,938,463	5,014,670	4,772,206	6,514,951	5,176,215	5,178,186	4,931,523	4,623,158	5,107,943	3,898,433	4,415,530
Beluga	***	***	***	***									
Clam Gulch	3,285,070	2,408,765	4,048,542	1,380,288	1,056,941	2,632,674	1,653,423	1,284,767	1,069,752	1,199,303	1,292,649	706,465	829,416
Cooper Landing	286,083	257,571	443,519	236,661	166,618	***	181,413	***	***	***	***	***	132,130
English Bay	***	***	***	***	***	***			***	***	***	***	
Fritz Creek	***	***	71,646	***	682,310	1,448,154	346,783	949,029	1,796,625	925,695	1,053,636	149,026	181,051
Halibut Cove	455,905	144,224	26,535	105,913	124,037	443,743	436,274	227,913	296,385		194,046	106,847	113,575
Homer	38,821,867	43,911,905	53,285,777	48,018,749	52,282,365	73,541,432	53,754,259	53,668,136	58,358,999	224,558	54,357,442	58,073,758	61,665,076
Hope					***	***					***		***
Kasilof	7,642,613	5,683,632	5,420,794	5,532,450	5,537,271	12,038,284	7,620,109	10,385,924	6,935,867	48,357,608	7,924,264	4,429,447	5,826,067
Kenai	15,771,127	14,723,312	10,877,080	8,524,679	6,939,956	16,076,634	10,868,939	8,498,016	7,227,084	8,831,091	8,663,209	5,845,087	5,883,507
Moose Pass	71,403	127,378	***	***	***	***	***	***	***	***	***	***	***
Nikishka	493,473	470,239	245,885	211,798	***	267,349	201,731	126,204	107,743	***	***	***	***
Nikiski	1,233,069	1,398,814	2,398,824	945,939	857,209	2,036,197	1,188,364	1,063,452	1,934,360	1,612,403	1,513,244	1,384,872	1,061,096
Nikolaevsk					***	735,067	406,201	624,147	531,678	936,720	1,356,274	975,026	1,039,618
Ninilchik	4,313,898	3,284,235	2,203,197	2,285,457	1,980,279	3,196,430	2,333,649	1,929,652	1,792,341	1,466,773	1,453,654	1,056,458	945,564
Port Graham	865,257	1,056,215	397,918	389,344	517,068	395,168	246,070	1,021,480	879,791	972,779	741,679	380,167	***
Red Mountain	***	***	***	***									
Seldovia	5,583,816	6,309,066	3,734,945	4,932,322	7,940,581	7,780,004	5,991,048	4,799,106	7,099,642	5,383,712	4,578,218	3,657,098	4,427,074
Seward	14,127,290	13,121,468	7,226,755	15,757,576	13,651,917	11,535,182	7,991,642	8,331,834	9,339,140	7,510,634	7,991,814	7,714,520	8,979,994
Soldotna	12,280,098	8,781,694	8,446,654	6,039,784	5,110,485	9,363,276	6,232,032	6,076,034	7,234,281	5,591,792	5,452,484	4,320,334	3,897,831
Sterling	1,056,500	1,106,106	508,497	438,354	258,935	660,430	382,994	475,669	575,477	476,389	451,031	174,244	339,722
Tyonek	218,587	354,103	390,728	212,638	208,277	137,692	132,551	340,701	203,722	138,780	152,521	104,520	104,345

*** - indicates confidential value

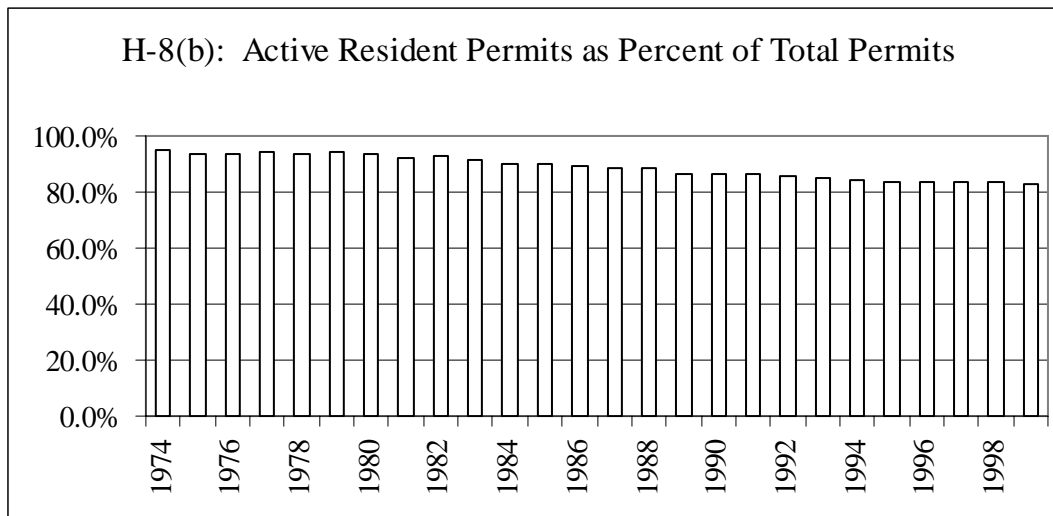


H-8: Residency

H-8(a): Resident v Non-resident Cook Inlet Commercial Salmon Permit Holders, by Type

Salmon, purse seine, Cook Inlet					Salmon, drift gill net, Cook Inlet					Salmon, set gill net, Cook Inlet				
TP	AP	ARP	ANR		TP	AP	ARP	ANR		TP	AP	ARP	ANR	
1974	115	115	113	2	1974	585	585	436	149	1974	783	783	744	39
1975	100	100	99	1	1975	784	784	539	245	1975	1028	1028	965	63
1976	79	79	78	1	1976	596	596	410	186	1976	719	719	675	44
1977	82	82	82	0	1977	575	575	388	187	1977	733	733	690	43
1978	83	83	83	0	1978	591	591	402	189	1978	747	747	701	46
1979	84	84	83	1	1979	599	599	411	188	1979	749	749	705	44
1980	84	84	82	2	1980	597	597	408	189	1980	747	747	699	48
1981	85	85	83	2	1981	598	598	413	185	1981	747	747	687	60
1982	84	84	83	1	1982	592	591	414	177	1982	748	748	695	53
1983	83	83	83	0	1983	589	587	416	171	1983	746	745	684	61
1984	81	81	80	1	1984	590	588	424	164	1984	745	744	670	74
1985	81	81	80	1	1985	593	591	420	171	1985	746	745	669	76
1986	83	83	82	1	1986	590	588	414	174	1986	745	743	665	78
1987	83	83	82	1	1987	588	586	417	169	1987	745	743	662	81
1988	83	83	82	1	1988	587	585	423	162	1988	745	743	660	83
1989	83	83	82	1	1989	587	585	417	168	1989	745	743	645	98
1990	83	83	82	1	1990	587	585	413	172	1990	745	743	644	99
1991	83	83	81	2	1991	586	584	413	171	1991	746	745	643	102
1992	83	83	80	3	1992	585	583	405	178	1992	746	745	637	108
1993	84	84	79	5	1993	585	583	398	185	1993	746	745	633	111
1994	84	84	78	6	1994	584	582	394	188	1994	746	745	628	116
1995	84	84	76	8	1995	584	582	392	190	1995	746	745	622	122
1996	85	85	78	7	1996	584	582	392	190	1996	746	745	621	123
1997	85	85	79	6	1997	583	581	392	189	1997	746	745	621	123
1998	85	83	78	5	1998	581	579	394	185	1998	746	745	621	123
1999	84	82	77	5	1999	572	270	384	186	1999	746	745	619	126

TP- Total Permits
 AP- Active Permits
 ARP- Active Resident Permits
 ANR- Active Non-resident Permits



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I: KPB Oil and Gas Industry

When Congress passed the Alaska Statehood Act, it was concerned with Alaska's ability to support itself due to a lack of industry. As passed, the Act provided for the state to select 104 million acres of federal land, including rights to all minerals underlying the selections, as its economic base. It specifically stated that the state was to retain the mineral rights when conveying surface rights. The Alaska Constitution encourages development of its resources, making them available for maximum use consistent with public interest.

As a result, oil and gas extraction and processing plants have become a familiar part of the landscape in the Kenai Peninsula Borough and statewide, providing economic growth with employment opportunities both in primary markets and support industries.

Economic impacts of the industry are positive and varied. The tax revenue base increases as wage earners spend earnings that cycle through the economy. Property values increase as productivity and demand increase. The resultant municipal revenues allow for infrastructure development providing amenities expected by residents and their families.

Employment in the KPB Oil and Gas industry is reasonably stable although it fluctuates more in Extraction and Production than in Manufacturing. During 1980 there were 1,233 employees in the combined industry sectors with nearly three-fourths in the Extraction and Production sector. Employment in the two sectors ranged from 1,198 during 1983 to 1,690 during 1990. Peak employment of nearly 16% of the KPB total took place in 1980. During 1999, there were 1,454 positions, accounting for 8.9% of KPB total employment. These employees took home 12.9% of KPB total payroll.

Industry Taxable Properties are reported near \$500,000,000, a stable source of municipal revenues. Taxable Sales have a lesser impact on the economy due to exempt status on most sales. While Gross Sales account for 13-14% of KPB Gross Sales, industry Taxable Sales account for less than 1% of KPB Totals.

Insert Oil and Gas Activity map.

It is located in Green Hanging folder for 1999 S&P, in the manila folder labeled “Oil and Gas”

I-1: History

Timeline for Oil and Gas Activity Within the Kenai Peninsula

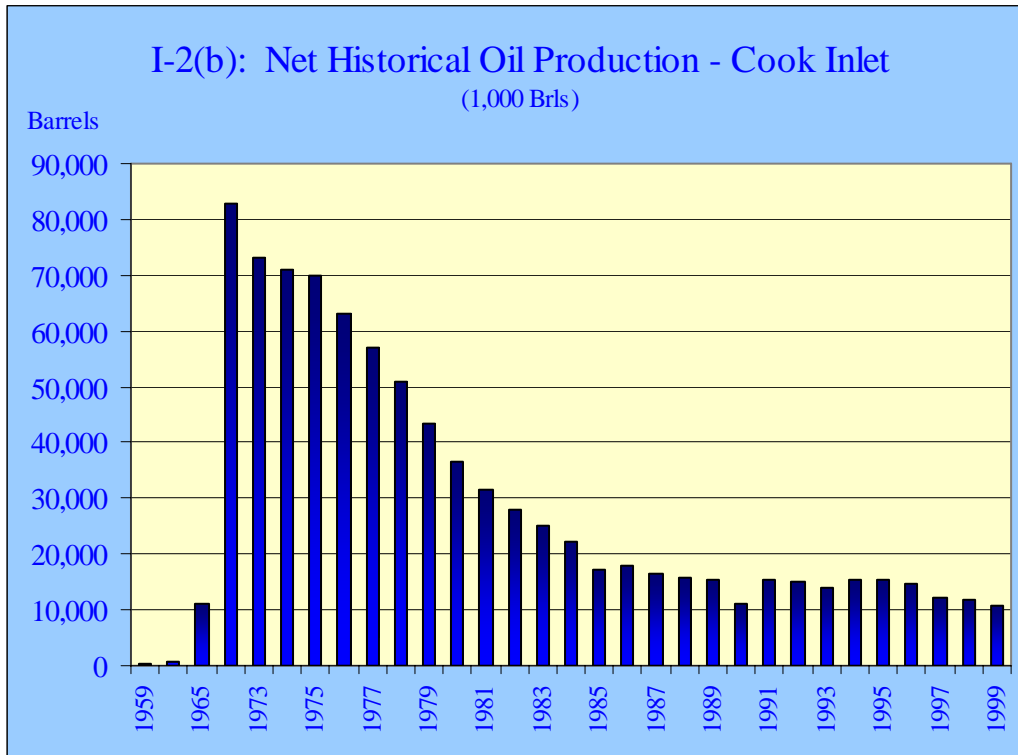
<u>Year</u>	<u>Event</u>
1788	Captain Cook voyaged into Cook Inlet
1850's	Russian explorers discovered oil seeps on the Iniskin Peninsula - West side of Cook Inlet.
1900	Exploratory wells were drilled, one encountered oil.
1917	World War I
1939	World War II - foundational infrastructure in support of war effort
1957	Swanson River oil field discovery-Richfield Oil Company-predecessor to Atlantic Richfield Company, ARCO
1959	First Gas field discovery-Union Oil/Ohio Oil(Marathon)-Kenai gas fields-still producing. Largest in Cook Inlet
1959	First state lease sale in Cook Inlet Basin, 77,000 acres, \$4 million.
1960	Pipeline to access Anchorage market built.
1960	Construction of Collier Chemical plant, now UNOCAL, recently sold to Agrium.
1960	First Alaska pipeline - Swanson River to Nikiski Beach, joint venture Richfield Oil Corp -Standard Oil
1962	First offshore oil discovery - Pan American Petroleum - Middle Ground Shoal.
1962	First west side oil - Beluga River - Standard Oil.
1962	Standard Oil broke ground for first refinery in Alaska.
1964	Arrival of first Cook Inlet Platform.
1965	McArthur River - Union Oil - Largest oil field - 48% of Cook Inlet's 1.2 billion barrels produced.
1967	Production began for first Cook Inlet Platform.
1968	UNOCAL facility constructed.
1969	Construction of Phillips/Marathon LNG plant.
1969	Construction of Tesoro-Alaska Refinery Corporation facility.
1975	Tesoro began production of several grades of gasoline.
1977	First federal lease sale in Lower Cook Inlet.
1979	Gas discoveries - Cannery Loop and Pretty Creek
1981	Second federal Lease sale in Lower Cook Inlet
1982	Third federal lease sale in Lower Cook Inlet
1987	Tanker spills 159,000 gallons of crude in Glacier Bay incident.
1987	Steelhead Platform explosion.
1989	March 24 - Exxon Valdez tanker runs aground in Prince William Sound spilling 232,000 barrels of crude.
1991	Sunfish discovery - ARCO.
1991	Chevron closed due to marginal profitability, potential liability with state's oil spill laws.
1992	Proposed federal lease sale of 3.7 million acres in Lower Cook Inlet. Blocked by community pressures.
1993	Largest State lease sale - \$65 million.
1995	Tesoro began producing more value-added products. - Purchases crude, does not own any platforms.
1996	State Lease 85A, 10 bidders, 44 tracts sold of 234, over \$3.5 million.
1996	Lease sale by University of Alaska, property south of Soldotna, bids on 4 of 5 tracts, total \$152,198,
1996	Stewart Petroleum filed for Chapter 11 Bankruptcy (reorganization).
1997	Fourth federal lease sale in Lower Cook Inlet.
1997	Through 1997, 39 Cook Inlet lease sales to date.
1997	Reduced federal lease sale, from 1992 blocked sale, 1 bidder, Forcenergy, 9,762 acres, \$250,000.
1998	February - state lease sale 85A-W, 8 bidders, 24 tracts sold of 157.
1999	Forcenergy filed for Chapter 11 Bankruptcy (reorganization).
1999	Natchiq Inc ships first truckable modules from its site in Nikiski.
1999	Marathon begins production from new gas well in Sterling gas field.

I-2: Production

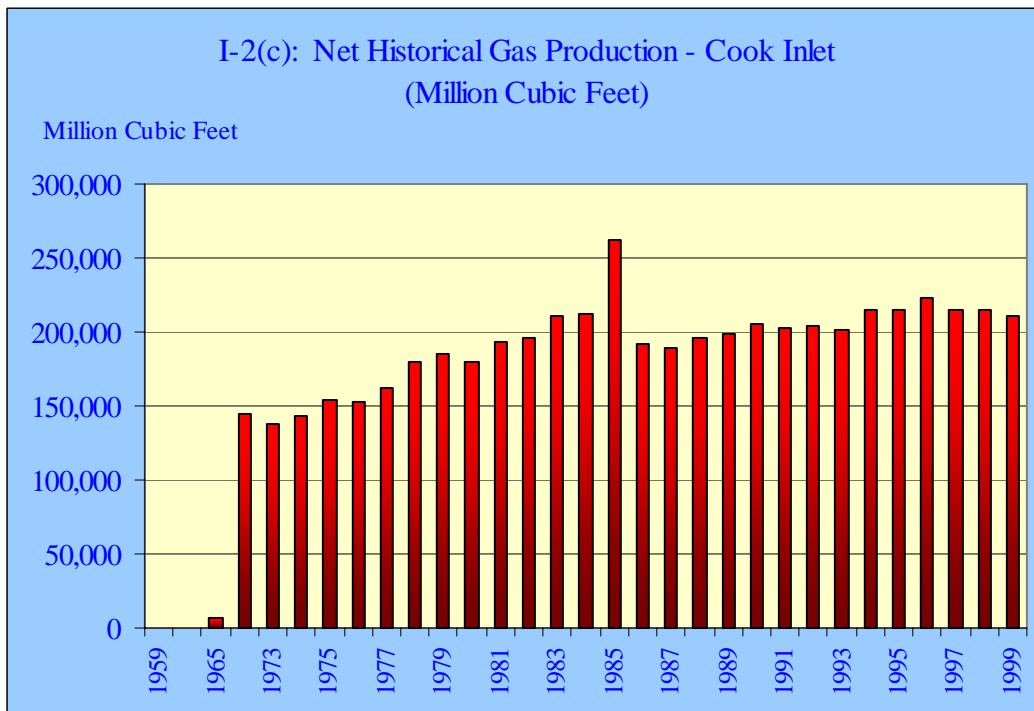
I-2(a): Cook Inlet Crude Oil and Gas Production

Year	Net Historical Oil Production (1,000 Brls)	Percent Change	Net Historical Gas Production (Million Cubic Feet)	Percent Change
1975	69,876		154,578	
1976	63,175	-9.6%	153,218	-0.9%
1977	56,958	-9.8%	161,575	5.5%
1978	50,946	-10.6%	179,099	10.8%
1979	43,380	-14.9%	184,716	3.1%
1980	36,728	-15.3%	179,264	-3.0%
1981	31,613	-13.9%	192,881	7.6%
1982	27,910	-11.7%	196,062	1.6%
1983	25,144	-9.9%	210,667	7.4%
1984	22,344	-11.1%	211,733	0.5%
1985	17,167	-23.2%	261,893	23.7%
1986	17,865	4.1%	191,272	-27.0%
1987	16,418	-8.1%	189,302	-1.0%
1988	15,911	-3.1%	196,614	3.9%
1989	15,390	-3.3%	198,370	0.9%
1990	11,167	-27.4%	205,488	3.6%
1991	15,363	37.6%	203,067	-1.2%
1992	15,198	-1.1%	204,452	0.7%
1993	13,871	-8.7%	201,024	-1.7%
1994	15,585	12.4%	214,521	6.7%
1995	15,530	-0.4%	214,478	0.0%
1996	14,604	-6.0%	222,967	4.0%
1997	12,115	-17.0%	214,731	-3.7%
1998	11,810	-2.5%	214,949	0.1%
1999	10,905	* -7.7%	210,703	** -2.0%

* - Crude Oil includes natural gas liquids
 ** - Casinghead gas less injected



Gas and oil production charts on this page represent data presented on the previous page. Oil production shown is crude oil less natural gas liquids. Gas production shown is production minus gas injected to increase extraction.



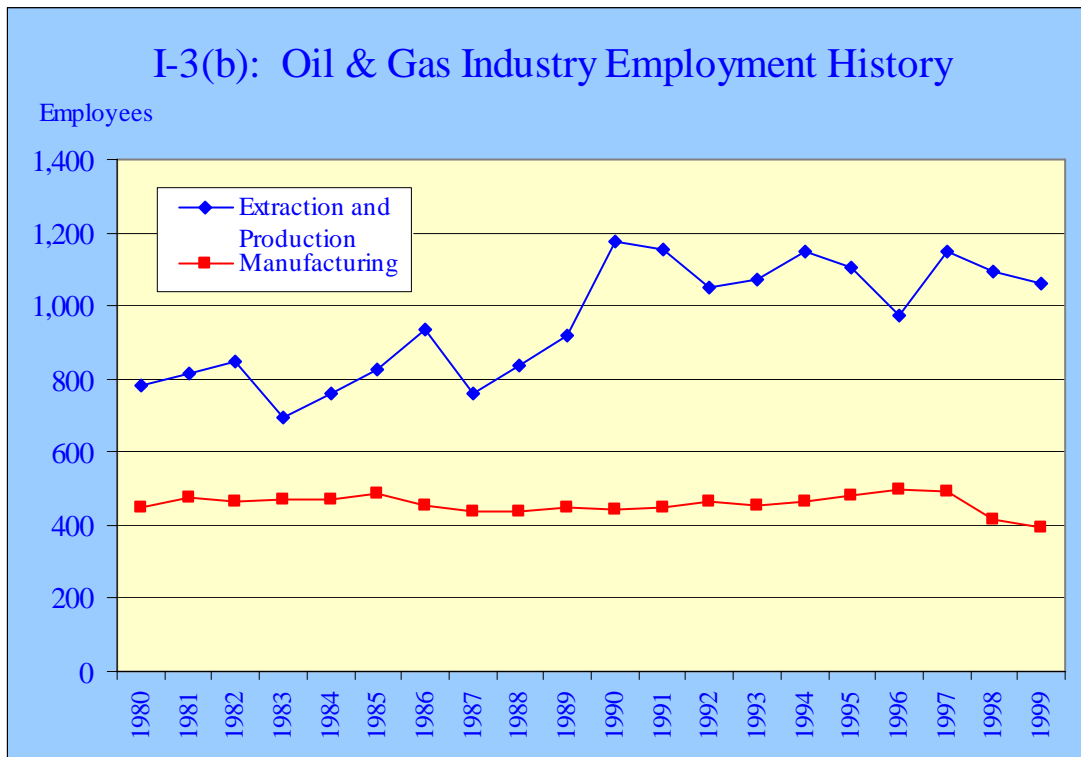
I-3: Employment

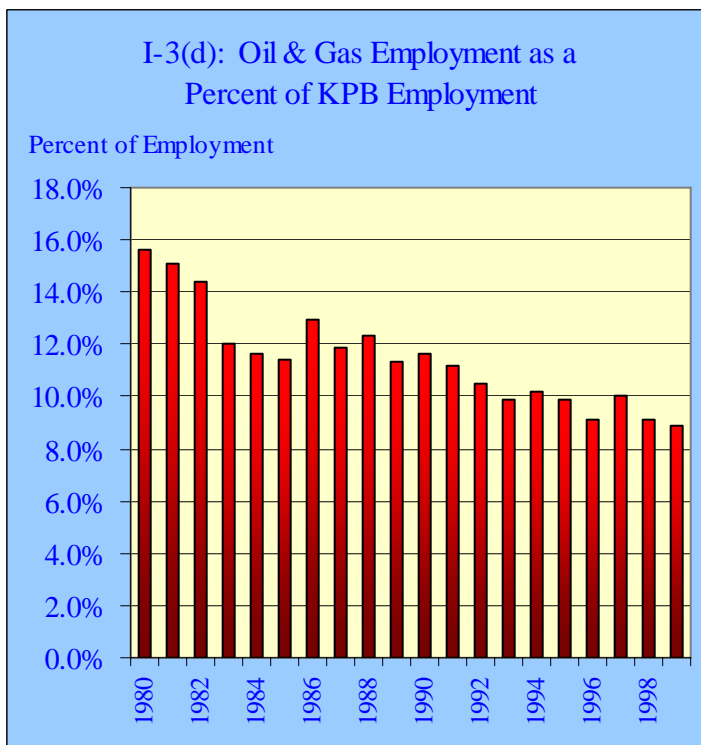
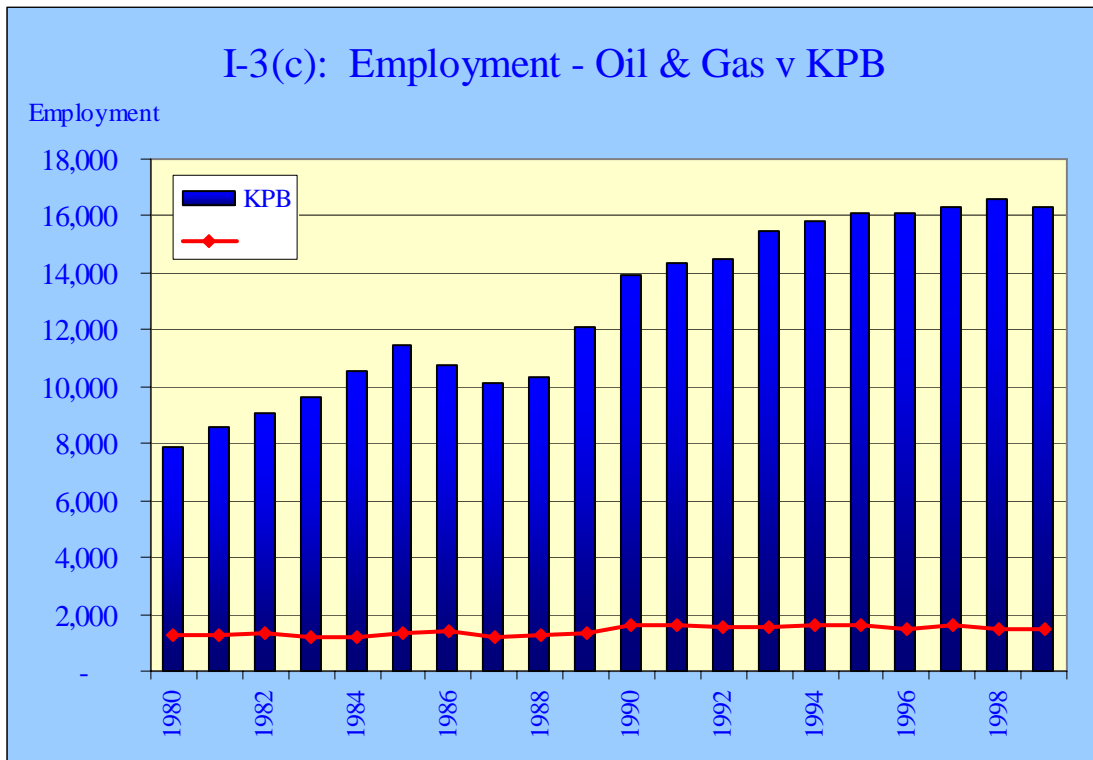
I-3(a): Annual Average Monthly Employment			
Year	Extraction and Production	Manufacturing	Total Oil Industry Employment
1980	783	450	1,233
1981	814	476	1,290
1982	848	463	1,311
1983	694	469	1,163
1984	761	468	1,229
1985	827	486	1,313
1986	935	456	1,391
1987	758	440	1,198
1988	839	437	1,276
1989	920	446	1,366
1990	1,175	444	1,619
1991	1,156	450	1,606
1992	1,051	463	1,514
1993	1,071	454	1,525
1994	1,146	466	1,612
1995	1,104	482	1,586
1996	973	499	1,472
1997	1,148	494	1,642
1998	1,092	418	1,510
1999	1,062	392	1,454

Employment in the Oil & Gas Industry includes two categories, Manufacturing activities and Extraction & Production activities. The greatest employment growth since 1980 occurred in Extraction & Production, increasing 26%.

Manufacturing lost eight positions or 2%, during the time period.

Extraction & Production employed 73% of industry personnel during 1999.





I-3(e): Oil & Gas Employment as a Percent of Total KPB

Year	Percent of Total
1980	15.6%
1981	15.1%
1982	14.4%
1983	12.0%
1984	11.6%
1985	11.4%
1986	12.9%
1987	11.8%
1988	12.3%
1989	11.3%
1990	11.7%
1991	11.2%
1992	10.5%
1993	9.9%
1994	10.2%
1995	9.8%
1996	9.1%
1997	10.1%
1998	9.1%
1999	8.9%

Employment in the Oil & Gas industries has increased slightly over time, but has decreased as a percent of total KPB employment due to greater growth in other industries.

I-4: Earnings

I-4(a): Annual Average Monthly Wage

Year	Oil & Gas	KPB
1993	\$4,831	\$2,458
1994	\$4,755	\$2,473
1995	\$4,752	\$2,476
1996	\$5,076	\$2,471
1997	\$4,809	\$2,504
1998	\$4,761	\$2,504
1999*	\$6,040	\$2,544

I-4(b): Annual Average Total Payroll

Year	Oil & Gas	KPB	Percent
			of Total
1993	\$61,664,096	\$455,721,465	13.5%
1994	\$64,616,102	\$469,340,559	13.8%
1995	\$62,693,314	\$478,622,533	13.1%
1996	\$59,282,165	\$477,751,018	12.4%
1997	\$66,224,247	\$490,672,315	13.5%
1998	\$62,355,100	\$498,373,187	12.5%
1999*	\$64,265,376	\$498,738,512	12.9%

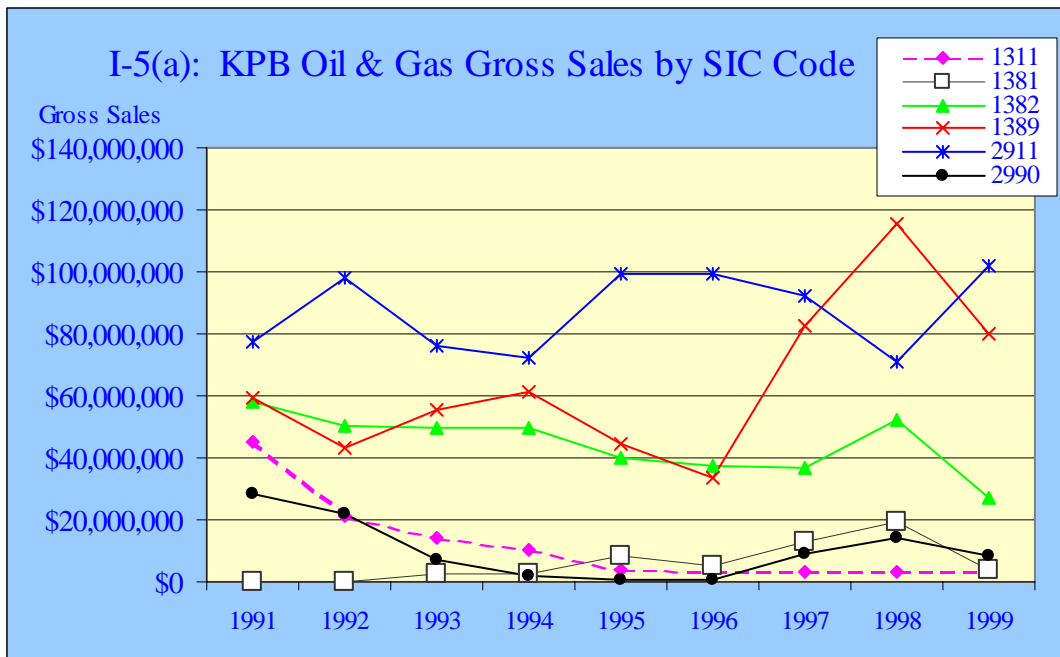
* - Preliminary data

Source – State of Alaska Department of Labor and Workforce Development

I-5: Gross Sales

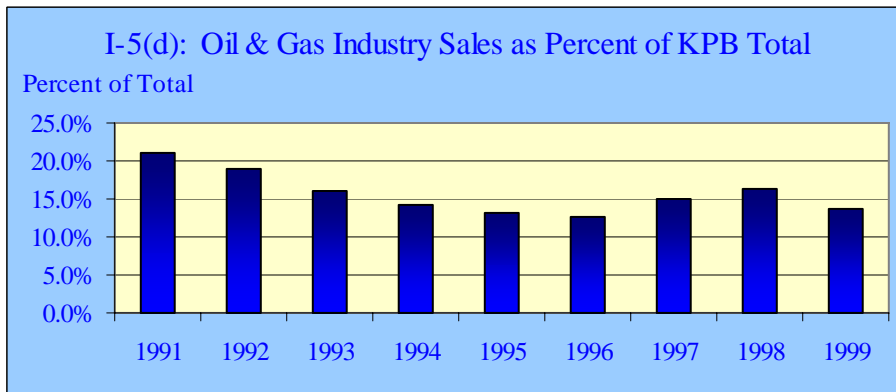
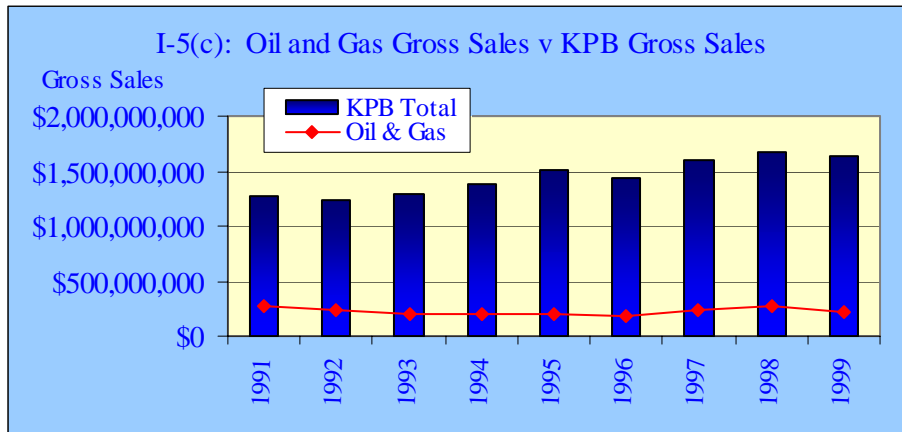
1311	Crude Petroleum/Natural Gas
1381	Drilling Oil and Gas Wells
1382	Oil & Gas Exploration Services
1389	Oil & Gas Field Services NEC
2911	Petroleum Refining
2990	Misc Petroleum and Coal Products

SIC Codes relating to the Oil & Gas Industry are listed in the table to the right. Except where indicated, data represents the combined codes.



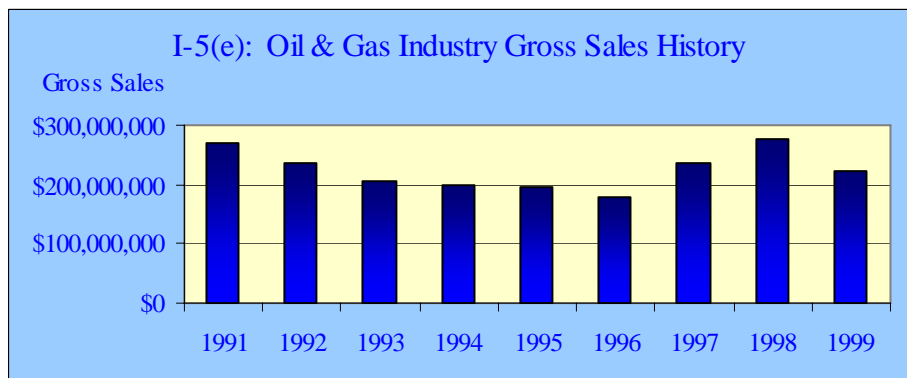
I-5(b): Oil and Gas Industry Gross Sales by SIC Code in \$

	1993	1994	1995	1996	1997	1998	1999
1311	14,158,823	10,250,030	3,821,546	3,341,381	3,478,833	3,476,098	3,080,290
1381	2,884,628	2,472,893	8,357,186	4,902,309	12,649,125	19,388,741	4,117,101
1382	49,700,340	49,904,622	40,011,087	37,478,793	36,952,926	52,476,462	26,793,107
1389	55,528,515	61,452,089	44,685,727	33,805,634	82,476,680	115,265,270	79,768,912
2911	76,259,609	72,134,154	99,296,486	99,598,890	92,213,014	70,777,431	102,140,081
2990	7,071,786	2,151,988	733,779	899,155	9,169,310	14,075,682	8,154,277
Oil & Gas	205,603,701	198,365,776	196,905,811	180,026,162	236,939,888	275,459,684	224,053,768
KPB Total	1,291,122,928	1,384,421,914	1,506,553,165	1,435,854,834	1,592,760,304	1,677,835,629	1,642,006,729
Percent of Total	15.9%	14.3%	13.1%	12.5%	14.9%	16.4%	13.6%

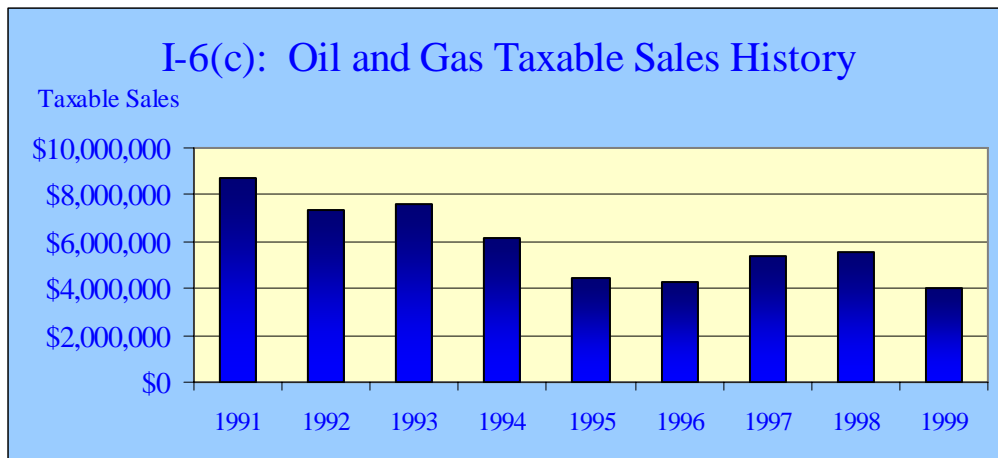
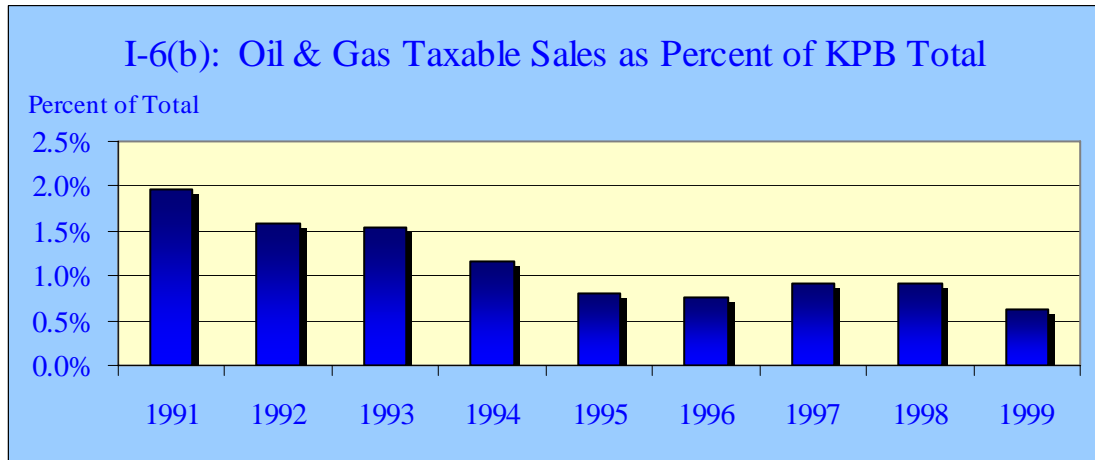
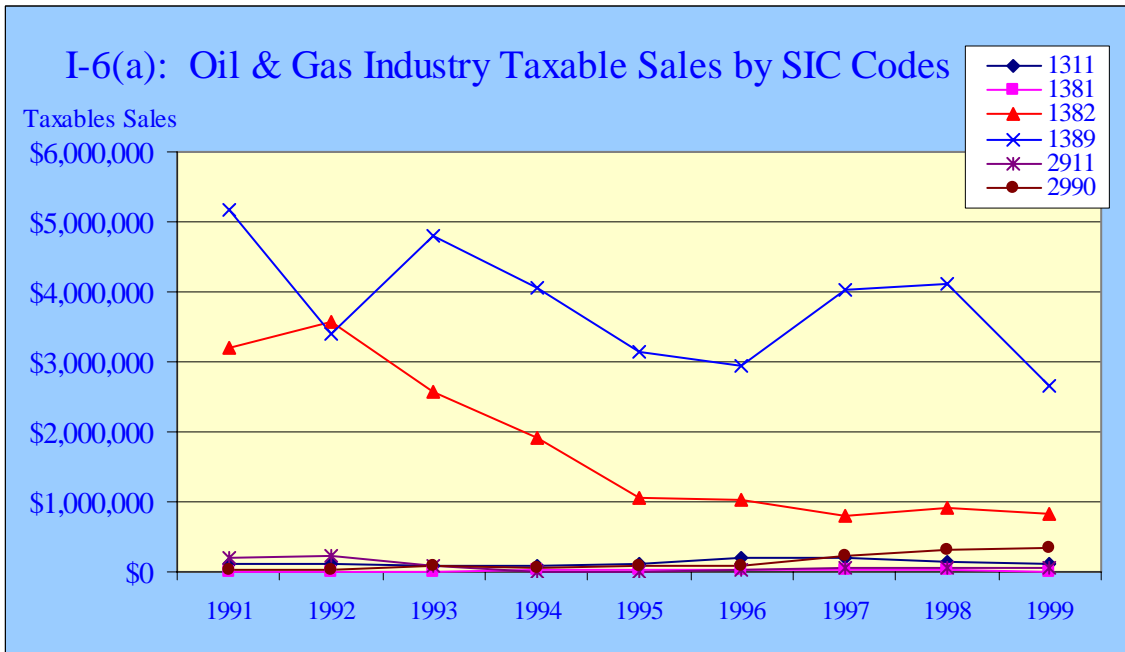


Early in the decade, Oil and Gas gross sales were over 20% of total KPB sales. By 1999, the percentage had dropped to 13.6%, a decline from 1998 but ahead of 12.5% low during 1996.

Gross Sales in the industry are variable, with total sales dependent on the price of oil which in turn affects product demand, or political behavior of both governmental and industry participants.



I-6: Taxable Sales

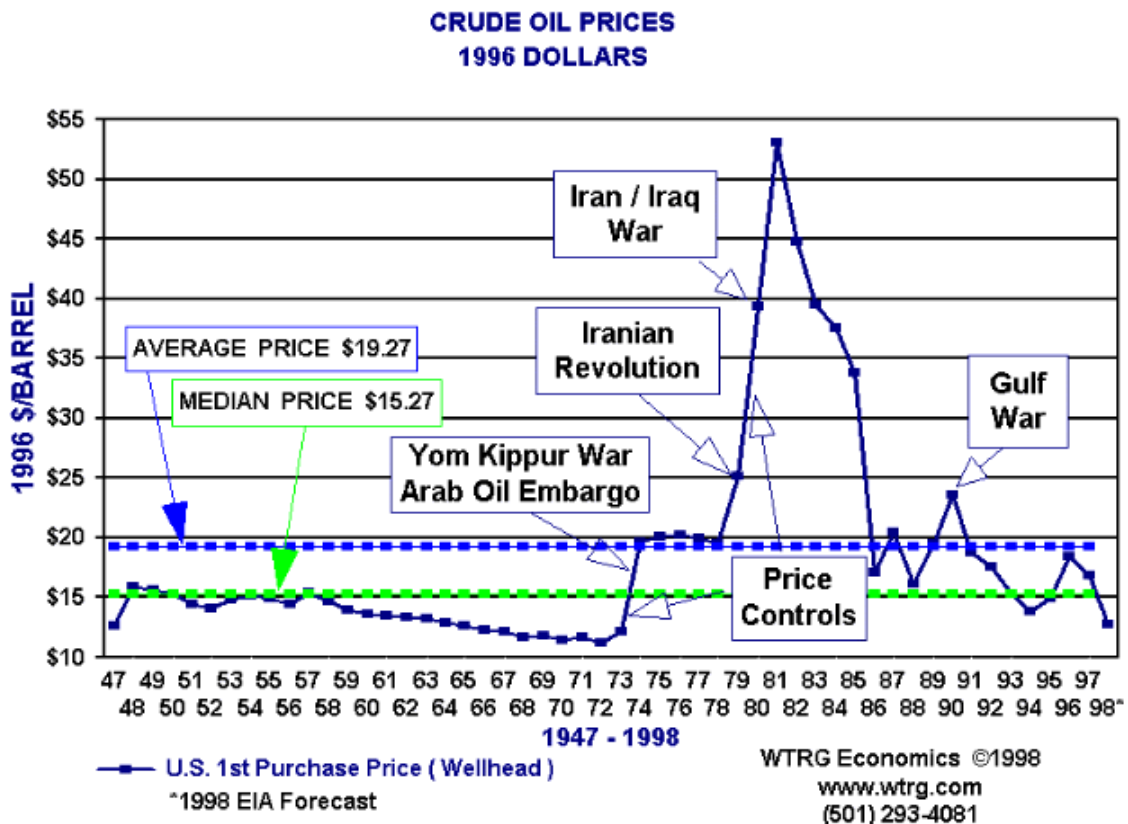


I-7: Top Ten Taxpayers - 1998	
1	Union Oil
2	Phillips Petroleum
3	Tesoro
4	Century Telephone
5	Marathon Oil
6	Shell Western
7	Arco Alaska
8	Cook Inlet Pipeline
9	Alaska Pipeline Co (Enstar)
10	Fred Meyer

Historically, Oil & Gas industry participants have dominated the Top Ten Taxpayer listing. In recent years, some have been displaced by entries such as Century Telephone and Fred Meyer.

I-8: Oil Prices

Worldwide crude oil prices and certain events impacting the prices from 1947 through 1998 are shown below.



Source - http://www.wtrg.com/oil_graphs/crudeoilprice4797c.gif

J: KPB Retail Industry

The Kenai Peninsula Borough Retail Industry provides an important source of employment and a solid base for government revenue. Business activities are divided into categories under Standard Industry Classification (SIC) codes. As a result of NAFTA, new standard classification codes are being phased into effect to allow for uniform reporting between the United States, Canada and Mexico.

In Alaska and the Kenai Peninsula Borough the Retail Industry is highly seasonal, due in part to seasonality of several area industries including Tourism, Commercial Fishing and Construction. Seasonal increases in these sectors, in turn, result in increases in retail sector activity.

J-1: Employment

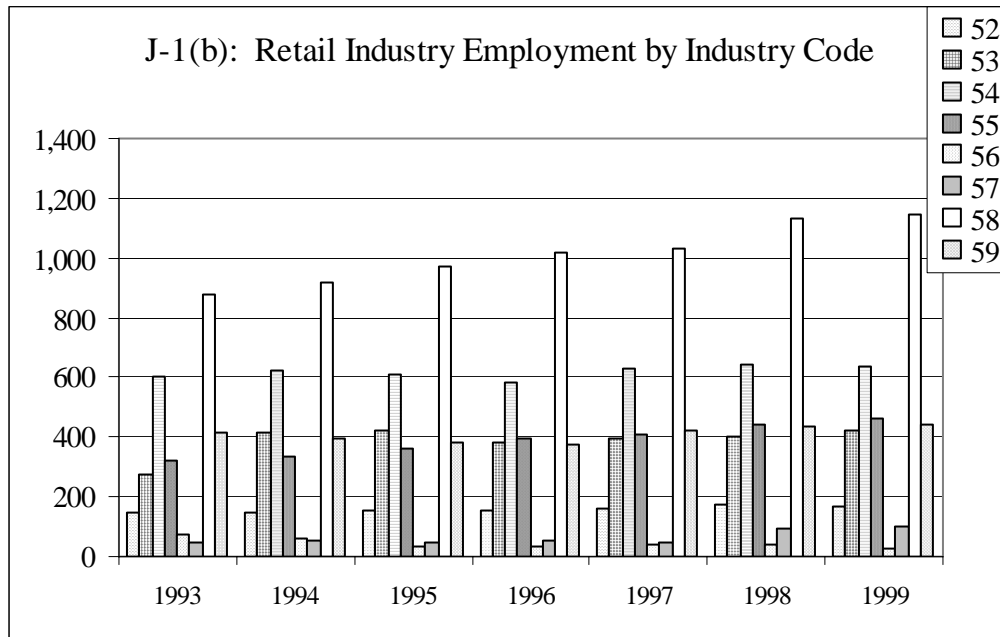
KPB employment categories in the Retail industry are listed below. Keep these codes in mind as you evaluate information on the following pages.

- | | |
|--|---|
| 52 Building materials and garden supplies | 56 Apparel and accessory stores |
| 53 General merchandise stores | 57 Furniture and home furnishing stores |
| 54 Food stores | 58 Eating and drinking places |
| 55 Automotive dealers and service stations | 59 Miscellaneous retail |

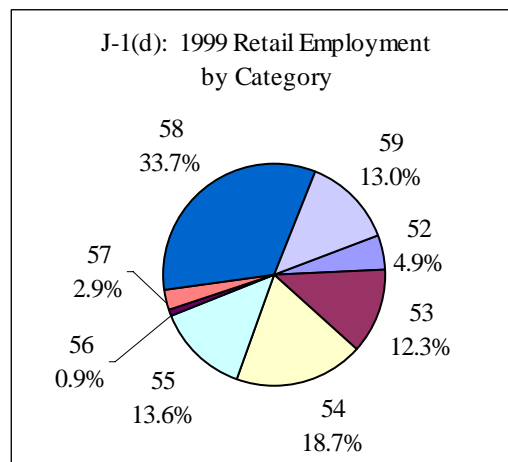
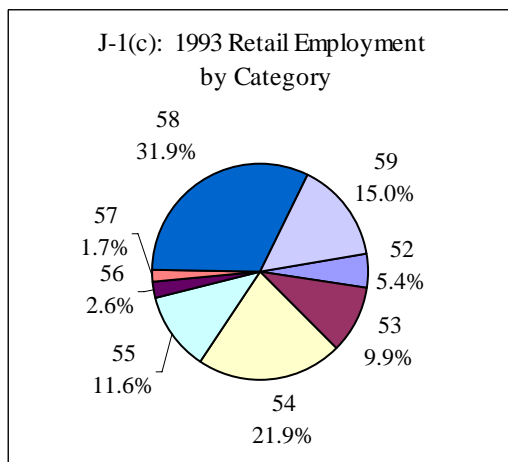
Retail Industry Employment by Industry Code								
		1993	1994	1995	1996	1997	1998	1999
52	Building materials and garden supplies	149	145	156	152	162	174	168
53	General merchandise stores	272	412	425	382	392	399	420
54	Food stores	602	622	607	585	629	641	636
55	Automotive dealers and service stations	319	338	359	392	406	440	462
56	Apparel and accessory stores	72	60	34	32	42	37	30
57	Furniture and home furnishing stores	48	54	50	52	49	97	100
58	Eating and drinking places	878	916	973	1019	1030	1133	1148
59	Miscellaneous retail	412	395	383	378	422	434	441
	Total	2,752	2,942	2,987	2,992	3,132	3,355	3,405

Two large players in the industry, Code 58 - Eating & Drinking Places and Code 54 - Food Stores, employ 33.7% and 18.7% of retail employees, respectively. Apparel & Accessories, Code 56, is the smallest player with 0.9% of retail employment.

Employment in Furniture & Home Furnishings, Code 57, has doubled since 1993 while Apparel & Accessory stores, Code 56, employment has dropped by more than half.



Retail Employment by Category



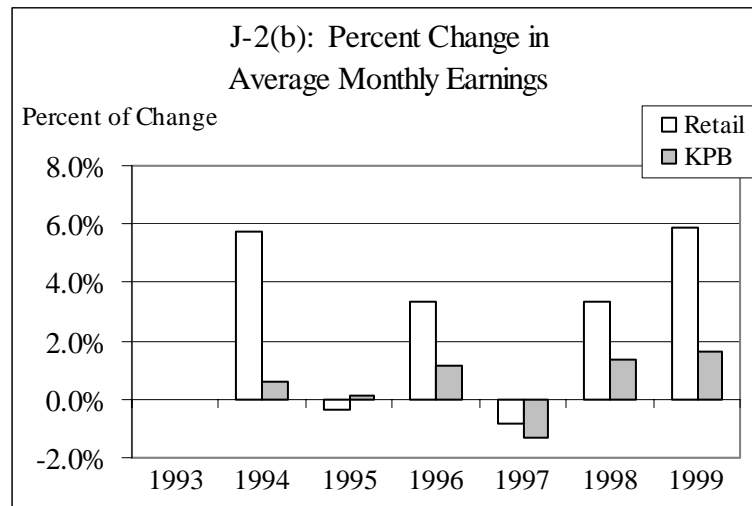
Food Stores employment, Code 54, dropped from 21.9% to 18.7% of Retail employment from 1993 to 1999, a 3.7% loss. Miscellaneous Retail (59) businesses lost 2% of the total. General Merchandise Stores Employment, Code 53, increased its percentage of employment by 2.4% while Automotive Dealers & Service Stations, Code 55, gained 2%.

J-2: Earnings

Wages in the retail sector gained ground during 1998, though they remain substantially below KPB averages. Historically, monthly retail earnings are 50% of the KPB average wage but the percentage has been improving as 1999 retail monthly average income was 57.8% of the KPB average.

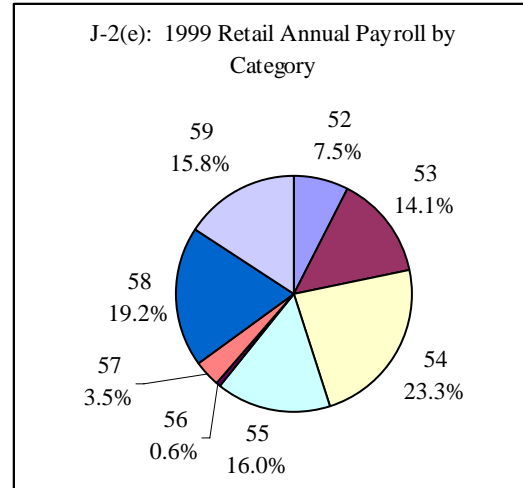
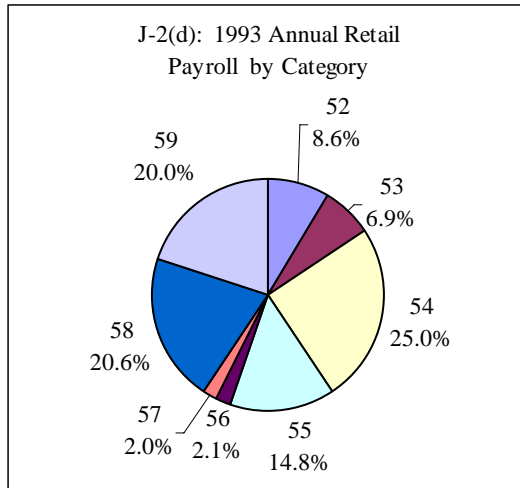
J-2(a): KPB Average Monthly Earnings in \$

	Retail	KPB Average	Retail as Percent of Average
1993	1,244	2,458	50.6%
1994	1,315	2,473	53.2%
1995	1,310	2,476	52.9%
1996	1,354	2,504	54.1%
1997	1,343	2,471	54.4%
1998	1,388	2,504	55.4%
1999	1,470	2,544	57.8%



J-2(c): Retail Industry Annual Payroll Totals in \$

SIC Code	1993	1994	1995	1996	1997	1998	1999
52 Building materials & garden supplies	3,522,903	3,664,928	3,976,543	3,734,514	4,063,739	4,309,715	4,672,622
53 General merchandise stores	2,845,457	5,420,389	6,006,446	5,740,068	5,740,416	6,458,477	8,754,803
54 Food stores	10,268,006	12,243,861	11,846,757	11,867,340	12,350,201	12,959,240	14,492,259
55 Automotive dealers & service stations	6,066,621	6,827,006	7,240,957	8,085,192	8,600,518	9,417,384	9,962,173
56 Apparel & accessory stores	876,216	782,612	350,280	360,371	420,090	389,442	347,399
57 Furniture & home furnishing stores	812,501	872,602	895,109	954,065	925,355	2,138,179	2,185,432
58 Eating & drinking places	8,482,345	8,599,636	8,892,068	9,534,409	9,808,619	11,025,718	11,955,461
59 Miscellaneous retail	8,210,610	7,996,809	7,753,377	7,940,357	8,989,753	9,166,009	9,800,076
Total Retail Wages	41,084,659	46,407,843	46,961,537	48,216,316	50,898,691	55,864,164	62,170,225



Employees of General Merchandise Stores, Code 53, increased earnings as a percentage of Retail earnings from 6.9% during 1993 to 14.1% in 1999, a 7.2% increase. No other category increased more than 1.5%. Miscellaneous Retail stores (59) earnings lost as a percentage of the Retail Industry, dropping from 20.0% to 15.8%, down 4.2%.

Apparel & Accessories, Code 56, with the second lowest percentage during 1993, dropped even lower to 0.6% of retail annual payroll totals.

J-3: Industry Participants

Retail businesses are licensed under SIC Codes 4200-4599. Data follows for business licenses issued in the KPB during 1999.

J-3(a): Retail Business Licenses and Total Business Licenses by Area			
	Retail Business Licenses	Total Business Licenses	Retail as Percent of Total
Anchor Point	23	361	6.4%
Clam Gulch	3	58	5.2%
Cooper Landing	6	103	5.8%
Fritz Creek	6	78	7.7%
Halibut Cove	2	28	7.1%
Homer	114	1,851	6.2%
Hope	3	48	6.3%
Kasilof	17	281	6.0%
Kenai	110	1,303	8.4%
Moose Pass	4	50	8.0%
Nanwalek	0	3	0.0%
Nikiski	38	273	13.9%
Nililchik	18	212	8.5%
Port Graham	2	16	12.5%
Seldovia	11	105	10.5%
Seward	69	838	8.2%
Soldotna	173	2,134	8.1%
Sterling	38	461	8.2%
Tyonek	1	21	4.8%
KPB Total	638	8,224	7.8%

There are 8,224 business licenses issued to borough addresses. The 638 issued within retail business categories make up 7.8% of the total.

It is noteworthy that 33% of KPB Gross Sales occur within the Retail industry with only 7.8% of business licenses across the borough.

Taxable Sales in the Retail industry account for 57% of total sales. The KPB tax system intends to tax only the final consumer of a product, so the high percentage is to be expected.

Kenai and Soldotna are the primary retail shopping areas within the borough and each has a higher percent of retail licenses than the borough as a whole. While Port Graham has the highest percent of retail licenses, only Nanwalek has fewer total licenses issued to businesses in the area.

J-4: Retail Space

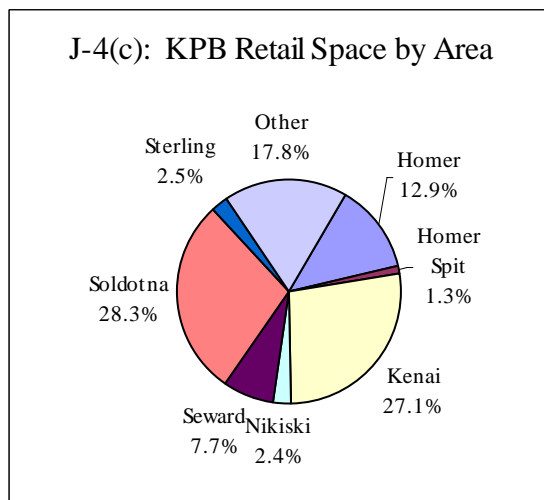
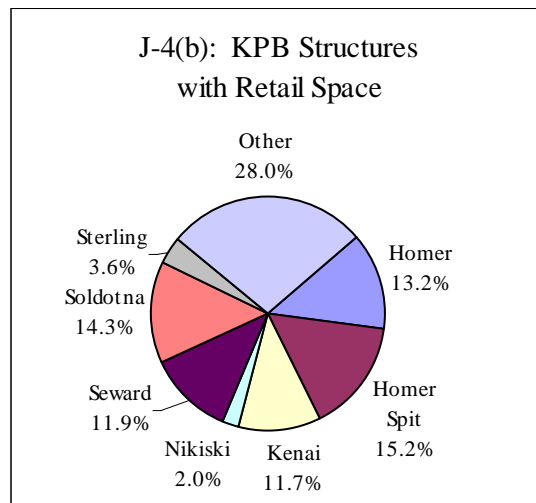
J-4(a): KPB Retail Space

<u>Community</u>	<u>Number of Buildings</u>	<u>Square Feet</u>	<u>Average Area</u>
Homer	59	277,585	4,705
Homer Spit	68	28,034	412
Kenai	52	582,318	11,198
Nikiski	9	51,403	5,711
Seward	53	164,847	3,110
Soldotna	64	606,474	9,476
Sterling	16	53,073	3,317
Other	125	382,320	3,059
Total	446	2,146,054	4,812

KPB average retail space by business is 4,812 square feet. Kenai has the largest average building area, 11,198 ft² and second largest total retail area, 582,318 ft². Soldotna has the largest total retail area, 606,474 ft² and the second highest average building size, 9,476 ft².

Nikiski reports only nine buildings, the fewest of all areas, but has third highest average retail building size 5,711 ft².

Homer Spit has 68 buildings classified for retail, yet has by far the lowest average building size, 412 ft². Retail buildings on the Spit generally cater to tourism demands during the summer and close shop during the winter months.



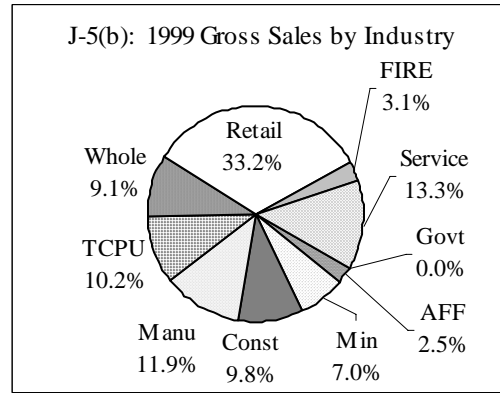
While 28% of KPB retail buildings are located in areas outside the cities, only 18% of retail space is outside the cities.

Kenai and Soldotna combined to account for over 55% of KPB retail space with only 25% of the buildings.

J-5: Gross Sales

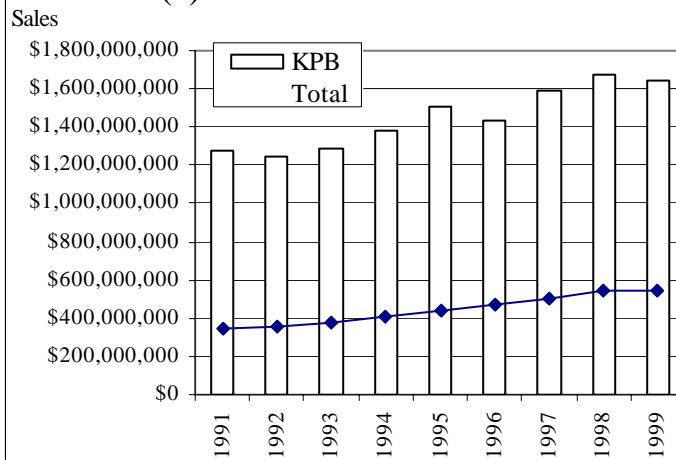
J-5(a): Retail v KPB Gross Sales

	Retail	KPB Total	Percent of Total
1991	\$340,855,170	\$1,281,600,602	26.6%
1992	\$354,452,639	\$1,242,665,657	28.5%
1993	\$379,512,518	\$1,291,122,928	29.4%
1994	\$409,990,908	\$1,384,421,914	29.6%
1995	\$437,690,220	\$1,506,553,165	29.1%
1996	\$475,324,058	\$1,435,854,834	33.1%
1997	\$505,690,459	\$1,592,760,304	31.7%
1998	\$547,999,626	\$1,677,835,629	32.7%
1999	\$543,768,214	\$1,642,006,729	33.1%

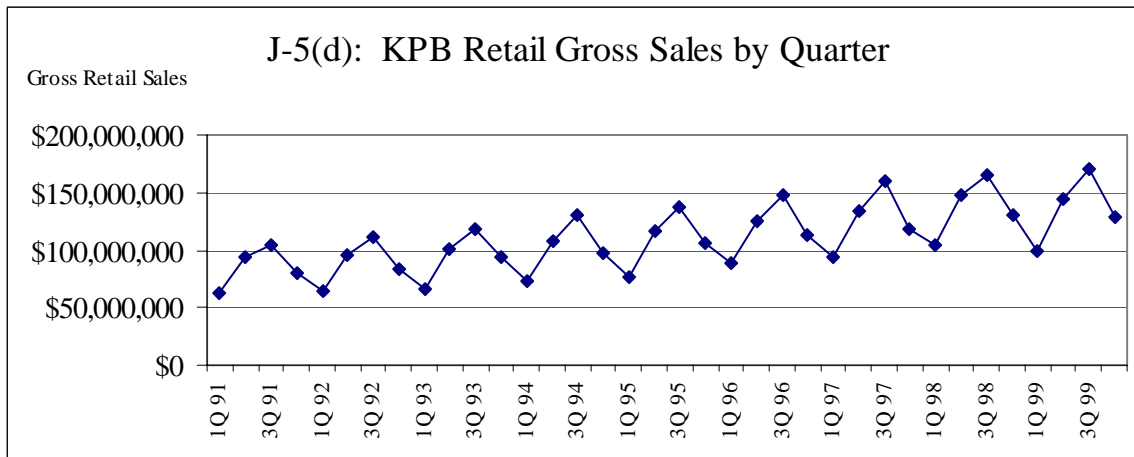


Since 1991, KPB Retail Sales have increased 6.5% as a percentage of Gross Sales. They now account for one-third of sales, more than double Service sales, the second highest sales total. While 1999 total Gross Sales were down \$35 million, Retail Gross Sales were down \$4 million.

J-5(c): Retail v KPB Gross Sales



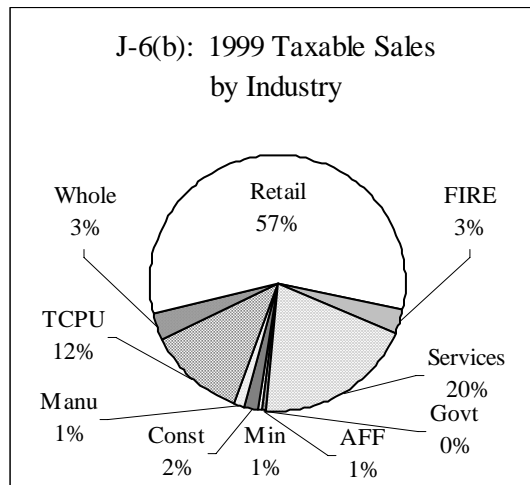
J-5(d): KPB Retail Gross Sales by Quarter



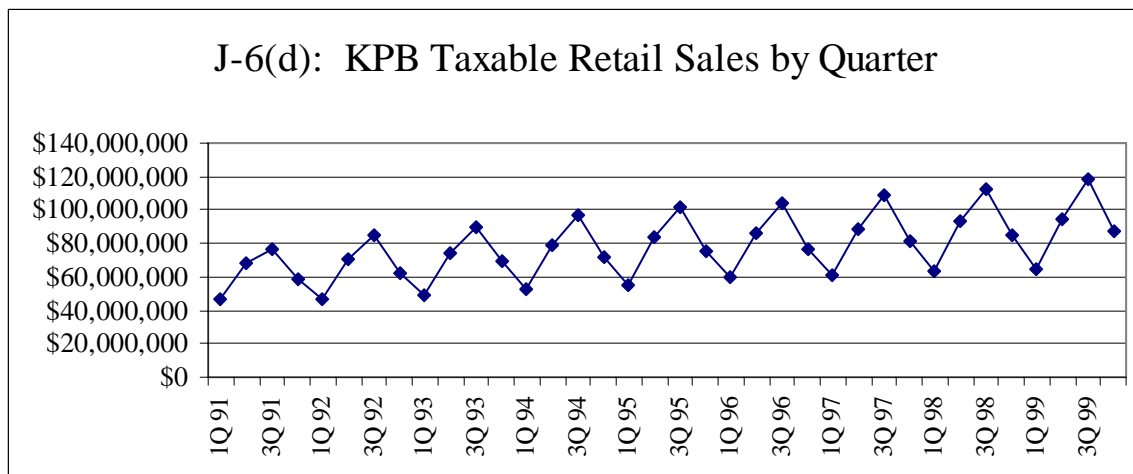
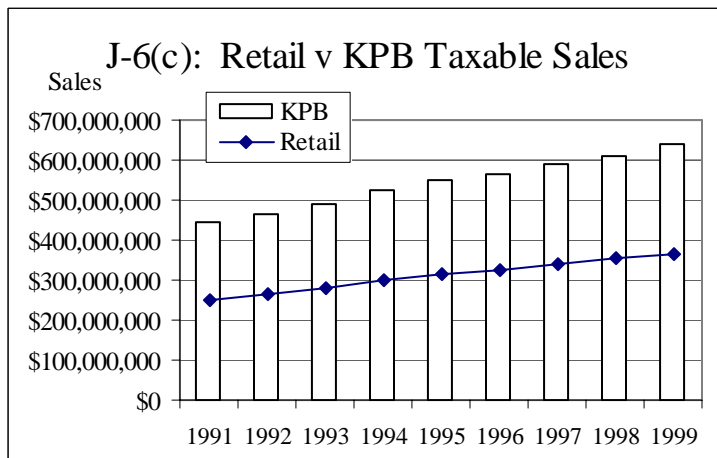
J-6: Taxable Sales

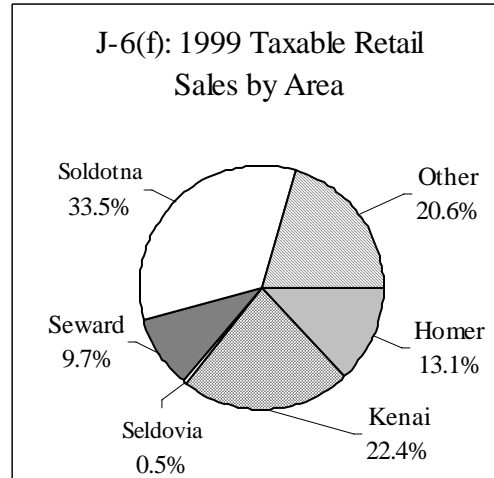
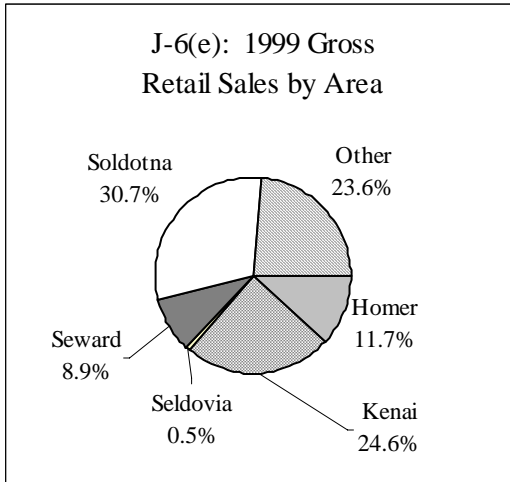
J-6(a): Retail v KPB Taxable Sales

	Taxable Retail Sales	Taxable KPB Sales	Retail Percent of Total
1991	\$249,981,739	\$444,297,296	56.3%
1992	\$265,248,750	\$463,217,964	57.3%
1993	\$281,871,336	\$492,438,032	57.2%
1994	\$300,166,512	\$527,301,071	56.9%
1995	\$315,926,311	\$552,149,064	57.2%
1996	\$326,646,177	\$564,833,803	57.8%
1997	\$339,591,748	\$590,180,718	57.5%
1998	\$353,720,974	\$612,296,342	57.8%
1999	\$364,624,866	\$639,443,450	57.0%



Retail Sales produce a major portion of municipal revenue as annual sales are 56-57% of KPB taxable sales year after year. Taxable Retail Sales increased nearly \$11 million during 1999, a substantial portion of KPB's \$27 million increase.





J-7: Retail Sales By Community

Each industry provides unique benefits to the borough economic climate, perhaps through employment opportunities, above average wages, building blocks for other industries or export opportunities. Retail sales account for a high percentage of borough sales and therefore, of sales tax revenues. These municipal revenues enable infrastructure development leading to services such as police and fire protection, education, and road maintenance.

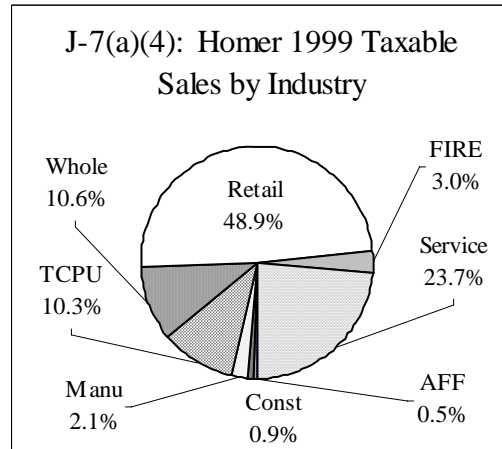
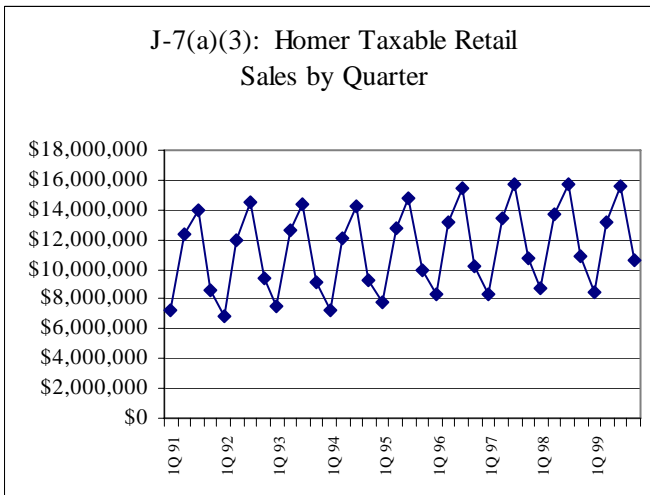
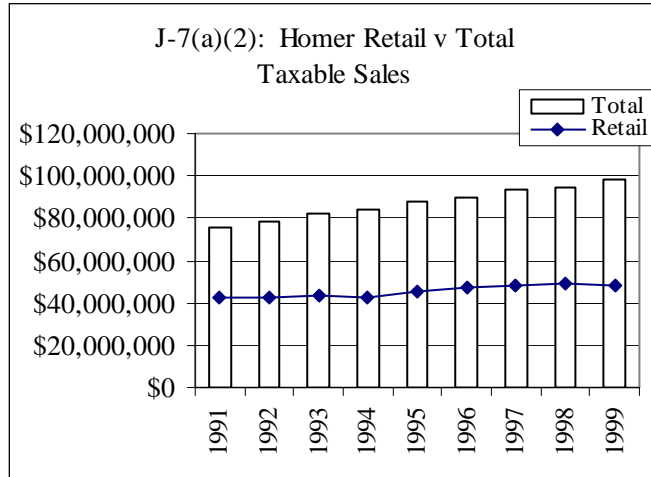
The Kenai Peninsula Borough levies a borough wide 2% sales tax. In addition, Kenai, Seldovia, Seward and Soldotna levy a 3% tax and Homer levies a 3.5% sales tax. Taxes are collected by the KPB then distributed to the communities. This method benefits business owners who only prepare one sales tax return and the borough receives economic information that helps both government and businesses in decision-making processes.

As each industry provides a different economic benefit to the KPB, each community benefits from its blend of industries. Information in this section provides detail of Retail Sales in the various KPB cities.

J-7(a): Homer

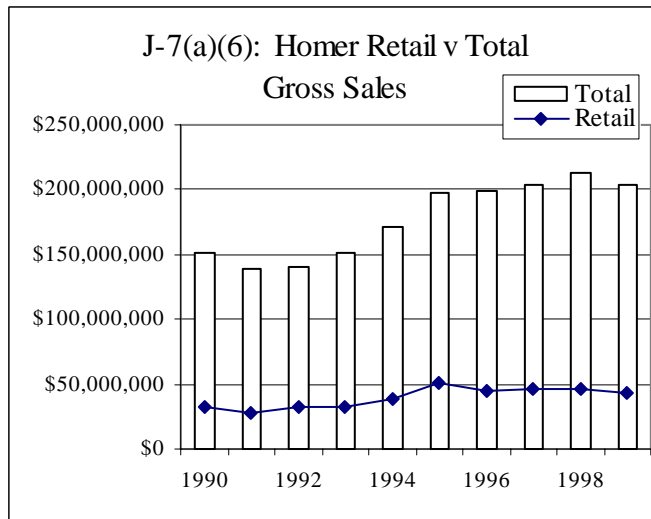
J-7(a)(1): Homer Retail v Total Taxable Sales in \$

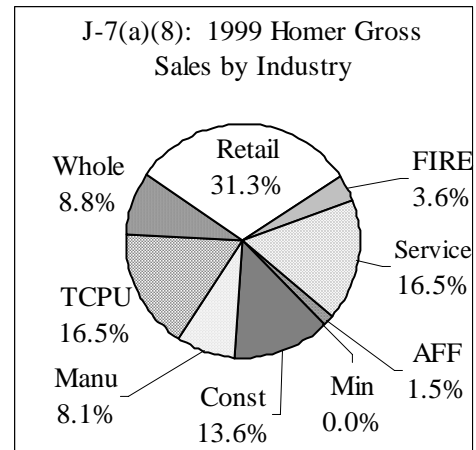
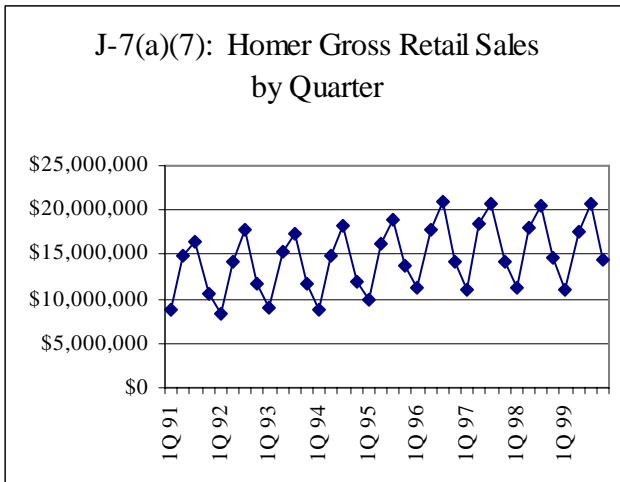
	Retail	Total	Percent of Total
1991	42,225,553	75,980,304	55.6%
1992	42,667,226	78,602,892	54.3%
1993	43,608,257	82,265,519	53.0%
1994	42,898,823	84,113,058	51.0%
1995	45,330,265	88,185,737	51.4%
1996	47,011,130	89,924,378	52.3%
1997	48,306,104	93,279,135	51.8%
1998	49,005,043	94,441,885	51.9%
1999	47,873,382	97,995,374	48.9%



J-7(a)(5): Homer Gross Sales in \$

	Retail	Total	Percent of Total
1988	32,981,179	141,300,836	23.3%
1989	90,058,199	556,611,853	16.2%
1990	33,004,602	151,688,745	21.8%
1991	27,346,945	138,747,371	19.7%
1992	32,559,151	140,504,985	23.2%
1993	32,354,047	151,093,992	21.4%
1994	38,217,421	171,159,969	22.3%
1995	50,748,032	197,594,240	25.7%
1996	44,983,262	199,109,161	22.6%
1997	45,632,279	203,085,955	22.5%
1998	46,746,325	212,374,533	22.0%
1999	43,943,583	203,597,861	21.6%



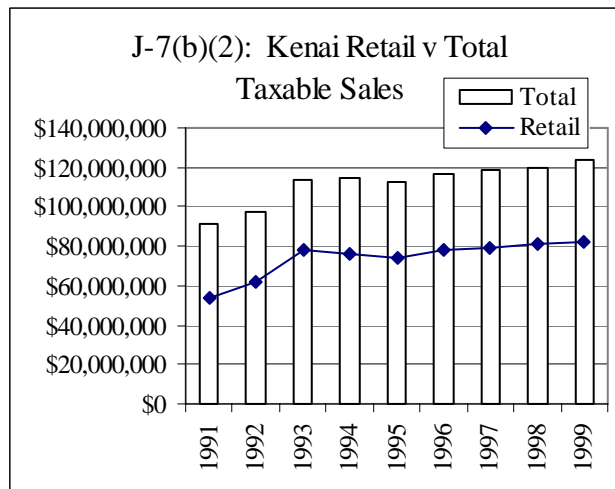


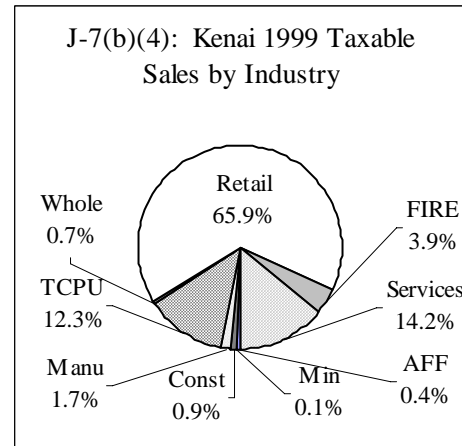
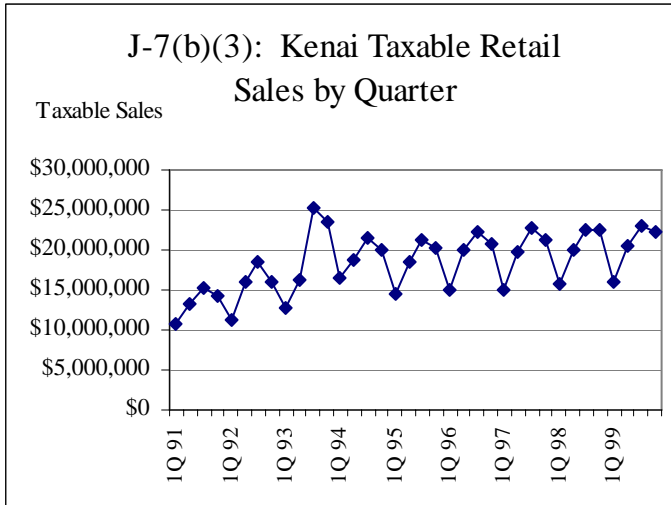
Homer relies heavily on the seasonal Retail industry, which provides approximately one third of Gross Sales and nearly half of Taxable Sales. During 1999, Gross Sales declined almost \$3 million, and Taxable Sales dropped by a little more than \$1 million. Taxable Sales have decreased slightly as a percentage of Homer total Taxable Sales.

J-7(b): Kenai

j-7(b)(1): Kenai Retail v Total Taxable Sales in \$

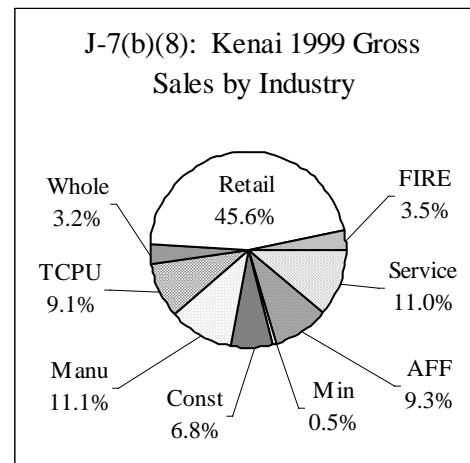
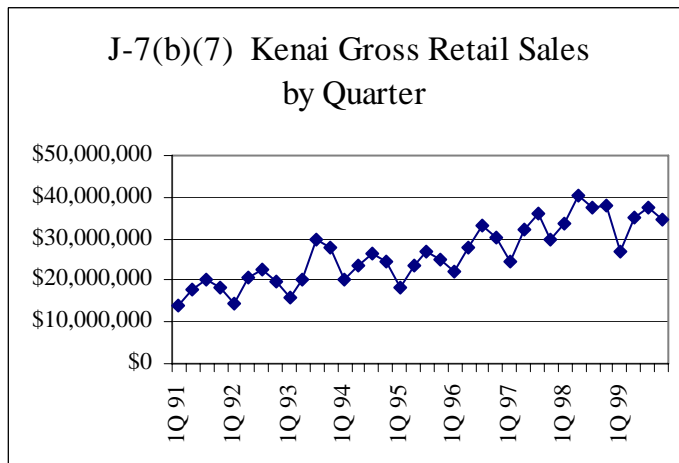
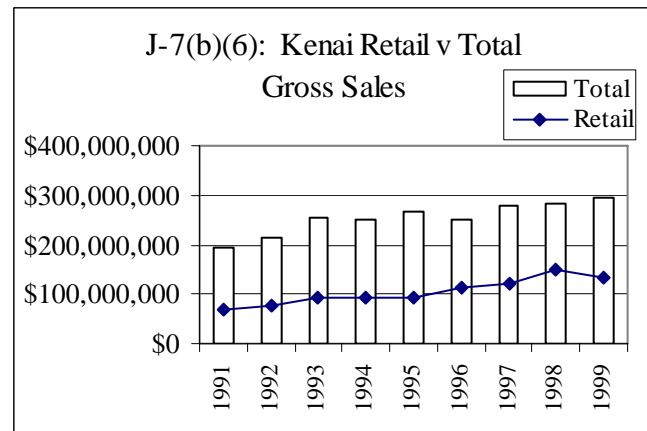
	Retail	Total	Percent of Total
1991	53,758,713	91,784,067	58.6%
1992	61,860,563	97,119,914	63.7%
1993	77,843,421	113,529,427	68.6%
1994	76,411,601	114,423,291	66.8%
1995	74,333,791	112,608,029	66.0%
1996	77,942,472	116,564,032	66.9%
1997	78,793,474	118,546,503	66.5%
1998	80,827,019	120,058,418	67.3%
1999	81,849,765	124,236,053	65.9%





J-7(b)(5): Kenai Retail v Total Gross Sales in \$

	Retail	Total	Percent of Total
1991	69,907,297	193,024,599	36.2%
1992	77,651,325	216,051,521	35.9%
1993	93,945,685	253,062,274	37.1%
1994	94,924,777	249,237,960	38.1%
1995	93,395,437	268,114,101	34.8%
1996	113,721,854	248,743,736	45.7%
1997	122,649,052	278,066,126	44.1%
1998	149,559,586	283,486,756	52.8%
1999	134,034,578	293,944,914	45.6%

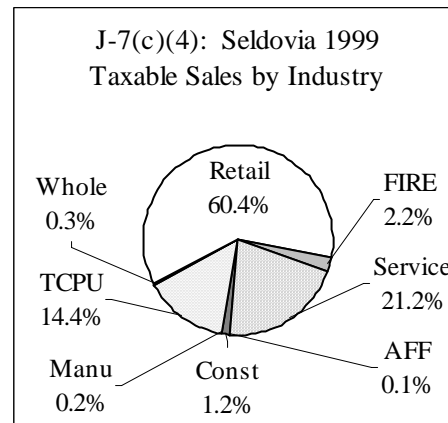
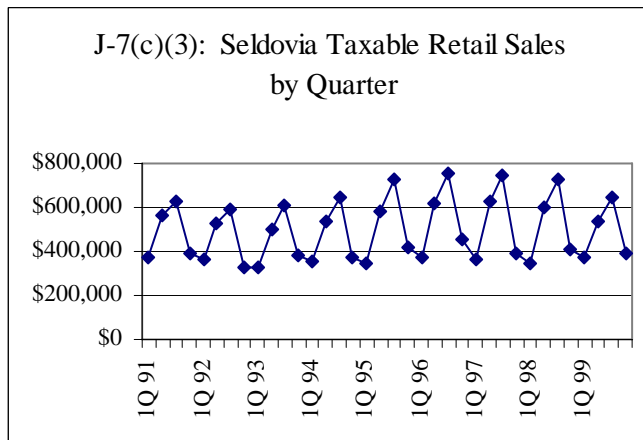
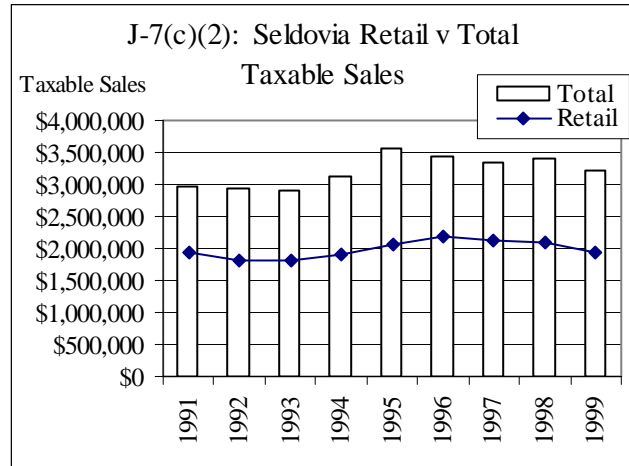


Retail Sales are fundamental to the City of Kenai economy with 45% of 1999 Gross Sales from this sector. Gross Retail Sales dropped \$15.5 million as Total Gross Sales increased \$10.5 million for the year. Taxable Retail Sales increased \$1 million as total Taxable Sales grew by \$4 million. Over time, Retail Sales are increasing as a percentage of total sales, both Gross and Taxable.

J-7(c): Seldovia

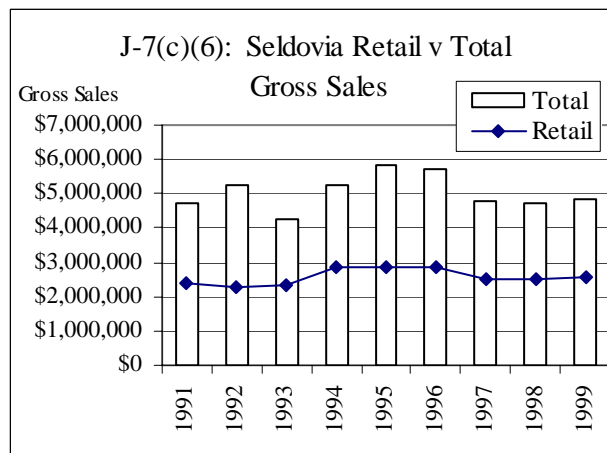
J-7(c)(1): Seldovia Retail v Total Taxable Sales in \$

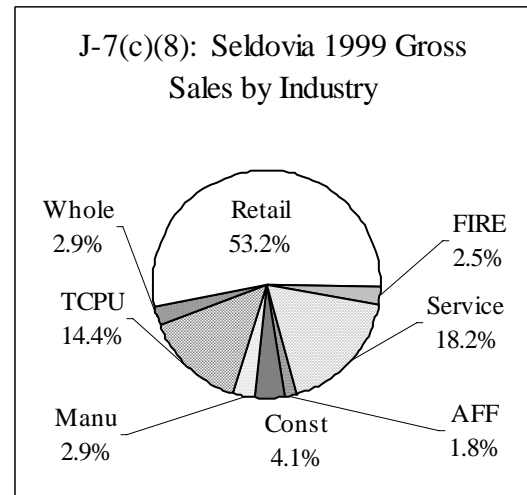
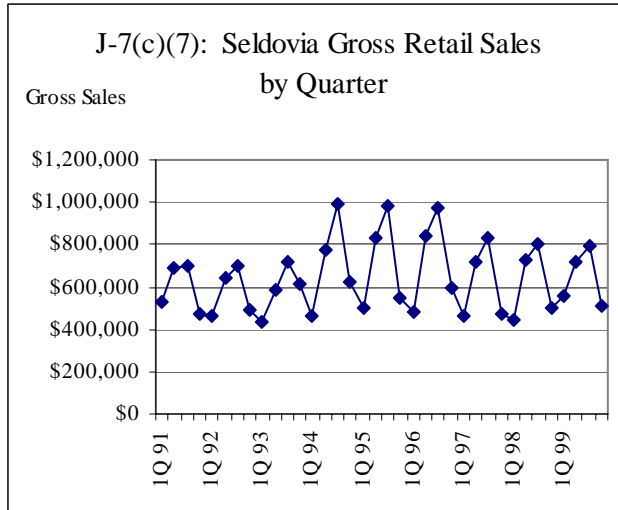
	Retail	Total	Percent of Total
1991	1,946,322	2,960,303	65.7%
1992	1,808,263	2,922,385	61.9%
1993	1,817,699	2,911,600	62.4%
1994	1,908,570	3,117,185	61.2%
1995	2,066,566	3,575,810	57.8%
1996	2,197,307	3,430,309	64.1%
1997	2,128,441	3,332,320	63.9%
1998	2,079,898	3,391,820	61.3%
1999	1,946,323	3,224,082	60.4%



J-7(c)(5): Seldovia Retail v Total Gross Sales in \$

	Retail	Total	Percent of Total
1991	2,385,042	4,700,512	50.7%
1992	2,299,036	5,233,059	43.9%
1993	2,359,366	4,251,941	55.5%
1994	2,853,302	5,275,307	54.1%
1995	2,868,033	5,836,723	49.1%
1996	2,885,318	5,729,992	50.4%
1997	2,494,095	4,769,552	52.3%
1998	2,479,569	4,717,266	52.6%
1999	2,574,482	4,839,603	53.2%



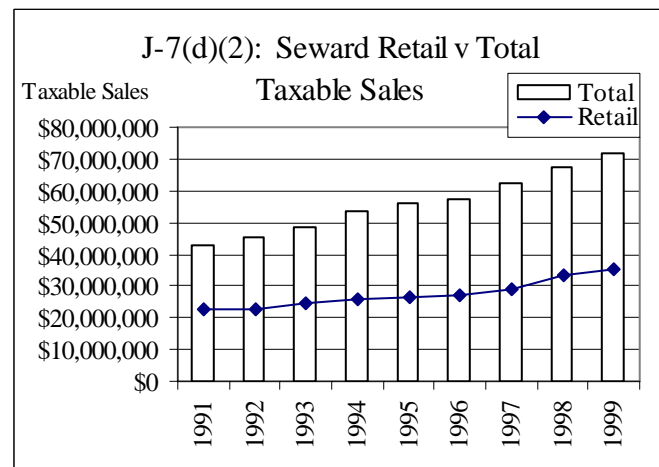


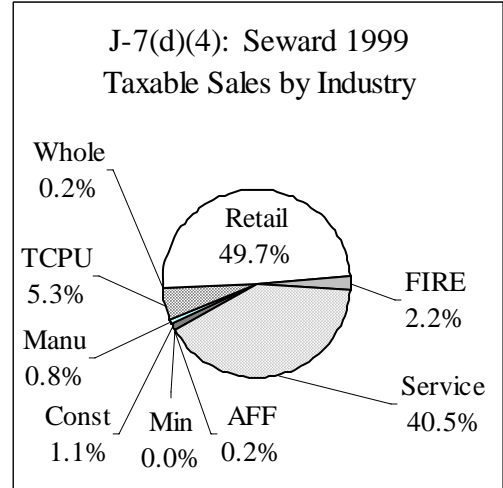
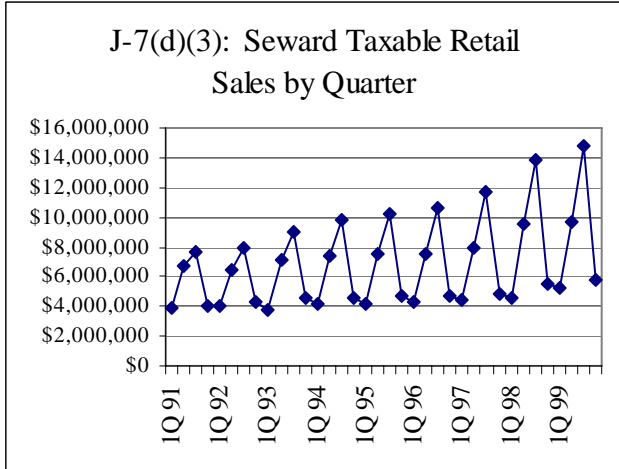
Seldovia Gross Retail Sales increased by \$100,000 during 1999 as total Gross Sales increased \$1.1 million. Nearly 80% of the \$168,000 Taxable Sales decrease occurred in Retail Sales as they fell \$134,000 from 1998 levels. Generally, Retail Sales comprise near 50% of Gross Sales and over 60% of Taxable Sales.

J-7(d): Seward

J-7(d)(1): Seward Retail v Total Taxable Sales in \$

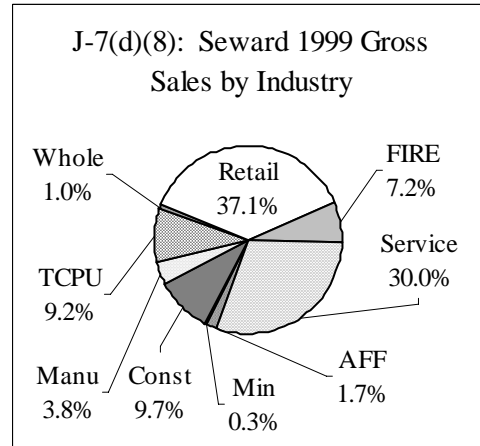
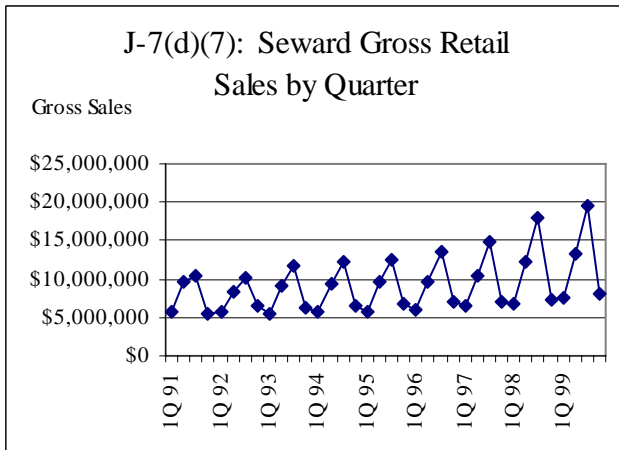
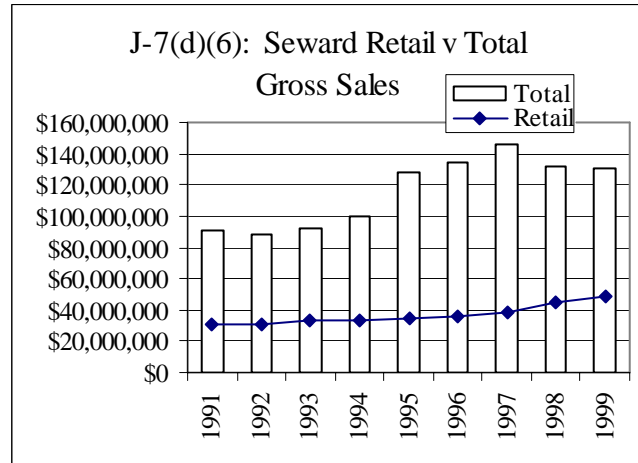
	Retail	Total	Percent of Total
1991	22,406,082	42,547,231	52.7%
1992	22,728,383	45,219,606	50.3%
1993	24,453,546	48,632,337	50.3%
1994	25,931,542	53,259,177	48.7%
1995	26,583,953	55,754,485	47.7%
1996	27,127,316	57,194,926	47.4%
1997	28,904,325	62,472,921	46.3%
1998	33,446,900	67,241,919	49.7%
1999	35,554,558	71,499,916	49.7%





J-7(d)(5): Seward Retail v Total Gross Sales in \$

Year	Retail	Total	Percent of Total
1991	31,213,162	90,571,177	34.5%
1992	30,553,802	87,987,282	34.7%
1993	32,709,827	92,555,922	35.3%
1994	33,848,338	99,875,014	33.9%
1995	34,656,583	127,465,531	27.2%
1996	36,006,839	133,843,993	26.9%
1997	38,720,088	145,492,730	26.6%
1998	44,599,840	132,439,291	33.7%
1999	48,304,989	130,091,565	37.1%

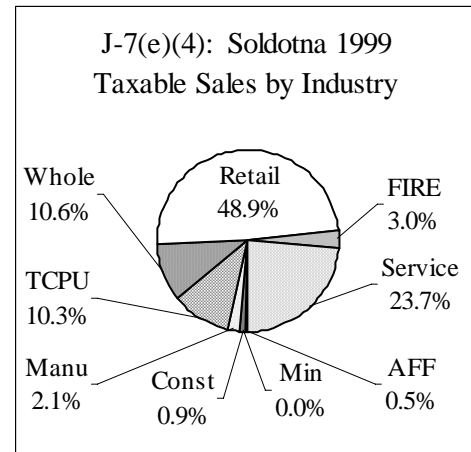
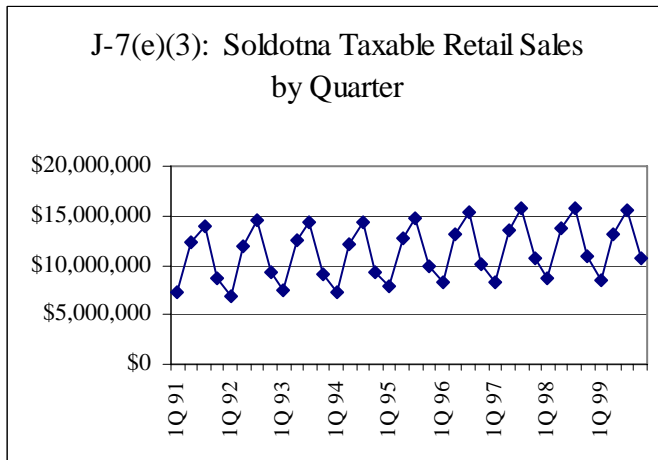
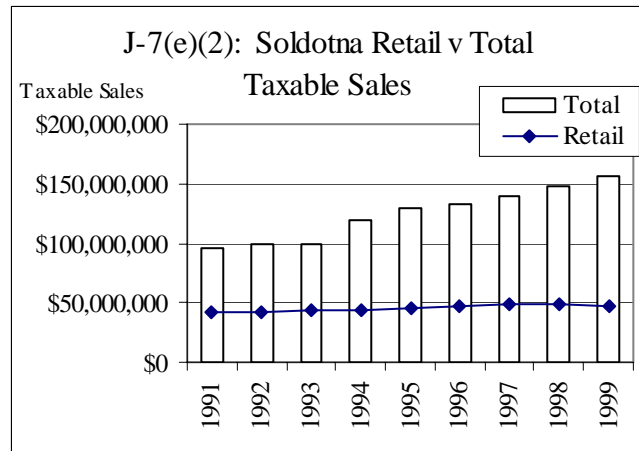


Seward Gross Sales dropped \$2.3 million during 1999 as Retail Sales increased nearly \$4 million. Total Taxable Sales increased over \$4 million and Taxable Retail Sales increased more than \$2 million. Over time, Retail Sales make up nearly one half of Taxable Sales, though that ratio has been declining. Gross Retail sales average near 30% of total sales.

J-7(e): Soldotna

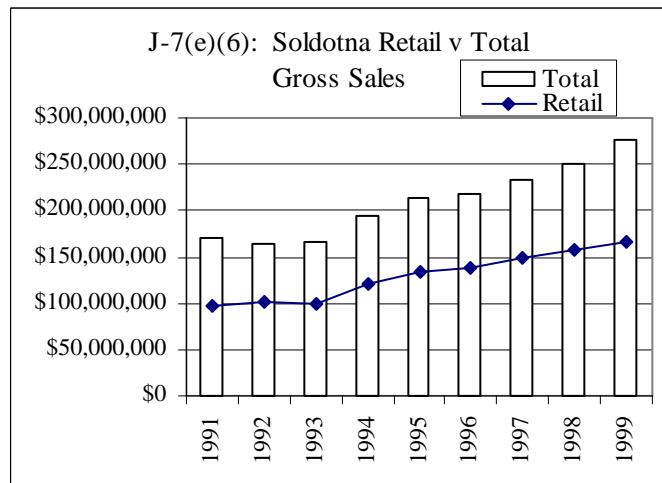
J-7(e)(1): Soldotna Retail v Total Taxable Sales in \$

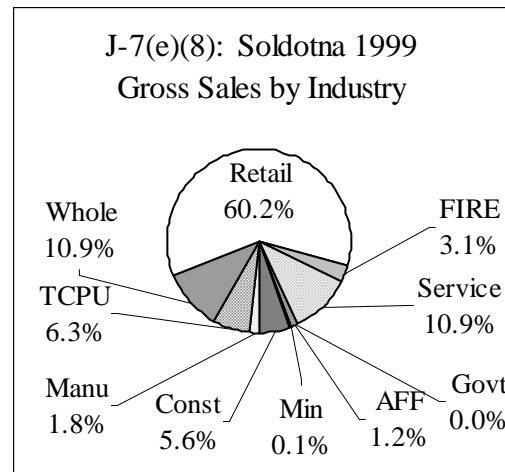
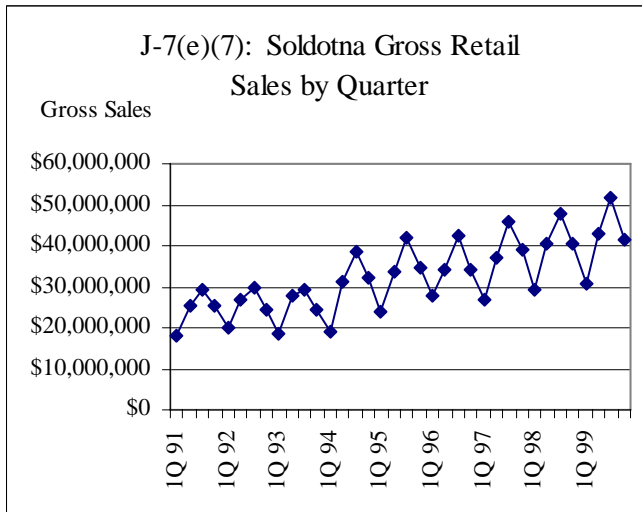
	Retail Sales	Total Sales	Percent of Total
1991	42,225,553	95,231,864	44.3%
1992	42,667,226	99,094,387	43.1%
1993	43,608,257	98,423,607	44.3%
1994	42,898,823	119,713,676	35.8%
1995	45,330,265	129,076,998	35.1%
1996	47,011,130	133,314,659	35.3%
1997	48,306,104	140,284,189	34.4%
1998	49,005,043	147,756,720	33.2%
1999	47,873,382	155,774,149	30.7%



J-7(e)(5): Soldotna Retail v Total Gross Sales in \$

	Retail Sales	Total Sales	Percent of Total
1991	97,969,921	170,934,746	57.3%
1992	101,124,584	164,956,587	61.3%
1993	100,110,782	165,608,592	60.5%
1994	120,713,063	194,620,739	62.0%
1995	133,778,762	212,824,599	62.9%
1996	138,481,842	218,185,132	63.5%
1997	149,038,957	232,208,439	64.2%
1998	157,781,859	250,705,776	62.9%
1999	166,775,295	276,984,114	60.2%



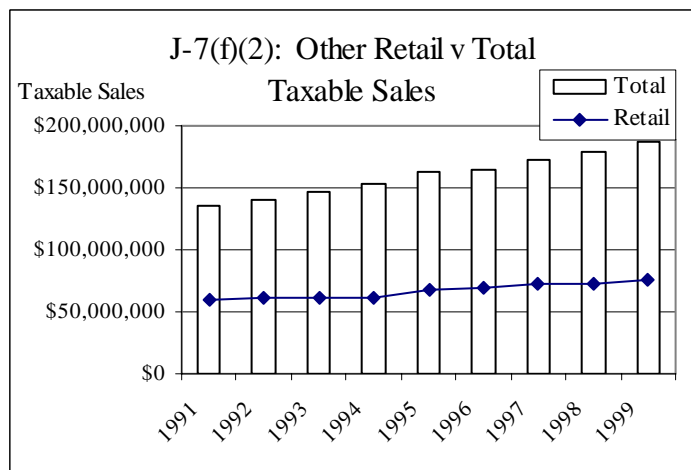


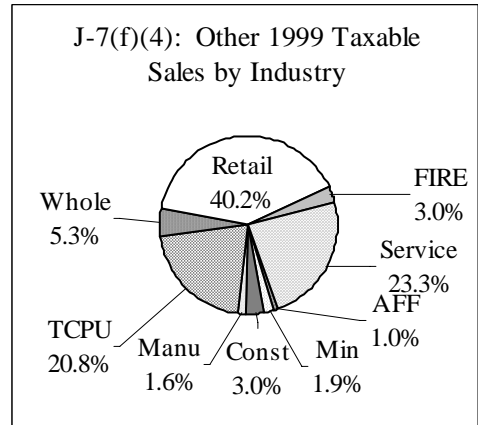
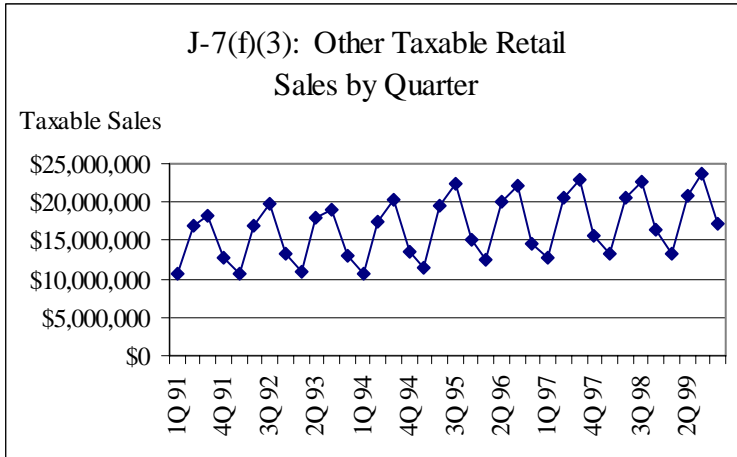
While Soldotna total Gross Sales increased 10% during 1999, Retail Gross Sales increased almost 6%, indicating greater growth in other industries. Retail sales accounted for more than 60% of all sales. Taxable Retail Sales decreased 2% while total Taxable Sales increased 5%.

J-7(f): Other – (All areas outside incorporated cities)

J-7(f)(1): Other Retail v Total Taxable Sales in \$

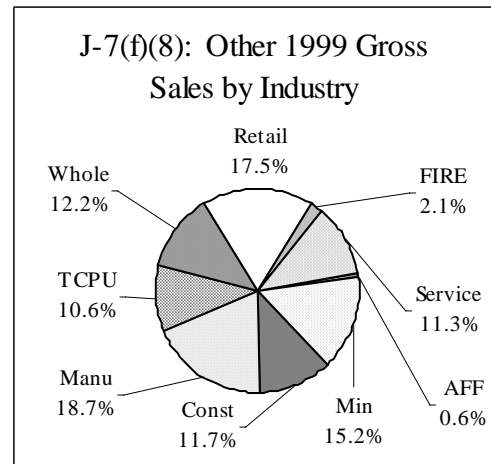
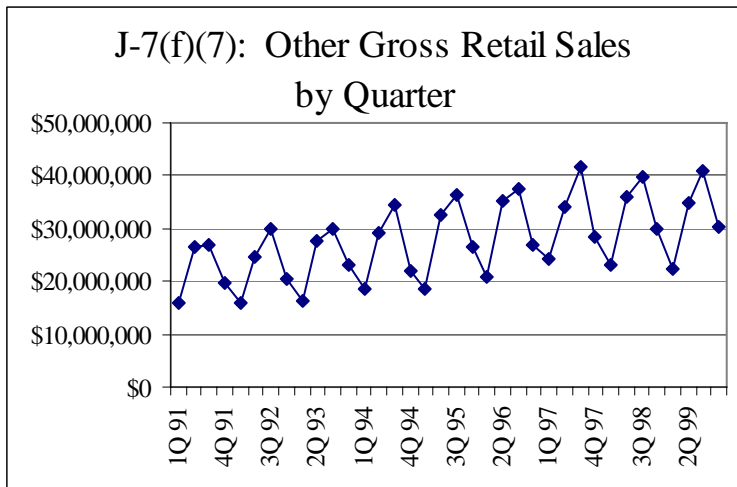
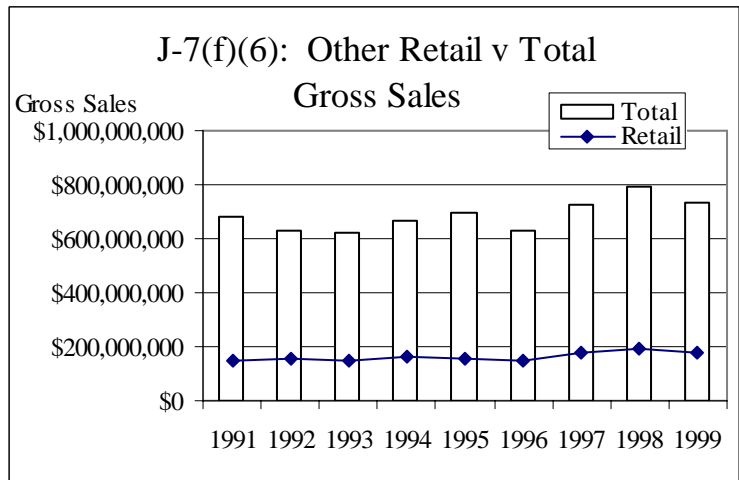
Year	Retail Sales	Total Sales	Percent of Total
1991	58,964,352	135,793,527	43.4%
1992	60,702,958	140,258,780	43.3%
1993	60,908,260	146,675,542	41.5%
1994	61,963,204	152,674,684	40.6%
1995	68,397,396	162,948,005	42.0%
1996	69,185,969	164,438,681	42.1%
1997	71,827,274	172,293,828	41.7%
1998	72,616,333	179,442,855	40.5%
1999	75,150,064	186,818,242	40.2%





J-7(f)(5): Other Retail v Total Gross Sales in \$

Year	Retail	Total	Percent of Total
1991	149,376,132	683,622,197	21.9%
1992	156,093,824	627,932,223	24.9%
1993	151,591,003	624,550,207	24.3%
1994	160,377,497	664,252,925	24.1%
1995	155,295,094	694,717,971	22.4%
1996	146,554,575	630,276,002	23.3%
1997	179,985,195	729,168,768	24.7%
1998	193,571,369	794,152,370	24.4%
1999	179,934,007	732,951,205	24.5%



K: KPB Timber Industry

Overview

Forested lands are a renewable natural resource providing direct and indirect economic value to the Kenai Peninsula Borough. Timberlands may provide food and habitat for birds and wildlife and conditions necessary for salmon spawning. Mature timber may provide private employment and generate revenues for business and government entities. Residents and tourists alike enjoy healthy forest environments.

The Kenai Peninsula Borough encompasses 25,600 mi², of which 15,700 mi² (10,048,000 acres) are in land. The spruce bark beetle epidemic has devastated borough timber in recent years, having already affected approximately 1.3 million acres of a total 1,786,737 forested acres. A Spruce Bark Beetle Task Force was formed with two objectives: to develop an action plan, and to rehabilitate infested areas. The action plan focuses on prevention and mitigation of fire hazards and includes public education about fire hazards, fire training and equipment, harvest or removal of infested trees, and reforestation. Updated and complete information regarding the epidemic can be found at the borough website <http://www.borough.kenai.ak.us/beetle.htm>.

While the abundance of available timber should have stimulated the economy, wood pulp and wood chips became the main marketable products from the diminished quality of beetle-killed spruce. Wood pulp markets are found in British Columbia, Canada and Washington, USA. Wood chip markets are found in Japan. In recent years, demand and prices for wood chips dropped to the extent that one of the major wood processors left the industry, leaving approximately 250 employees without work. Another area entity purchased the facility and began operations only to lose much of its investment through fire damage. This operation hopes to eventually supply dimensional lumber to Alaska, to sell wood chips, and even process saw dust into a usable commodity.

While the timber industry is not one of the largest players in KPB economy, it is important in the total picture, providing employment, meeting timber demands, and producing municipal revenues.

The state industry classification system (SIC) lists Timber sub-industries that include establishments engaged in logging, sawmills and planing operations, manufacturing of veneers and plywood, prefabricated wood buildings, and other various products. Increasing emphasis is being placed on utility of all parts of the tree, not just the most valuable parts.

The Timber Industry is not high profile though recent spruce bark beetle activity has increased our awareness. The State of Alaska issued 41 current timber related business licenses within the KPB. During 1995 there were 197 similar licenses issued and during 1997 there were 65.

K-1: Participants

K-1(a): Current KPB Timber Industry Business Licenses Issued

	Timber Industry	KPB Total
Anchor Point	4	361
Clam Gulch	1	58
Cooper Landing	3	103
Homer	10	1,851
Hope	1	48
Kasilof	2	281
Kenai	1	1,303
Nikiski	4	273
Ninilchik	1	212
Port Graham	1	16
Seldovia	1	105
Seward	2	838
Soldotna	5	2,134
Sterling	5	461
Total	41	8,044

Current business licenses in the timber industry make up 0.5% of total licenses in the borough.

Ten of the 41 licenses are issued to business in the Homer area. Five each are issued in the Soldotna and Sterling areas. There are four current licenses in Anchor Point and Nikiski, three in Cooper Landing, two in Kasilof and Seward, and one each in Clam Gulch, Hope, Kenai, Ninilchik, Port Graham and Seldovia.

K-2: KPB Timber Industry Sales SIC Code 2411

K-2: Gross Sales

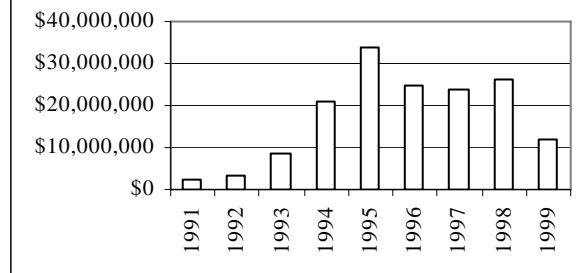
K-2(a): Gross Timber Sales by Area in \$

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	Total 2411	Total KPB
1991	0	4,525		804,978	2,400	1,428,230	2,240,133	1,281,600,602
1992	431,666			248,953		2,641,500	3,322,119	1,242,665,657
1993	6,743,555	235		604,198	1,596	1,022,850	8,372,434	1,291,122,928
1994	17,444,048	15,970	0	294,215	32,842	3,375,999	21,163,074	1,384,421,914
1995	30,518,799	35,136	0	750,421	683	2,447,738	33,752,777	1,506,553,165
1996	22,107,137	2,798	0	1,908,360	13,630	534,660	24,566,585	1,435,888,016
1997	14,516,799	4,070	0	697,952	14,532	8,789,445	24,022,798	1,592,791,570
1998	14,631,325	19,420	0	453,408	8,187	10,954,107	26,066,447	1,677,875,992
1999	10,593,962	2,976	0	312,203	4,780	943,426	11,857,347	1,642,409,262

K-2(b): KPB Gross Timber Industry v Total Sales in \$

	Timber	Total KPB	% of Total
1991	2,240,133	1,281,600,602	0.2%
1992	3,322,119	1,242,665,657	0.3%
1993	8,372,434	1,291,122,928	0.6%
1994	21,163,074	1,384,421,914	1.5%
1995	33,752,777	1,506,553,165	2.2%
1996	24,566,585	1,435,888,016	1.7%
1997	24,022,798	1,592,791,570	1.5%
1998	26,066,447	1,677,875,992	1.6%
1999	11,857,347	1,642,409,262	0.7%

K-2(c): Timber Industry Gross Sales History



K-3: Taxable Sales

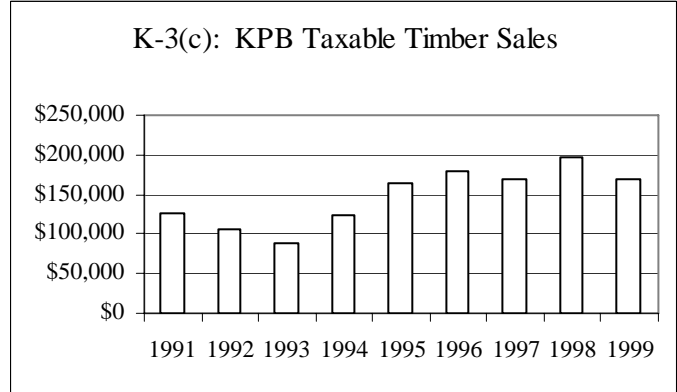
K-3(a): KPB Taxable Timber Sales by Area in \$

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	Total
1991	0	0	0	46,909	0	79,428	126,337
1992	1,500	0	0	40,771	0	64,975	107,246
1993	3,000	235	0	50,454	986	34,232	88,907
1994	15,000	0	0	39,556	1,000	67,823	123,379
1995	26,575	500	0	48,867	83	87,310	163,935
1996	45,455	670	0	69,937	0	62,784	178,846
1997	25,093	100	0	50,780	0	93,280	169,253
1998	28,854	2,975	0	43,943	370	119,277	196,419
1999	25,228	150	0	54,248	4,450	85,705	169,781

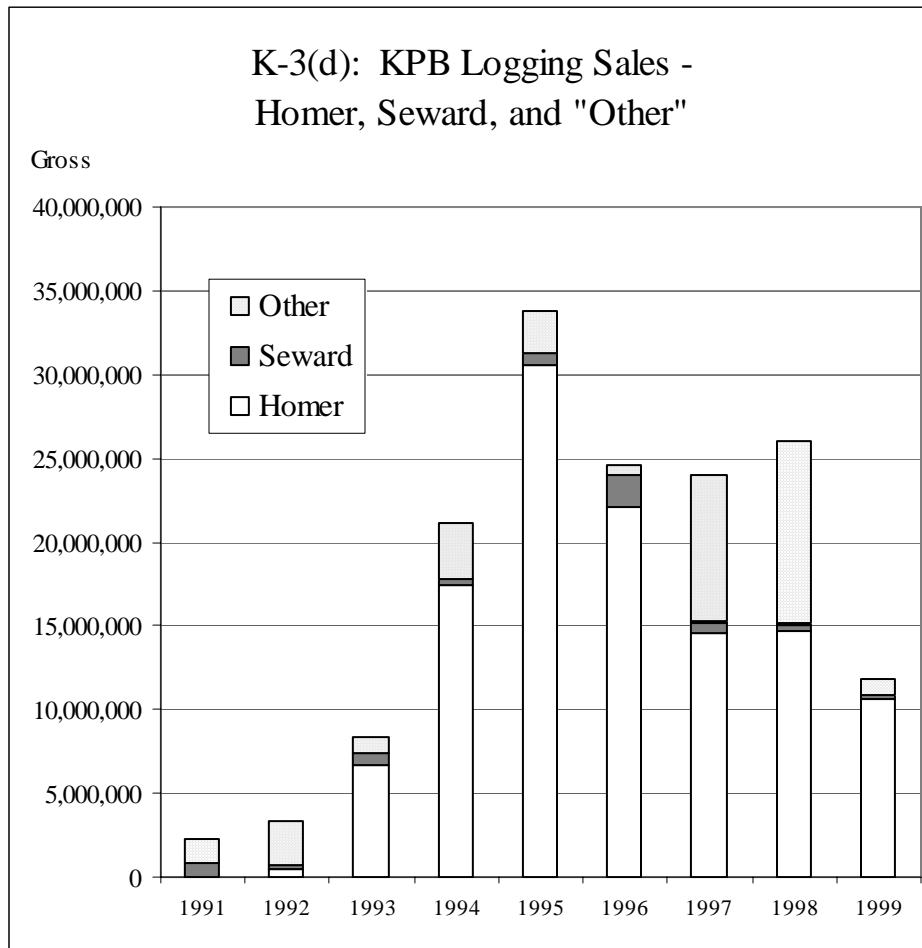
K-3(b): Timber v Total Taxable Sales In \$

	Timber	KPB Total
1991	126,337	444,297,296
1992	107,246	463,217,964
1993	88,907	492,438,032
1994	123,379	527,301,071
1995	163,935	552,149,064
1996	178,846	564,866,985
1997	169,253	590,208,896
1998	196,419	612,333,617
1999	169,781	639,547,816

K-3(c): KPB Taxable Timber Sales

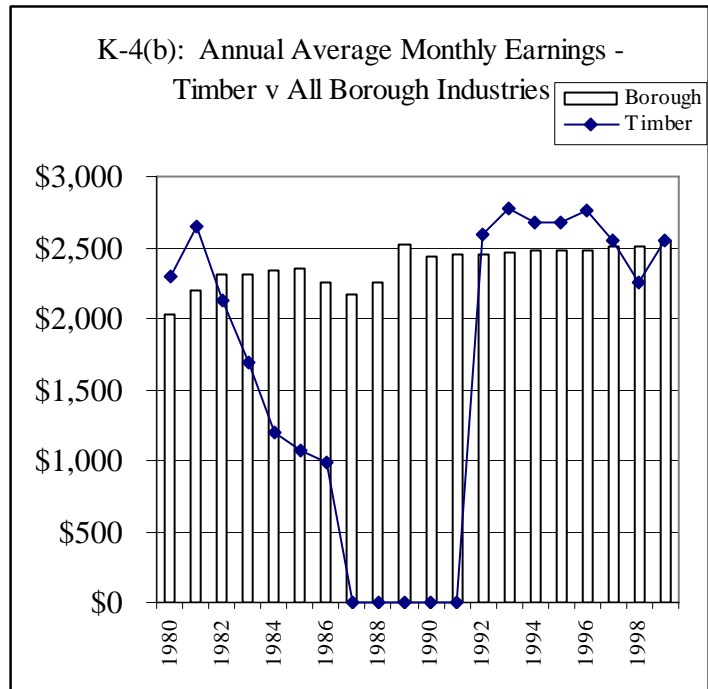


KPB Logging Sales – Homer, Seward, and “Other”

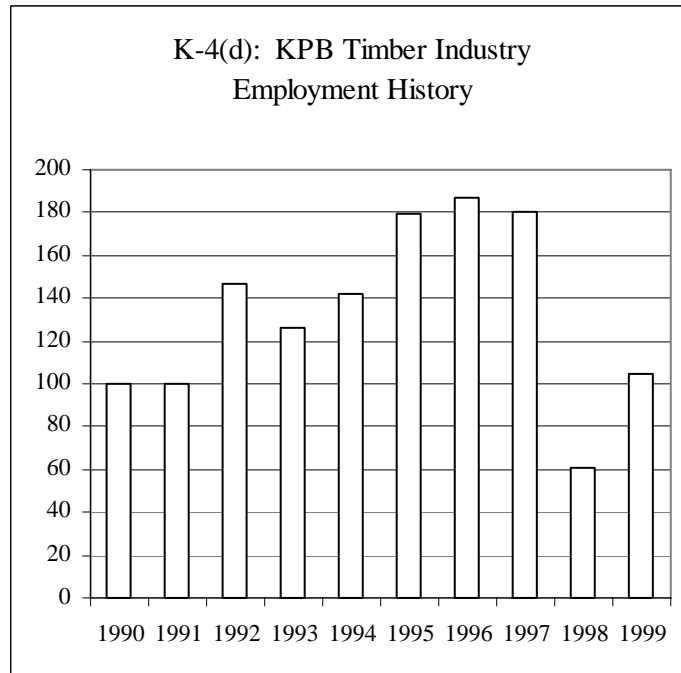


K-4: Employment and Earnings

K-4(a): Annual Average Monthly Earnings in \$		
	Timber Industry	All Borough Industries
1980	2,300	2,031
1981	2,647	2,202
1982	2,129	2,315
1983	1,694	2,310
1984	1,200	2,341
1985	1,072	2,346
1986	990	2,259
1987	*	2,171
1988	*	2,248
1989	*	2,519
1990	*	2,440
1991	*	2,444
1992	2,587	2,457
1993	2,772	2,458
1994	2,675	2,473
1995	2,679	2,476
1996	2,754	2,472
1997	2,556	2,504
1998	2,252	2,504
1999	2,554	2,544
* - Confidential		



K-4(c): Annual Average Monthly Employment		
	Timber	Borough
1980	104	8,393
1981	101	9,116
1982	49	9,854
1983	33	10,400
1984	22	11,403
1985	8	12,214
1986	6	11,436
1987	5	10,804
1988	*	11,089
1989	*	13,063
1990	100	13,891
1991	100	14,376
1992	147	14,474
1993	126	15,451
1994	142	15,816
1995	179	16,107
1996	187	16,110
1997	180	16,327
1998	61	16,586
1999	105	16,340



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L: The Visitor Industry

The KPB Visitor Industry has emerged into a dynamic sector of the borough economy. Scenic beauty, a pristine setting, and its unique geographic location add to the allure, drawing tourists to the area. The Kenai Peninsula Borough has something to offer to all visitors – oceans, beaches, mountains, glaciers, rivers, lakes, forests, marine and land plant and animal life. Opportunities for visitors vary from sightseeing to backpacking, ocean fishing for halibut or other marine species to freshwater fishing of salmon and trout, beachcombing, boating activities, and hunting.

Over the past twenty years, three events had major impacts on KPB tourism. During 1985 the first private, domed railcars were built for the Fairbanks to Denali to Anchorage run. Eventually, those cars reached Seward. Also during 1985, cruise ships crossed the Gulf of Alaska from the Southeast for the first time, docking in Whittier, and eventually also in Seward. Finally, destination resorts were established. Formerly, cruise lines provided tours with prearranged itineraries and group activities from start to finish. As competition entered the picture, both the marketing climate and passenger characteristics changed. Private marketing budgets increased dramatically while governmental marketing declined. The typical passenger is no longer retired and wanting to experience Alaska vicariously with preplanned schedules. It has changed to younger passengers who want to choose activities independently and who actively participate in the outdoor experience. Development of tourist activities across the borough meet demands of the new tourist as sightseeing, charter fishing, and float trips have become commonplace. Visits from family and friends will continue and add to demand for the varied activities.

As popularity of the cruise vacation increases, so do efforts to capture the tourist dollar. Cruise ships provide an onboard community where passengers purchase gifts and pay for services that used to be provided in the cost of ticket. In addition, casinos have become the focal point of the cruise with ship construction built around the casino, making every effort to give the passenger an excuse to keep the cash on board.

Separation of tourist activity from year-round activity is difficult because most businesses provide year-round services although activity increases dramatically during the summer tourist season.

A recent estimate suggests that tourism growth on the KPB increased from around 4% per year in 1990 to 16% in recent years. Overall, state tourism has increased about 8% annually over the decade.

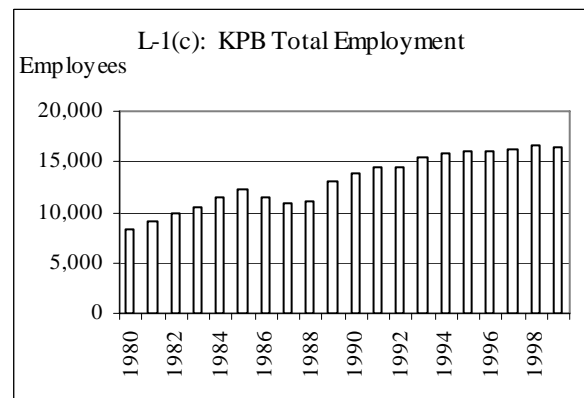
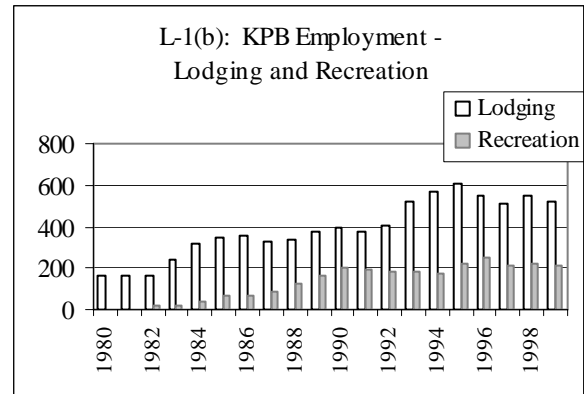
L-1: Employment

Visitor industry employment information is tracked as part of the Services sector. It does not include self-employed individuals because they are not required to report to the Alaska Department of Labor and Workforce Development (AK DOL). Two categories are studied.

L-1(a): KPB Visitor Industry Employment

Year	Hotels and Other Lodging	Amusement and Recreation	KPB Total Employment
1980	165	*	8,398
1981	160	*	9,116
1982	160	19	9,854
1983	242	20	10,400
1984	314	38	11,403
1985	347	63	12,214
1986	352	72	11,436
1987	325	88	10,804
1988	342	126	11,089
1989	372	164	13,063
1990	394	203	13,891
1991	380	189	14,376
1992	403	184	14,474
1993	519	181	15,451
1994	573	177	15,816
1995	606	218	16,107
1996	545	246	16,110
1997	511	209	16,327
1998	548	219	16,586
1999	520	208	16,340

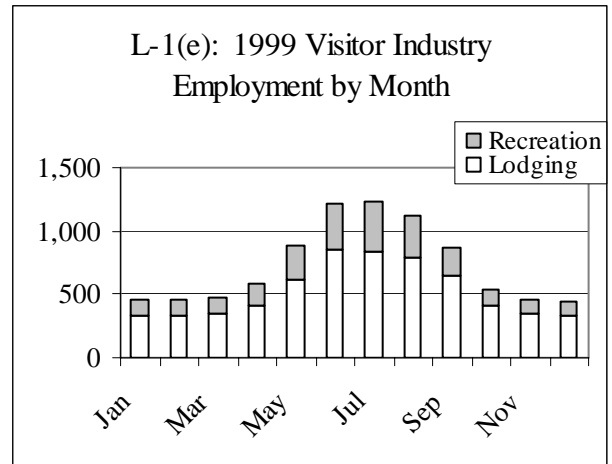
* - confidential



Total KPB employment has increased about 95% since 1980. Visitor Industry employment has edged ahead with Lodging & Hotels gaining 218% and Amusement & Recreation increasing approximately 900%. Employment in the Visitor Industry involves approximately 4.5% of the KPB labor force in this highly seasonal industry.

L-1(d): Monthly Employment Average

	Lodging	Recreation	Total
Jan	338	126	464
Feb	334	128	462
Mar	346	128	474
Apr	413	173	586
May	609	270	879
Jun	852	370	1222
Jul	831	394	1225
Aug	797	319	1116
Sep	642	230	872
Oct	411	131	542
Nov	341	113	454
Dec	327	111	438
Average	520	208	728



L-2: Earnings

The AK DOL presents Visitor Industry information in two segments, Lodging Services and Recreational Services. The data indicate individual average monthly wages and total annual payroll within the industry.

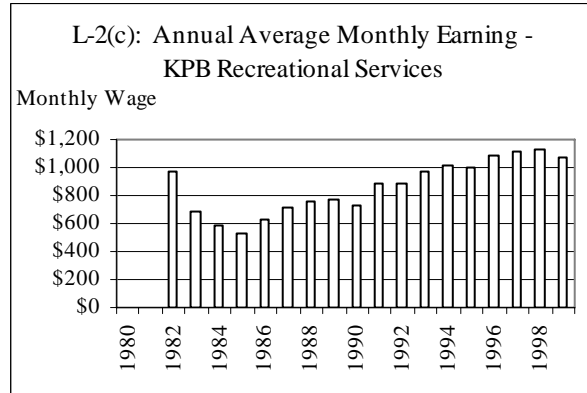
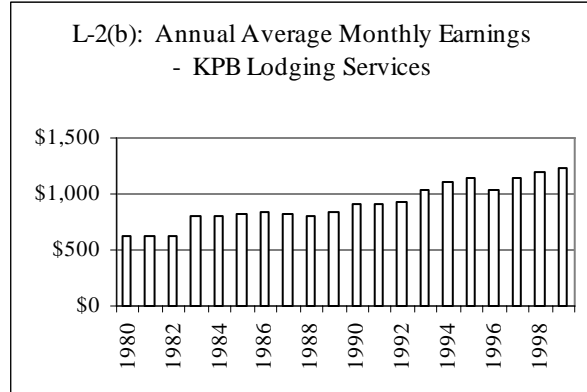
Historically, Visitor Industry earnings lag behind average borough earnings. During 1999, employees could expect to earn less than half the borough average monthly income. Employment in the sector is highly seasonal, providing summer employment for high school and college students.

Earnings within the Visitor Industry generally equal approximately 2% of total borough annual earnings.

L-2(a): KPB Annual Average Monthly Earnings in \$

	Lodging Services	Recreational Services	Average Monthly Earnings in the Borough
1980	628	*	2,031
1981	627	*	2,202
1982	624	966	2,315
1983	810	683	2,310
1984	806	589	2,341
1985	814	523	2,346
1986	843	627	2,259
1987	818	718	2,171
1988	804	764	2,248
1989	840	775	2,519
1990	910	734	2,440
1991	907	891	2,444
1992	923	884	2,457
1993	1,041	974	2,458
1994	1,109	1,010	2,473
1995	1,148	998	2,476
1996	1,032	1,085	2,472
1997	1,139	1,110	2,504
1998	1,193	1,126	2,504
1999	1,237	1,073	2,544

* - Confidential



L-3: Participants

The Standard Industrial Classification (SIC) code is a statistical classification standard used nationwide. With signing of NAFTA, a process to rework the classification system was initiated because the agreement provided that the United States, Canada and Mexico would adopt a unified standard. Because of the classification change, continuity of statistical series may be influenced.

Business activities generally fit into one industry or another but Visitor Industry codes are not easily defined. Lodging and Recreation SIC codes report activity of businesses that are influenced by visitor activity but also take part in year-round activities. Secondary business activities provide year-round service but benefit from the visitor industry.

Separation of primary and secondary SIC codes to determine the total influence of the visitor industry is more than challenging. This study includes only SIC codes that are primarily tourism, those related to Lodging & Camping, codes 7000-7099; and the code for Amusement & Recreation that includes guides and outfitters, SIC code 7999.

Information presented here is only approximate as no effort was made to delete duplicate entries. In addition, some business licenses do not specify primary and secondary activities. These entries were not included.

L-3(a): KPB Tourism Business License Counts v KPB Total Licenses

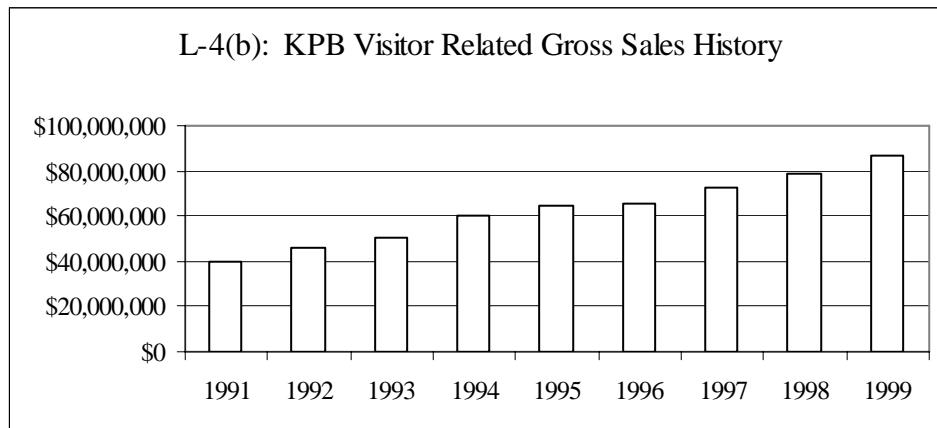
	Sightseeing	Lodging	Recreation	KPB Total	Tourism as Percent of KPB
Anchor Point	0	16	17	361	9.1%
Clam Gulch	0	7	6	58	22.4%
Cooper Landing	3	16	6	103	24.3%
Fritz Creek	1	1	2	78	5.1%
Halibut Cove	0	4	1	28	17.9%
Homer	8	91	77	1,851	9.5%
Hope	0	2	0	48	4.2%
Kasilof	0	14	21	281	12.5%
Kenai	0	31	36	1,303	5.1%
Moose Pass	1	5	0	50	12.0%
Nanwalek	0	2	0	3	66.7%
Nikiski	0	7	1	273	2.9%
Ninilchik	1	24	33	212	27.4%
Port Graham	0	2	0	16	12.5%
Seldovia	0	10	3	105	12.4%
Seward	3	89	35	838	15.2%
Soldotna	2	98	130	2,134	10.8%
Sterling	1	21	38	461	13.0%
Tyonek	0	0	0	21	0.0%
Total	20	440	406	8,224	10.5%

Approximately 10% of business licenses issued to KPB addresses are tourist related businesses. Certainly, visitors impact businesses identified with other SIC codes but most, like grocery stores, have substantial business activity from local residents throughout the year.

Note the extreme variation in percent of visitor industry related licenses issued in the areas above. When sales during the tourist season in these communities are compared, it becomes evident how difficult it is to separate visitor industry businesses from the total business community. Some areas appear to have few businesses involved in the industry yet sales and employment increase dramatically during the summer months.

L-4: Sales

L-4(a): Visitor Related Gross Sales by Area and KPB Visitor Related Total in \$							
	Homer	Kenai	Seldovia	Seward	Soldotna	Other	KPB
1991	10,092,714	4,767,414	342,876	7,149,386	3,518,637	13,756,424	39,627,451
1992	10,490,068	4,905,898	445,232	8,627,331	4,040,730	17,444,167	45,953,426
1993	11,032,984	5,599,039	425,631	10,077,906	3,858,911	19,470,691	50,465,162
1994	11,877,513	5,465,870	471,438	12,727,174	6,349,156	23,336,804	60,227,955
1995	12,647,670	5,828,850	540,887	14,691,883	5,248,353	25,787,502	64,745,145
1996	12,097,704	5,581,146	342,056	15,579,069	4,326,513	27,748,585	65,675,073
1997	13,253,336	6,170,950	396,311	18,554,399	4,346,212	29,894,926	72,616,134
1998	12,912,493	5,819,095	506,100	21,221,262	4,929,999	33,085,032	78,473,981
1999	14,250,816	5,972,197	413,744	25,821,181	4,398,881	36,275,886	87,132,705



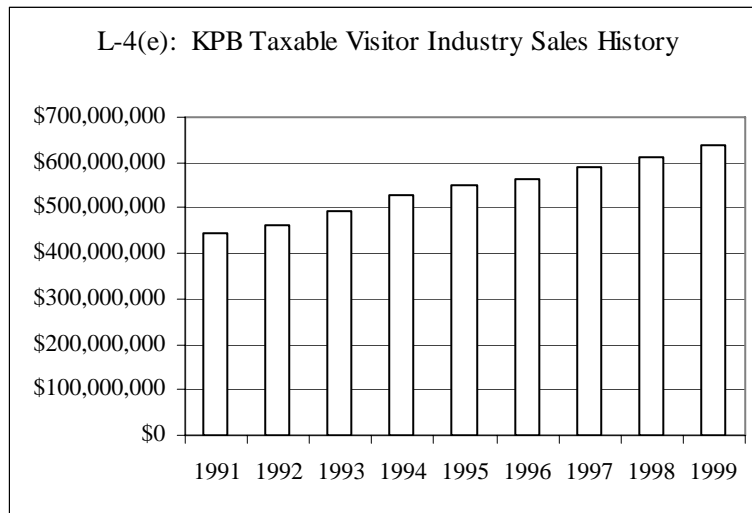
L-4(c): KPB Gross Sales by Visitor Industry, All Industries, and Percent of Total			
	KPB Visitor Industry	KPB Total	Visitor Percent of Total
1991	39,627,451	1,281,600,602	3.1%
1992	45,953,426	1,242,665,657	3.7%
1993	50,465,162	1,291,122,928	3.9%
1994	60,227,955	1,384,421,914	4.4%
1995	64,745,145	1,506,553,165	4.3%
1996	65,675,073	1,435,888,016	4.6%
1997	72,616,134	1,592,791,570	4.6%
1998	78,473,981	1,677,875,992	4.7%
1999	87,132,705	1,642,409,262	5.3%

Visitor Industry sales have increased in percent of total Gross Sales from near 3% during 1991 to 5% during 1999.

Gross Visitor Sales have increased by 120% since 1991 while Gross Sales across the industries have improved by 28%, indicating that tourism is growing much faster than other borough industries.

**L-4(d): Visitor Related Taxable Sales by Area
and KPB Visitor Related Total in \$**

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	KPB
1991	7,901,502	4,254,043	260,286	6,364,192	2,528,192	9,026,893	30,335,108
1992	8,372,524	4,248,682	362,422	7,722,847	2,872,029	11,266,669	34,845,173
1993	8,771,091	5,011,362	345,286	9,212,100	3,151,837	13,373,237	39,864,913
1994	9,279,080	4,896,589	389,963	11,509,189	5,282,078	15,440,110	46,797,009
1995	9,813,437	5,035,428	462,712	12,756,477	4,381,126	17,643,848	50,093,028
1996	9,452,661	4,892,378	260,606	13,204,082	3,458,838	18,437,236	49,705,801
1997	10,389,657	5,266,940	329,367	14,803,676	3,635,287	20,006,328	54,431,255
1998	10,132,064	4,973,933	431,604	16,995,442	4,063,427	22,227,045	58,823,515
1999	11,231,600	5,195,035	350,478	19,062,023	3,356,606	25,037,633	64,233,375



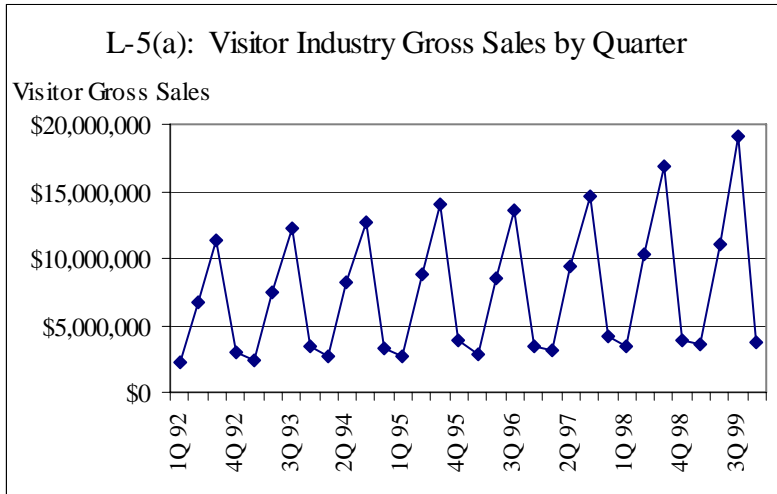
L-4(f): KPB Taxable Sales by Visitor Industry, All Industries, and Percent of Total

	KPB Visitor Industry	KPB Total	Visitor Percent of Total
1991	30,335,108	444,297,296	6.8%
1992	34,845,173	463,217,964	7.5%
1993	39,864,913	492,438,032	8.1%
1994	46,797,009	527,301,071	8.9%
1995	50,093,028	552,149,064	9.1%
1996	49,705,801	564,866,985	8.8%
1997	54,431,255	590,208,896	9.2%
1998	58,823,515	612,333,617	9.6%
1999	64,233,375	639,547,816	10.0%

Visitor Industry Taxable Sales have increased from near 7% of the total in 1991 to 10% during 1999.

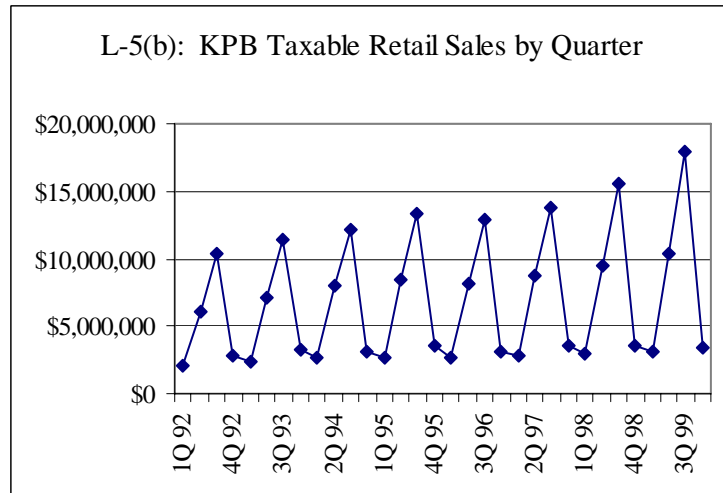
Taxable Visitor Industry sales have gained 112% since 1991 while Total Taxable Sales across all industries have increased 44%.

L-5: Visitor Industry Sales by Quarter



Gross Sales for first, second, and third quarter increased 61%, 63% and 67% respectively, since 1992. Fourth quarter gained 23% over the same period.

Increases in first and fourth quarter Taxable sales over time are barely perceptible. Second and third quarter gains are impressive with second quarter 1999 sales up 70% in 9 years and third quarter sales up 74%.



First and fourth quarter sales increased 48% and 21% respectively.

Typically, 90% of Visitor Industry sales are taxable. With Gross Sales of \$640 million during 1999, the economic impact of the industry is sizeable. Keep in mind that this study involves only those business codes that are predominately tourist activated. Sales in retail industry, travel industry or services are not included.

L-6: Kenai Peninsula Borough Visitors

	Homer	Kenai	Seward	Soldotna	Total
June	3,378	12,007	7,313	10,658	33,356
July	5,441	21,114	9,663	19,205	55,423
August	3,910	12,648	7,614	14,453	38,625
Total	12,729	45,769	24,590	44,316	

	1995	1996	1997	1998	1999
Homer	11,248	12,225	9,449	10,975	12,729
Kenai	44,230	41,892	46,969	44,348	45,769
Seward	18,069	18,034	30,000	13,590	24,590
Soldotna	19,994	42,109	48,415	39,511	44,316
Total	93,541	114,260	134,833	108,424	127,404
Change		22.1%	18.0%	-19.6%	17.5%

Visitor counts are not an accurate indication of tourism activity because many visitors do not stop at the centers while others may stop at more than one. Visitor trends are important in evaluating marketing techniques and for planning business activities.

Tourism on the Kenai Peninsula is not limited to visitors from the lower forty-eight states and foreign countries. The Anchorage Daily News reports that 6 out of 10 Anchorage area adults traveled to the Kenai Peninsula during the previous 12-month period. Thirty-five percent came for fresh water fishing, 32% for ocean fishing, and 21% came for sightseeing. Some trips were multi-purpose and multi-destination trips as 58% visited Soldotna and 48% visited Kenai. Seward received 47% and Homer 38% of Anchorage visitors. This data was reported in the *1999 Market Research* publication.

L-6(b): Homer Visitors

L-6(b)(1): Homer Visitor Center Counts

	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>
June	3,132	2,637	2,997	3,378
July	5,460	3,999	4,575	5,441
Aug	3,633	2,813	3,403	3,910
	12,225	9,449	10,975	12,729
Annual Change		-22.7%	16.1%	16.0%

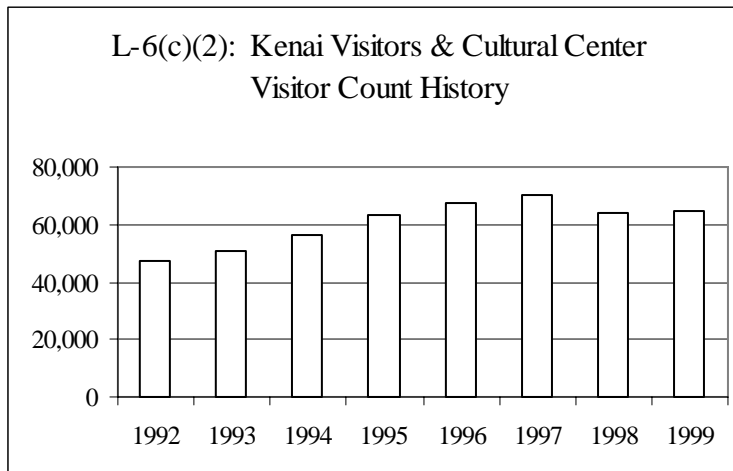
Of the 32% of visitors who signed the guest book, 88% were from the U.S. and 12% were foreigners. All fifty states and 30 foreign countries were represented. The top five foreign countries were Canada, Germany, Switzerland, England and Australia.

Over the past two years, visitors to the Homer visitor center have increased by 16% each year. Tourism statewide is increasing about 8% per year.

L-6(c)(1): Kenai Visitors

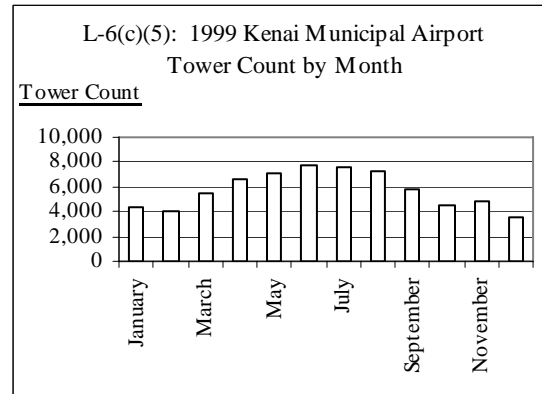
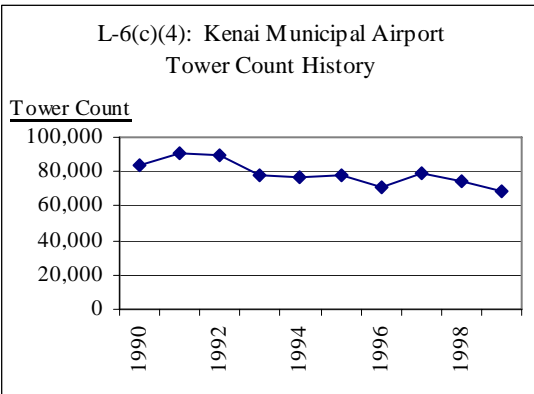
Kenai Visitors & Cultural Center

	1992	1993	1994	1995	1996	1997	1998	1999
Jan		934	987	1,079	2,190	1,243	1,965	824
Feb		1,089	695	987	2,473	1,457	1,137	1,562
Mar		1,459	1,397	1,502	2,811	2,004	2,012	1,684
Apr	2,637	1,523	1,503	3,180	2,262	3,842	1,779	1,584
May	3,335	3,595	3,526	4,316	6,383	5,314	4,763	3,946
Jun	9,038	9,091	11,101	11,748	12,166	12,484	11,786	12,007
Jul	15,177	16,934	19,349	19,951	18,180	21,008	19,844	21,114
Aug	10,075	9,107	11,059	12,531	11,546	13,477	12,718	12,648
Sep	2,836	3,693	3,741	4,273	4,729	5,282	4,072	4,341
Oct	1,463	1,068	1,314	1,607	2,008	1,823	1,620	1,824
Nov	1,614	1,197	775	1,076	1,520	1,288	1,197	1,918
Dec	1,181	816	881	1,320	1,003	1,238	930	964
Ttl	47,356	50,506	56,328	63,570	67,271	70,460	63,823	64,416
Annual Change		6.7%	11.5%	12.9%	5.8%	4.7%	-9.4%	0.9%



L-6(c)(3): Kenai Municipal Airport Tower Counts

Month	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
January	4,610	5,439	6,998	5,437	5,324	5,618	4,473	4,055	4,810	4,335
February	4,637	5,716	6,255	5,560	5,335	5,589	4,360	4,423	4,928	4,081
March	6,443	6,273	7,329	6,581	6,443	6,286	5,451	5,476	6,628	5,531
April	8,203	7,809	8,457	7,209	7,320	6,522	6,789	7,266	6,777	6,691
May	7,506	10,043	8,745	7,074	8,149	7,507	7,386	8,793	8,009	7,062
June	7,307	10,015	8,618	8,052	7,602	7,332	7,617	9,019	7,336	7,693
July	8,984	10,276	9,755	7,788	7,646	8,257	9,040	9,885	8,192	7,637
August	8,845	8,694	7,924	6,761	7,212	8,600	7,531	8,311	6,727	7,297
September	7,902	7,828	7,069	6,380	6,161	6,532	5,466	6,694	6,717	5,839
October	7,251	6,862	7,130	6,522	5,683	6,376	4,799	6,406	5,688	4,516
November	6,565	5,767	5,180	5,252	4,878	4,681	4,464	4,464	5,056	4,773
December	5,430	5,453	5,765	5,645	4,606	4,611	4,135	4,179	3,974	3,560
Total	83,683	90,175	89,225	78,261	76,359	77,911	71,511	78,971	74,842	69,015



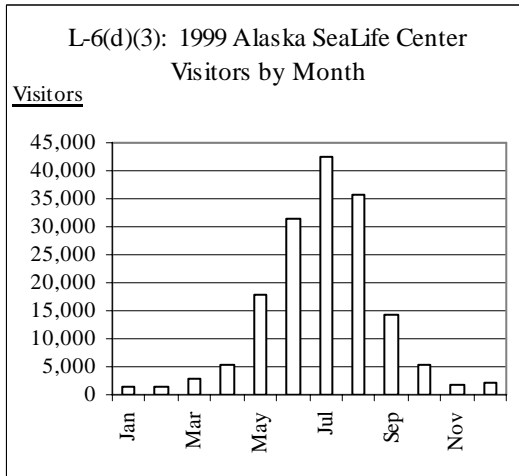
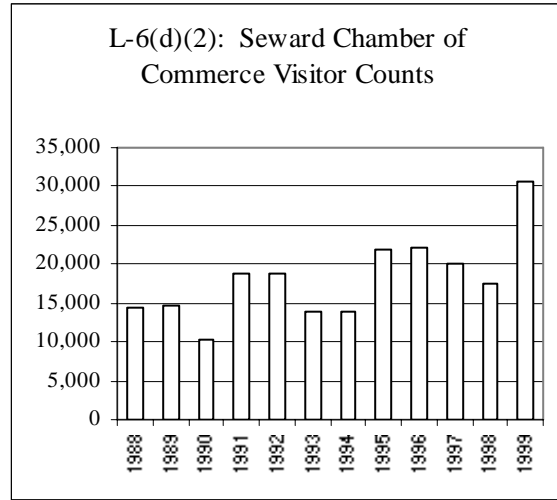
L-6(c)(6): Kenai Municipal Airport Passenger Emplanements

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
January	5,908	8,358	7,958	7,645	8,211	9,570	8,263	7,937	8,423	7,862
February	5,327	7,147	7,797	6,851	7,023	9,348	7,776	7,286	7,520	6,994
March	6,768	8,457	9,463	7,637	9,012	11,350	8,419	7,838	8,625	8,901
April	6,864	8,571	8,627	7,097	7,386	9,610	7,786	7,483	7,930	6,862
May	7,875	9,473	8,009	7,781	8,626	10,028	8,507	8,386	8,600	7,354
June	9,217	10,818	9,394	9,402	10,600	11,268	10,204	10,577	10,114	9,091
July	12,279	12,069	11,684	11,654	12,294	14,498	13,545	14,958	13,070	11,934
August	11,135	11,758	11,315	11,375	12,375	12,979	11,888	12,465	10,777	10,882
September	9,175	8,557	8,565	9,513	10,653	10,844	8,963	9,916	8,172	8,301
October	9,670	8,590	7,813	8,888	10,389	11,026	9,263	9,581	7,884	8,267
November	9,867	8,623	7,913	9,083	10,585	11,580	8,471	9,009	7,816	8,237
December	8,787	8,422	8,252	9,078	10,535	8,254	8,026	9,299	7,743	7,832
Total	102,872	110,843	106,790	106,004	117,689	130,355	111,111	114,735	106,674	102,517

L-6(d): Seward

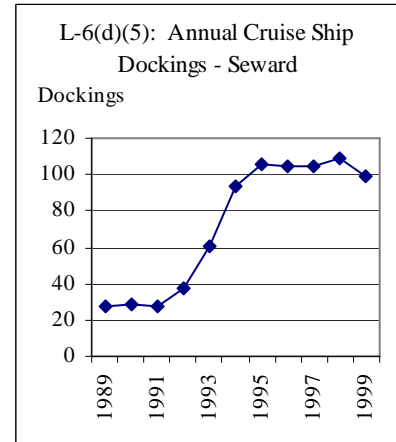
L-6(d)(1): 1999 Seward Visitors Counts

	Chamber of Commerce	Alaska SeaLife Center
Jan	103	1,512
Feb	95	1,439
Mar	165	2,779
Apr	491	5,341
May	2,062	17,825
Jun	7,313	31,280
Jul	9,663	42,352
Aug	7,614	35,627
Sep	2,583	14,222
Oct	390	5,263
Nov	109	1,659
Dec	135	1,987
	30,723	161,286



L-6(d)(4): Annual Cruise Ship Dockings

Year	Count
1989	27
1990	29
1991	28
1992	37
1993	61
1994	94
1995	106
1996	105
1997	105
1998	109
1999	99



L-6(e): Soldotna

Soldotna Visitor Center Visits			
	1997	1998	1999
May	4,368	2,936	5,359
June	10,294	10,289	10,658
July	21,579	18,544	19,205
Aug	9,763	10,678	14,453
Sept	1,821	4,573	4,655
Total	47,825	47,020	54,330
Change		-1.7%	15.5%

Visitors are counted from May through September each year at the Soldotna Visitor Center. Visits were up 15.5% from 1998 to 1999. Early indications show a healthy increase during 2000 as well.

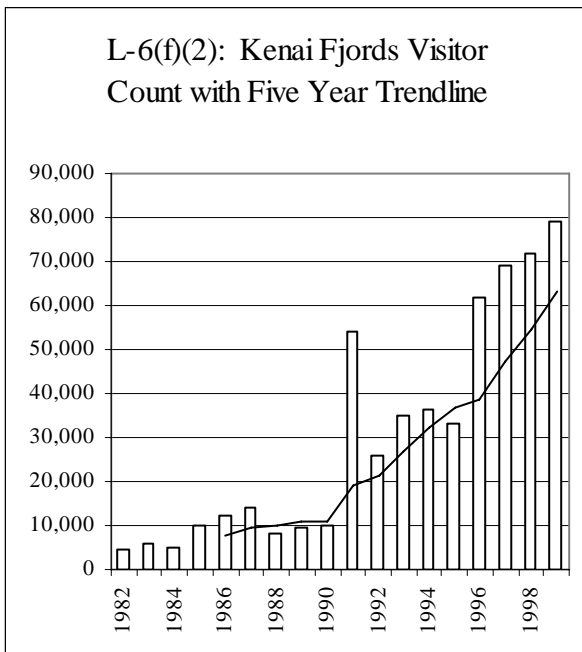
L-6(f): Kenai Fjords National Park Visitors

L-6(f)(1): Kenai Fjords National Park Visitor Counts

	Recreation Visitor Days	Non-Recreation Visitor Days	Total	% Change
1999	78,864	408	79,272	10.4%
1998	71,356	450	71,806	3.8%
1997	68,814	372	69,187	11.5%
1996	61,772	269	62,042	86.4%
1995	33,051	242	33,293	-8.9%
1994	36,436	118	36,554	4.0%
1993	34,601	545	35,146	35.1%
1992	25,897	117	26,014	-52.0%
1991	53,704	516	54,220	438.3%
1990	9,735	338	10,073	5.9%
1989	9,210	298	9,508	19.0%
1988	7,593	399	7,991	-42.5%
1987	11,897	1,999	13,896	11.6%
1986	10,295	2,161	12,456	21.9%
1985	6,832	3,388	10,220	101.8%
1984	4,353	711	5,064	-16.3%
1983	4,311	1,739	6,049	33.2%
1982	3,411	1,130	4,541	

Since 1982, when visitor counts began for the Kenai Fjords National Park, a 1,646% increase has been noted. As a comparison, Denali visitors have increased 184% over the same time period. The Grand Canyon and Lincoln Memorial visitor counts have increased 74% and 39% and Yellowstone Park counts have dropped 20%.

L-6(f)(2): Kenai Fjords Visitor Count with Five Year Trendline



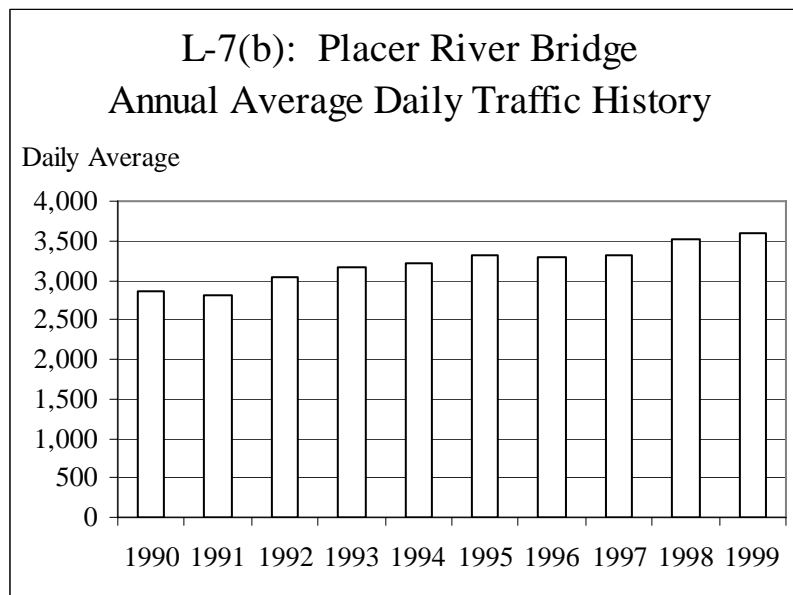
L-6(f)(3): National Park Visitor Comparisons

	Total Visitor Days	% Change - 18 Year
Kenai Fjords	1999	79,272
	1982	4,541
Denali	1999	512,183
	1982	180,214
Grand Canyon	1999	5,896,125
	1982	3,380,621
Lincoln Memorial	1999	176,275
	1982	126,414
Yellowstone	1999	5,662,113
	1982	7,100,282

L-7: Traffic Counts

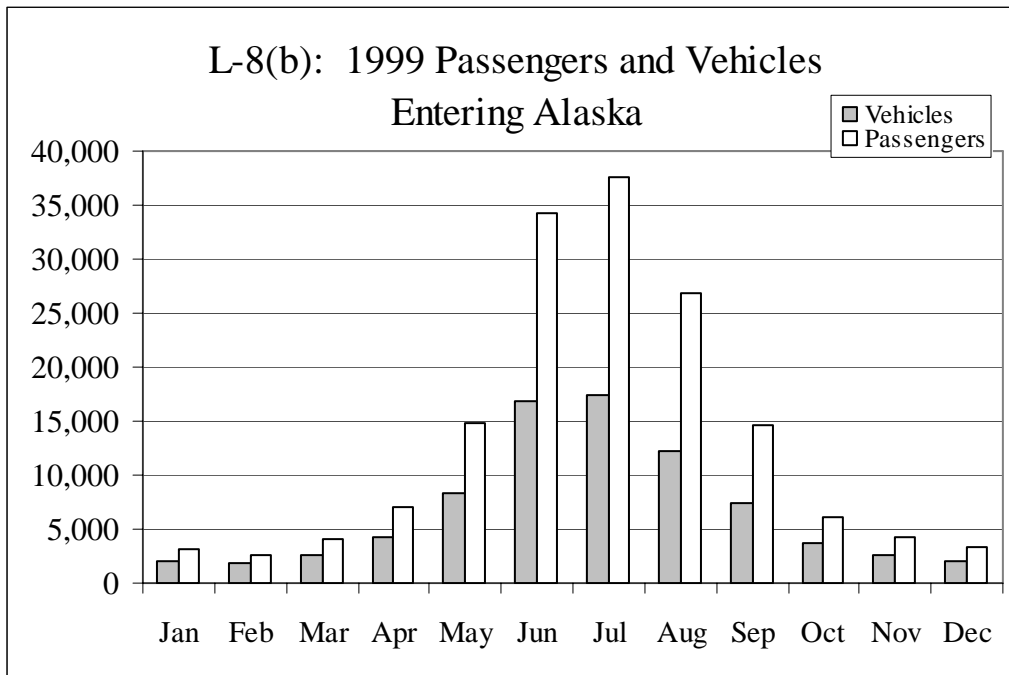
L-7(a): Annual Average Daily Traffic At Select KPB Sites							
Year	Homer	Moose Pass	Anchor River	Potter Flats	Placer River Bridge	Soldotna	Kenai
1990	3,892	1,326	1,794	5,857	2,851	5,055	6,335
1991	3,819	1,369	1,733	6,620	2,801	5,155	6,564
1992	3,976	1,455	1,815	6,929	3,039	5,700	6,986
1993	4,222	1,551	2,009	7,366	3,171	5,898	7,426
1994	4,196	1,608	2,153	7,571	3,206	6,165	7,793
1995	4,268	1,531	2,482	7,565	3,307	6,406	7,751
1996	4,219	1,568	2,469	7,464	3,285	6,526	7,696
1997	4,245	1,606	2,505	7,574	3,320	6,871	7,963
1998	4,022	1,766	2,517	8,296	3,509	7,278	8,203
1999	4,009	1,820	2,435	8,294	3,599	10,140	?

Traffic counts report estimated annual average daily traffic. Some locations have permanent counters, others rely on periodic sample surveys.



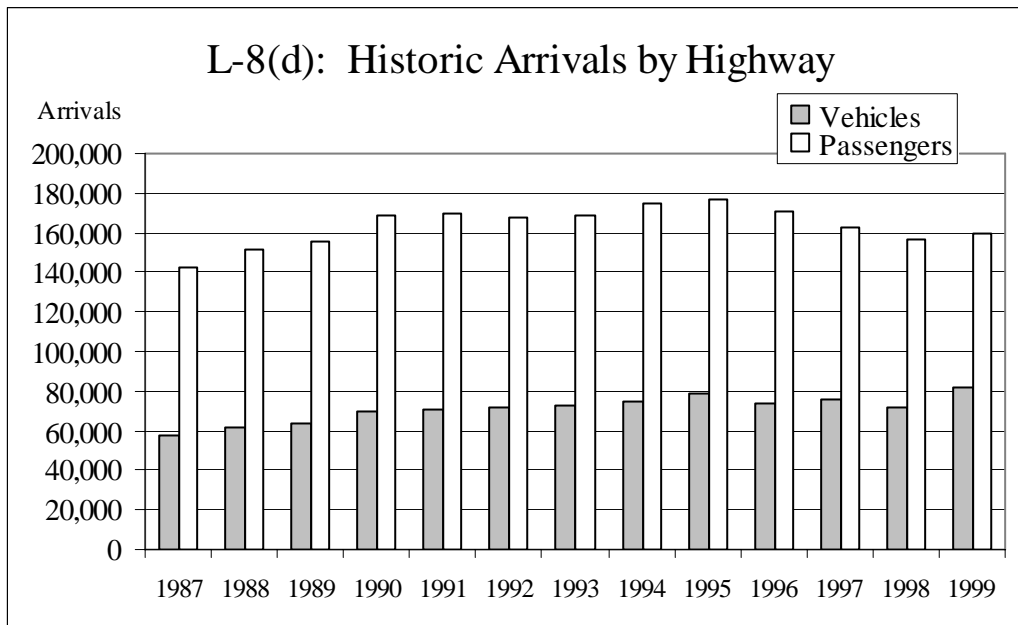
L-8: Border Crossings

L-8(a): 1999 Vehicles and Passengers Entering Alaska						
	ALCAN		DALTON CACHE		TOTAL	
	Vehicles	Passengers	Vehicles	Passengers	Vehicles	Passengers
January	1,422	1,875	679	1,357	2,101	3,232
February	1,343	1,720	472	913	1,815	2,633
March	1,888	2,546	792	1,566	2,680	4,112
April	3,175	4,664	1,170	2,439	4,345	7,103
May	6,417	10,716	1,893	4,155	8,310	14,871
June	13,223	26,440	3,554	7,789	16,777	34,229
July	12,889	26,751	4,451	10,825	17,340	37,576
August	8,362	17,917	3,885	9,010	12,247	26,927
September	4,538	9,692	2,803	5,006	7,341	14,698
October	2,353	3,495	1,362	2,679	3,715	6,174
November	1,867	2,602	766	1,616	2,633	4,218
December	1,471	2,153	587	1,200	2,058	3,353
TOTAL	58,948	110,571	22,414	48,555	81,362	159,126



L-8(c): Historical Arrivals by Highway

	Haines		Alcan		Total	
	Vehicles	Passengers	Vehicles	Passengers	Vehicles	Passengers
1987	19,780	45,847	38,150	96,607	57,930	142,454
1988	19,972	45,019	41,796	106,725	61,768	151,744
1989	19,708	46,560	43,600	109,132	63,308	155,692
1990	22,283	52,722	47,709	115,866	69,992	168,588
1991	21,860	51,623	48,731	117,875	70,591	169,498
1992	23,730	54,085	47,697	113,128	71,427	167,213
1993	24,488	56,425	48,674	111,796	73,162	168,221
1994	24,272	55,356	50,634	119,877	74,906	175,233
1995	24,641	55,148	54,508	121,566	79,149	176,714
1996	23,016	52,330	50,891	118,520	73,907	170,850
1997	20,069	44,161	55,335	118,408	75,404	162,569
1998	22,173	49,939	49,280	106,749	71,453	156,688
1999	22,414	48,555	58,948	110,571	81,362	159,126

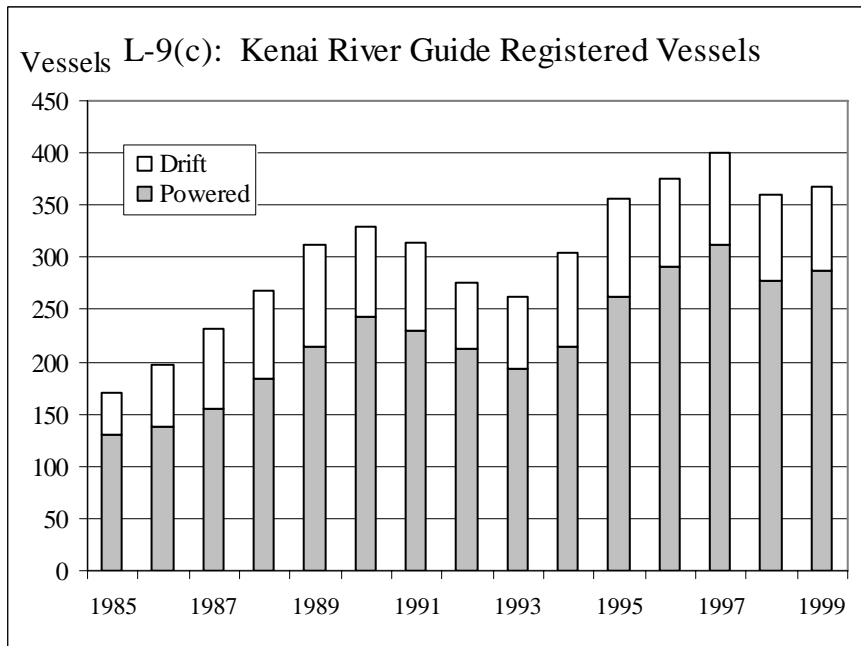
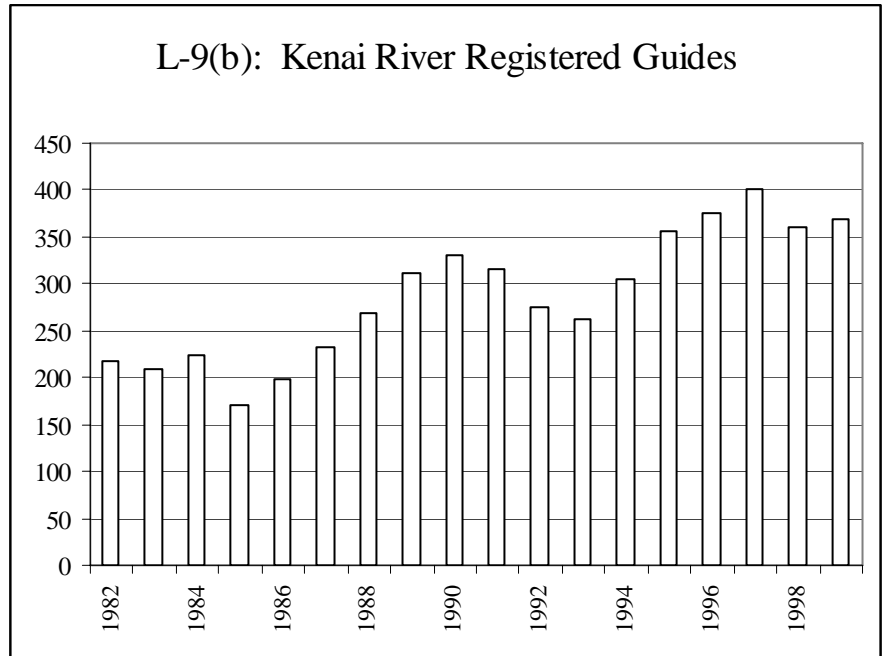


L-9: Recreational Fishing

Kenai River Registered Guides

L-9(a): Kenai River Guides

	Registered
1982	217
1983	208
1984	224
1985	171
1986	198
1987	232
1988	268
1989	312
1990	330
1991	315
1992	275
1993	263
1994	304
1995	357
1996	375
1997	400
1998	360
1999	368

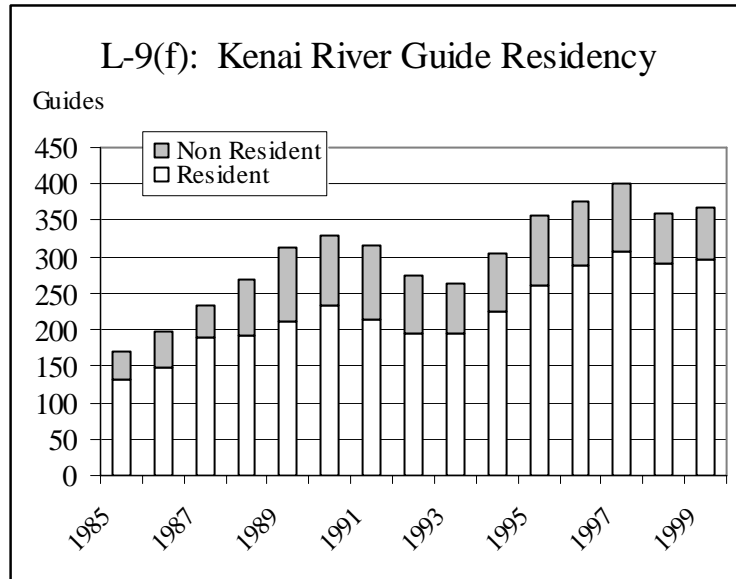


L-9(d): Kenai River Guide Vessels Registered

	Powered	Drift	Percent Powered
1985	131	40	77%
1986	138	60	70%
1987	155	77	67%
1988	184	84	69%
1989	215	97	69%
1990	243	87	74%
1991	229	86	73%
1992	212	63	77%
1993	194	69	74%
1994	214	90	70%
1995	263	94	74%
1996	292	83	78%
1997	312	88	78%
1998	278	82	77%
1999	288	80	78%

L-9(e): Kenai River Guide Residency

	Resident	Non Resident	Percent Resident
1985	131	40	77%
1986	148	50	75%
1987	188	44	81%
1988	191	77	71%
1989	212	100	68%
1990	234	96	71%
1991	214	101	68%
1992	194	81	71%
1993	196	67	75%
1994	224	80	74%
1995	260	97	73%
1996	287	88	77%
1997	306	94	77%
1998	292	68	81%
1999	295	73	80%



Each year, between 5% and 15% of guide permits issued are for purposes other than fishing. During 1999, there were 329 fishing guide permits issued and 39 non-fishing guide permits issued.