

Introduction

The Kenai Peninsula Borough (KPB) *Situations and Prospects* is an annual publication of statistical information used to report KPB economic situations and trends. The KPB Economic Analyst, Jeanne Camp, compiles and produces the document under supervision of Jack Brown, KPB Business Development Manager. This meaningful and useful information could not be 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 2002 *Situations and Prospects* provides statistical information for calendar year 2002 with historical data to aid in identification of economic activity trends. The edition is divided into sixteen sections, the first being this Overview. Six industries, Commercial Fishing, Oil & Gas, Retail Sales, Services, Timber and the Visitor Industry, are studied in depth.

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, a portion with abundant natural resources. For example, oil and gas produced and processed within the Kenai Peninsula Borough are sold locally, within the United States, and also on world markets, as are commercial fishing and timber products. As the KPB delivers to world markets, it also consumes from that market.

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 and whenever possible, an Internet address is provided. All United States Census Bureau figures were found on various pages of the census website, <http://www/census.gov/>. 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 sets for a particular subject do not always match as they vary from source to source.

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, assisting in decision making by providing economic data and demographic trends.

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

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

ACKNOWLEDGEMENTS

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 and Workforce Development
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 Seldovia
City of Seward
City of Soldotna
Emergency Service Areas Across the Borough
Enstar

Homer Electric Association (HEA)
Heritage Place
International Pacific Halibut Commission
Kenai Convention & Visitors Bureau
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
Multiple Listing Service
Police Departments – Homer, Kenai, Seldovia, Seward and Soldotna
Seldovia Mayor's Office
TelAlaska
South Peninsula General Hospital
United States Bureau of Economic Development
United States Department of Labor
United States Postal Services
Wesley Rehabilitation Center

In addition, I would personally like to thank each person who reviewed the document prior to publication. I understand how tedious the job is and appreciate each of you for your attention to detail.

Jack Brown – KPB CEDD Business Development Manager
Betty Glick, KPB Assembly Member
Sylvia Vinson-Miller – Planning Department, Platting Technician
Sylvia Beaudoin – Cook Inlet Salmon Brand, Inc. Program Director

I also thank Bill Popp, KPB Oil and Gas Liaison and Sylvia Beaudoin, Program Director of Cook Inlet Salmon Brand, Inc. for their input into the respective industry studies.

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 “Other” area, which refers to all areas not under jurisdiction of one of the listed city governments.

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 individuals or other libraries in a specified time period.

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.

Family - A group of two or more people (one of whom is the householder) related by birth, marriage, or adoption and residing together; all such people (including related subfamily members) are considered members of one family.

Family household - A household maintained by a householder who is in a family, and includes unrelated people who may be residing there.

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 - Represents the percentage data change from one period to the next.

Household - A household consists of all the people who occupy a housing unit (excludes group quarters).

Householder - Refers to the person (or one of the people) in whose name a housing unit is owned or maintained.

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

AFF –	Agriculture, Forestry and Fisheries – (Includes fish buyers)
Mining –	Mining – (Includes Oil & Gas Extraction and Production)
Const –	Construction
Manu –	Manufacturing – (Includes Oil & Gas Manufacturing and Fish Processing)
TCPU –	Travel, Communications, and Public 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, whether or not they are currently employed.

Line of Business Code – Codes used to assist in data standardization for governmental agency statistics. The system, used by government agencies since 1939, SIC, is being phased out and replaced with NAIC codes, North America Industrial Classification codes, otherwise called Lines of Business. 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.

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 or Not Applicable.

NAICS – Industrial classification system implemented in response to the North American Free Trade Agreement (NAFTA) entered into with Mexico and Canada, effective January 1994. The coding system replaces the outdated SIC system.

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. There is no incentive to report non-taxable sales.

Other – With reference to sales, “Other” area refers to areas within the KPB but outside the incorporated cities.

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.

SOC – Standard Occupational Code

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 unable to find employment.

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

At the close of 2002, the Kenai Peninsula Borough (KPB) economy is characterized by stability with no major industry expansions and no major setbacks for the year. Taxable sales surpassed the 2001 total although gross sales for the year were slightly less. Construction activity was strong in both volume and value as the total assessed value of new permits was second only to the 1995 value when the \$35 million Alaska SeaLife Center was permitted. Total volume set a new record high and new housing starts were in the average range. Employment is showing some weakness as the average unemployment rate rose to 10.5% from 9.3% during 2001, a factor of an increase in labor force with slight growth in jobs.

Demographics

The KPB population continues to expand as the Alaska Department of Labor and Workforce Development (AKDOLWD) estimates KPB's 2002 population at 51,187, two percent over the updated 2001 estimate of 50,185. This continues the trend established from the 1990 to the 2000 Census, growing by a strong two percent per year. The AKDOLWD prepares annual estimates based on recorded births, deaths, and permanent fund dividend applications. They do not prepare the estimates during the decennial census year and adjust prior year estimates to coincide with the more accurate census data.

Per Census 2000, the KPB has 3.1 residents and 1.6 housing units per square mile. Homer has 372.9 persons with 177.0 housing units per square mile. City of Kenai density was reported at 232.2 persons and 100.4 housing units per square mile. Seward was marked at 196.0 persons and 73.3 housing units per square mile. and Soldotna density stands at 541.9 persons and 240.7 housing units per square mile.

The Alaska Permanent Fund Dividend continues to have a positive impact on local economies as each qualified resident received \$1,540.76 during the annual payout. For the individual who has received a dividend each year since the beginning of the program, receipts now total \$21,902.29. The statewide payout during 2002 totaled \$904,327,511.36.

Enrollment in the public school system continues to decline as the number of students enrolled during the 2002-2003 school year dropped 1.35% to 9,667. Enrollment has experienced a gradual decline since the 1996-1997 school year when enrollment peaked at 10,396.

Enrollment at Kenai Peninsula College is increasing as are credit-hours-earned. During fiscal year 2001, 18,803 credits were earned, compared to 17,314 the prior year. AV-Tech enrollment increased from 1,424 to 1,859 for the year.

Sales

KPB Gross Sales declined 4.5% to \$1,816,625,287 after gaining 16.2% the prior year when sales totaled \$1,901,782,966. Homer had the largest percentage gain of the KPB cities, with sales of \$261,675,881. This gain is due in part to the annexation that increased the city's total area by 22%, effective April 1, 2002. It is interesting that sales in Homer increased 14.4% and also accounted for 14.4% of KPB gross sales for the year. Soldotna sales increased 5.8% to reach \$325,357,227, providing 17.9% of the area total. Seward sales declined 7.7% to \$142,228,716 while Seldovia sales dropped 4.1% to \$4,821,639. Of the cities, the largest decline occurred in Kenai where sales of \$279,219,165 were down 10.1% from 2001. However, the greatest decline, 10.9%, occurred in the unincorporated areas of the borough where sales totaled \$803,322,659. Homer's gain is a factor in the decline because Homer's annexation deleted those sales from the unincorporated areas.

Sales in four industries improved as service sales increased 8.0% to \$276,840,276, the second largest gross sales sector. Wholesale goods gained 6.3% to reach \$188,430,691 while Finance, Insurance and Real Estate (FIRE) marked a 1.1% increase with sales of \$54,578,516. Government sales increased but sales of \$22,579 are inconsequential.

Manufacturing sales declined 36.0%, to \$143,773,326 while mining experienced a 10.2% drop to \$113,415,028. Construction activity resulted in sales of \$228,408,574, a 5.0% decline from 2001 while Agriculture, Forestry and Fishing (AFF) sales reached \$16,728,174, down 4.8%. Retail sales, the dominant sector, decreased 1.5% to \$621,733,100. Lastly, Transportation, Communication and Public Utilities (TCPU) declined with sales of \$172,695,023, down 0.5% from one year ago.

Taxable Sales improved 2.5% over 2001 to \$722,393,780 with Homer showing the largest percentage gain, 12.9% due in part to the annexation, effective April 1, 2002. Soldotna sales improved by 2.6% for a total of \$176,899,381. Seward sales increased 1.9% to reach \$75,601,878.

Kenai sales decreased 0.4% to \$136,540,390, while Seldovia sales were down 1.7% to \$3,278,114. Sales outside the cities declined a minimal 0.8% to \$209,335,721, strong sales in light of Homer's annexation, which took sales from this area.

The retail industry dominates taxable sales with \$416,965,630 or 57.7% of the KPB 2002 total, and a 1.7% annual increase. Service sales follow with 20.0% of the borough total, \$144,823,043. TCPU reached \$84,006,180, 11.6% of the KPB total. FIRE sales, 3.3% of the total, improved to \$23,910,592, while wholesale goods accounted for 3.1% of sales and topped out at \$22,036,133. Manufacturing, construction, mining and AFF each contribute less than 2% to total taxable sales. Only wholesale goods, manufacturing and mining reported decreased sales for the year, down 2.6%, 0.4% and 0.4%, respectively.

Non-taxable sales accounted for 60.2% of all sales for the year, down from 62.9% during 2001.

KPB per capita personal income for KPB during 2001 was \$28,506, less than both the Alaska and U.S. per capita personal incomes of \$31,027 and \$30,413, respectively. Data for 2002 was not available at the time of printing.

Construction

By Area, Value. Construction activity was strong within KPB cities, where building permits are required. Permit values during 2002 totaled \$45,922,776, a 1.9% increase over 2001, following a 60.1% increase over 2000. Kenai permitting provided 36.6% of value as permits issued totaled \$16,799,400, a 23.7% increase over 2001. The \$11,163,894 total permit value issued by Soldotna added 24.3% of the KPB total and marked a 24.7% increase. Homer permit values dropped 49.3% for the year following the spike caused by permitting of the Pioneer Dock upgrade during 2001, valued in excess of \$11 million. In actuality, Homer's total was the fourth highest value since 1986. Seward permit values jumped 191.2% to \$7,910,703 and provided 17.2% of the KPB total.

By Area, Volume. Three hundred seventy permits were issued for the year, the highest volume on record and a 23.3% increase over 2001. Kenai issued 121 permits, providing 32.7% of the total. Seward and Soldotna each issued 91 permits, 24.6% of the total. Homer issued 67 permits, 18.1% of the total. Seward's volume was 89.6% above a year ago, while Kenai was 39.1% ahead for the year. Both Homer and Soldotna decreased permitting as Homer permit volume decreased 6.9%; Soldotna's was down 2.2%.

By Type, Value. Total value of permits during 2002 reached \$45,922,776, a 1.9% increase over 2001. New commercial activity resulted in values of \$21,793,729, exceeding 2001 by 88.4%, and providing 47.5% of the KPB total. New residential permitting added 30.6% of the total value or \$14,050,064. Commercial alteration/

addition permits totaled \$7,821,668, 17% of the total. Finally, residential alteration/addition permits added \$2,257,315 for 4.9% of the KPB total. New commercial permitting exceeded 2001 values by 88.4%, residential alteration/addition values increased 13.7% and new residential values added 5.2%. Only commercial alteration/addition permitting values dropped, 56.9%; yet the 2002 value is the second strongest on record, second only to 2001 when Homer's \$11 million Pioneer Dock was permitted.

By Type, Volume. All construction categories increased activity from 2001 to 2002 and each set or matched the previous record volume. New residential permitting increased 40.2% to 122 permits while residential alteration/addition activity increased to 105, a 15.4% increase. The 53 permits for new commercial structures is the highest on record, perhaps a factor of low interest rates but certainly an indication of satisfaction with market conditions in the area. Commercial alteration activity was equal to the 2001 record high as 90 permits were issued.

Employment

Employment by industry data begins a new trend with 2002 data as the North American Industrial Classification System (NAICS) has been implemented in accordance with NAFTA, the trade agreement signed by the United States, Canada and Mexico, effective January 1, 1994. See pages 59 through 61 for a full explanation.

The KPB 2002 average monthly labor force increased by 285 persons, to 21,958, over 2001. Average monthly employment increased by four jobs to 19,682 from 19,678, a 0.02% gain. A sizeable increase in labor force combined with minimal job growth resulted in the average unemployment rate increasing from 9.3% in 2001 to 10.4% during 2002. The monthly average of unemployed persons during 2002 was 2,276, up from 1,995 during 2001.

Housing

The KPB Assessing Department provides information for new housing starts. Permits are not required in unincorporated areas, resulting in preliminary numbers, subject to change as individuals report construction to the KPB or as KPB personnel sight projects during annual inspections. The department reports new housing starts increased from 387 during 2001 to 486 during 2002. Construction was begun on 70 new homes valued between \$150,000 and \$200,000. An additional 21 new homes were valued in the \$200,000 to \$250,000 range. Eight homes were valued over

\$250,000 with 387 starts valued at the lower end of the value spectrum, perhaps due to incompleteness at the time of assessment. Total value of new homes during 2002 was \$44,050,200 compared to \$36,273,100 during 2001.

Within the cities, permits totaling \$14,050,064 were issued for 102 new residences. According to data received from the individual cities, the average value in the cities was \$137,746, compared to the average 2001 value, \$153,525.

Commercial Fishing

The political focus of commercial fishing in the KPB centers around Cook Inlet sockeye salmon where the average price per pound dropped from \$1.39 during 1999 to \$0.85 during 2000, continuing down to \$0.65 during 2001, then up to \$0.69 during 2002. The average weight per fish increased from 5.6 pounds during 2001 to 6.3 pounds in 2002. The 2002 total harvest increased for a second year, rising from 1,570,000 fish during 2000 to 2,140,000 during 2001, then to 3,471,000 during 2002. The exvessel value decreased from \$9,000,000 during 2000 to \$7,810,000 in 2001, and up to \$11,663,000 during 2002.

There were 1,140 salmon permit holders and 773 active permits during 2002. This compares with 1,160 salmon permit holders during 2001 and 876 active permits. Preliminary data for 2002 indicates 56,630,543 pounds of salmon landed with estimated gross earnings of \$17,346,556. This number will more than likely increase. Gross estimated earnings have been declining gradually, down from the 1999 estimate of \$38,095,724. The numbers presented represent catch of sockeye, chinook, coho, pink and chum salmon. Sockeye salmon, the most plentiful and sought after by commercial fishermen, brought an average of \$0.69 per pound, kings averaged \$0.98 per pound, and pinks, \$0.06 per pound.

Halibut fishers are another player in the KPB commercial fishing industry. The commercial halibut catch brought 21,457,413 pounds to KPB ports on 1,413 landings. Homer reported 917 landings and received 13,633,196 pounds, Seward had 446 landings with 7,558,291 pounds. Kenai with 35 landings, Ninilchik with 14, and Kasilof with 1 landing, brought in the remainder, 265,926 pounds. Gross earnings for 2001 was \$13,982,657. Homer and Seward are two of the top landing ports for the 3A regulatory region of the Pacific halibut fishery.

The total commercial fishing industry had 1,195 active permits with estimated gross earnings totaling \$34,897,482 with a harvest of 94,425,208 pounds. Updated 2001 data indicates estimated gross earnings of \$47,667,673 from 97,748,804 pounds of halibut, salmon, cod and all the other active fisheries.

The Kenai Wild Salmon branding project successfully completed phase two of its agenda. The goal is to provide the highest quality Cook Inlet salmon for premium prices, thereby revitalizing the commercial salmon fishing industry for area fisherman. Farmed salmon produced in countries like Chile and Norway, which subsidize their salmon industry, has negatively impacted the Alaska industry. While wild salmon provides a greater nutritional value, farmed salmon are available fresh on a year-around basis, have better quality control due to a controlled harvest pace, and the supply can be managed to meet expected demand.

Oil & Gas

Cook Inlet well logs indicate 11,284,000 barrels of oil were produced, a 1.85% decrease from oil produced during 2001. Natural gas production of 195,059,000 cubic feet marks a 1.06% increase in production over the previous year. The 1,739 employees in the extraction (Mining) and processing (Manufacturing) accounted for 9.9% of all KPB employees during 2002. The industry annual average monthly earnings was \$6,683, compared with the KPB average, \$2,798.

2002 saw a mix of positive and negative news for the Cook Inlet oil and gas industry. New exploration for natural gas showed marked increases while oil development and production activities suffered from a number of negative events. Natural gas related efforts saw marked increase in new exploration projects on the Westside of Cook Inlet as well as the lower Kenai Peninsula in the coastal areas between Clam Gulch and Ninilchik that have resulted in the planned construction of the \$25 million Kenai Kachemak Pipe Line. However, the Baker and Dillon oil production offshore platforms were scheduled to be shut in and taken offline due to poor production levels. The outlook for 2003 is for continued increases in natural gas exploration and productions efforts and a stagnant oil effort.

Retail Sales

Central Kenai Peninsula with the twin cities of Kenai/Soldotna, the borough retail center, combined for 52.5% of 2002 borough gross sales and 54.7% of taxable sales. Gross retail sales during 2002, \$621,733,100, were 1.5% less than 2001. Taxable retail sales reached \$416,965,630 for the year, a 1.7% annual increase and 57.7% of KPB taxable sales.

Annual average monthly earnings in the retail sector is reported at \$1,546, approximately 71% of the borough average, \$2,798 per month. Retail businesses account for 13.6% of KPB business licenses.

The number of buildings providing retail space is declining, but the size of those buildings is increasing. The 426 buildings available for retail sales during 2002 provided 2,962,850 square feet of area, an average of 6,955 per building. During 2001, 432 buildings provided 2,149,420 square feet of retail space, averaging 4,863 square feet. During 2000, the average area was 4,812 square feet in 446 buildings, a total of 2,146,054 square feet.

Services

The service industry study is a new addition this year, and is a difficult to track as the varied range of businesses involved includes hotels and lodging, health services, legal services, engineering, guiding, and many others. Many small businesses are involved in this sector and may be sole proprietorships that are exempt from reporting employment data because they have no other employees, skewing employment data. Sales, however, are reported, but again, caveats exist. Because the KPB does not provide an incentive for reporting nontaxable sales, many professionals such as those in medical services do not report sales.

Annual average monthly income for 2002 in the service sector was \$1,670, 63% of the borough average, \$2,798. There were 8,656 active business licenses during 2002, with 3,109 of them, 35.9%, issued for businesses in the service sector.

Reported gross service sales reached \$276,840,276 with Homer at \$50,569,186 and Seward with \$43,642,975. Businesses in the unincorporated areas provided \$103,733,303 in gross sales. Fifteen percent of gross sales are due to service activity. It appears on the surface that Kenai, Seldovia and Soldotna are not service oriented with a combined total of \$78,894,812 in service sales, but the more likely scenario is that their service entities do not meet requirements so are exempt from reporting.

Service sales account for 20% of taxable sales, the second largest sector behind retail sales. There is a definite seasonal impact on service sales, especially in taxable sales. Note the span (page 178) as sales during 1st and 4th quarter hover near \$20 million while peak 3rd quarter sales triple to near \$60 million. Both Kenai and Soldotna are less affected by the seasonality as sales increase from about \$4 million during the low quarter to near \$6 million during peak activity. In comparison, Homer service sales increase from around \$4 million to over \$12 million and Seldovia sales increase from \$55,000 to \$350,000. Seward sales increase from \$2 million to \$16 million but that Seward 1st and 4th quarter growth has been nonexistent while 3rd quarter growth has been exceptional. Unincorporated areas are highly impacted by seasonality, moving from lows near \$6 million to peaks near \$22 million.

Timber

Gross timber sales increased from \$4,263,360 during 2001 to \$4,478,398 during 2002, a 5.04% gain. The nature of the industry results in the unincorporated areas providing the greatest percentage of industry sales.

Annual average monthly earnings for employees in the timber industry are not available for 2002; however, during 2001 earnings averaged \$2,665, near the borough average of \$2,798. As destruction by the spruce bark beetle continues, the availability of harvestable timber continues to decline. Efforts are being made to develop a timber coop that would benefit the industry through economies of scale and development of value-added products.

Visitors

Visitor counts across the KPB were down 23.1% with 94,097 persons counted during 2002 compared to 122,311 during 2001. The visitor count is an inaccurate measure because some visitors never enter a visitor center while others may visit several. Homer visitation increased 10.8% for the year while Kenai visitation dropped 1.6%. Enplanements at the Kenai Municipal Airport decreased 9.3% for the year. Visits to the Seward Chamber of Commerce dropped almost 50% in contrast to increases in visiting ferry passengers, railcar visitors, and visitation at the Kenai Fjords, Exit Glacier and SeaLife Center, another indication of weakness in the measurement. Soldotna also showed a decline in visitation but their counter was not functioning during May and June.

Gross and taxable sales in visitor related businesses increased, 5.5% and 9.8% respectively. Gross sales reached \$99,137,305 for the year, with Seward reporting sales of \$25,247,370. Homer was close behind with \$20,699,126. Soldotna and Kenai report \$5,741,966 and \$5,596,965, respectively; and Seldovia had \$420,804 in gross visitor industry sales. Homer, Seward and Soldotna each increased sales over 2001. Taxable sales followed a similar pattern with only Kenai, and Seldovia showing declining visitor sales for 2002.

Quarterly sales charts indicate total KPB sales are cyclical and that activity during all four quarters is gradually increasing. Of the industries studied, only visitor industry sales continue to increase the highs of 2nd and 3rd quarter sales, but low sales of 1st and 4th quarters stubbornly refuse to rise. KPB's role as host to the 2006 Arctic Winter Games will increase awareness of area winter activities that could improve winter month doldrums common in visitor industry 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 City is the only Second Class city in the KPB. The *Municipal Officials Directory 2000* states “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 cities can acquire additional area wide 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 incorporation.

The KPB 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 KPB into two landmasses. The peninsula itself encompasses 99 percent of the KPB population and most of its developed areas. The boundaries of the KPB encompass a total of 24,737 square miles, of which 16,221 are in land. The remainder is in lakes, Cook Inlet and rights of way. In comparison, the total landmass of the KPB equals that of Massachusetts and New Jersey combined. The KPB has a larger land total area than ten states in the United States and larger than Washington D.C.

The Kenai Peninsula Borough as the most diverse borough in the state of Alaska and draws strength from that diversity. Economic benefits come from tourism, commercial and recreational fishing, oil and gas extraction and production,

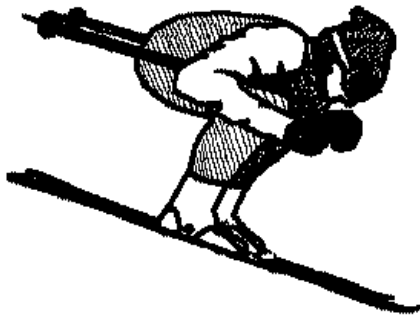
construction, government entities, retail sales and the timber industry. Geographic diversity provides for a variety of lifestyles and economic and recreational opportunities. Industries capitalize on geographic strengths of the area such as all-weather ports with easy accessibility for shipping. Borough 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, hunting, kayaking, sailing, softball, wildlife viewing, and wind surfing. Wildlife viewing might include the typical forest and mountain mammals of moose, caribou, and bear, or it may include marine life such as whales, otters, porpoises, sea lions, seals, and spawning salmon. For the

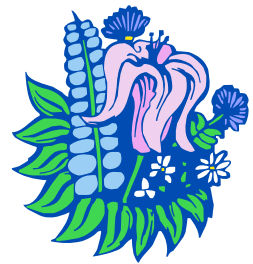
ornithologist of the group, golden eagles, bald eagles, murre, puffin, and many other species are common in the Kenai Peninsula Borough.

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



the aurora borealis; 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, beluga whales chasing silvers up the Kenai River, killer whales sounding in Cook Inlet, snow capped peaks, and the abundant and varied wild flowers native to the borough.



KPB Demographics

Census 2000

Population trends within the KPB are determined through the decennial census conducted by the United States Census Bureau. A small portion of Census 2000 data is presented in this section. Additional data is available through the U.S. Census Bureau or through the KPB CEDD office.

Census data is collected for two types of area, incorporated cities and Census Designated Places (CDP). Incorporated cities within the KPB include Homer, Kachemak City, Kenai, Seldovia, Seward and Soldotna. To be classified as a CDP, there are no specific boundaries but rather geographic features such as rivers, roads, or ridges. Certain characteristics must be present, including:

- * A sense of community;
- * A population of 25 or more; and
- * It must have been recognized as possibly fitting the criteria four years prior to the census as planning began.

The Census Bureau considers an incorporated city with a population greater than 2,500 to be urban, of which there are four in the KPB: Homer, Kenai, Seward and Soldotna. Kenai is ranked 6th largest in Alaska, Homer ranks 14th, and Soldotna is the 15th largest Alaskan city.

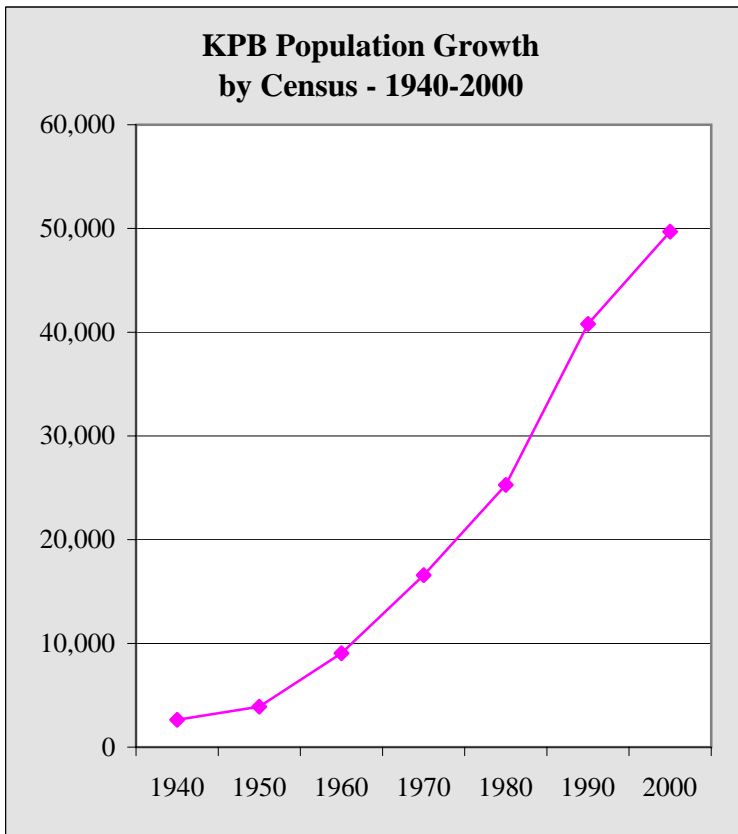


Chart 1.1

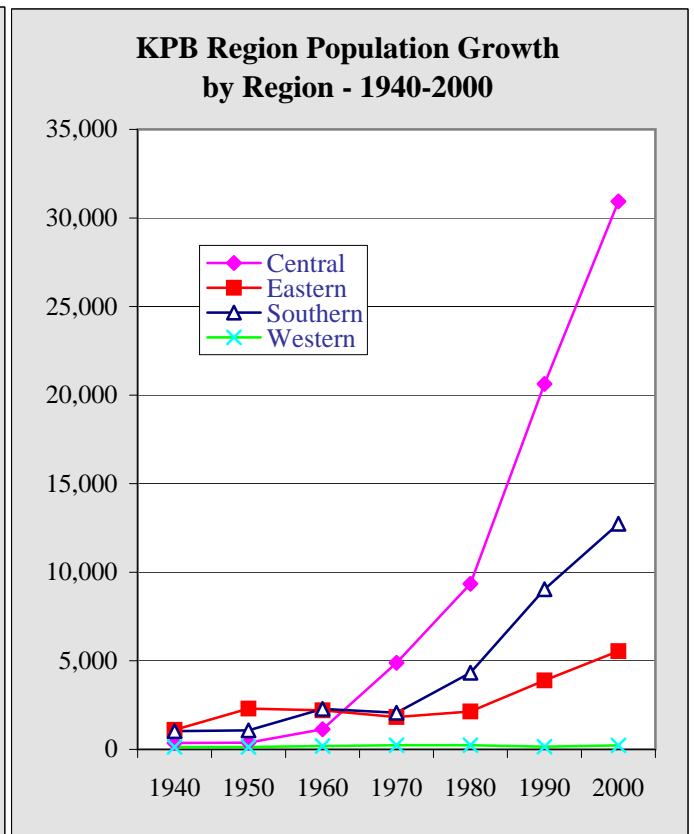


Chart 1.2

KPB Demographics

KPB Census by Community/CDP - 1940-2000

<u>KPB Community</u>	<u>Region</u>	<u>1940</u>	<u>1950</u>	<u>1960</u>	<u>1970</u>	<u>1980</u>	<u>1990</u>	<u>2000</u>	
Anchor Point	S	20	65	171	102	226	866	1,845	
Bear Creek	E	0	0	0	0	0	580	1,748	
Beluga	W	New CDP - Census 2000							32
Clam Gulch	C	0	0	0	47	50	79	173	
Cohoe	C	0	0	122	0	0	508	1,168	
Cooper Landing	E	0	60	88	31	116	243	369	
Crown Point	E	0	0	0	0	0	62	75	
Diamond Ridge	S	New						1,802	
Fox River	S	0	0	0	0	0	382	616	
Fritz Creek	S	0	0	0	27	302	1,426	1,603	
Funny River	C	New CDP - Census 2000							636
Halibut Cove	S	0	0	25	44	47	78	35	
Happy Valley	S	0	0	0	0	0	309	489	
Homer	S	325	307	1,247	1,083	2,209	3,660	3,946	
Hope	E	71	63	44	51	103	161	137	
Jakolof Bay	S	Deleted - Census 2000					36	28	Deleted
Kachemak	S	0	0	0	76	403	365	431	
Kalifornsky	C	0	0	0	0	92	285	5,846	
Kasilof	C	62	62	89	71	201	383	471	
Kenai	C	303	321	778	3,533	4,324	6,327	6,942	
Lowell Point	E	New CDP - Census 2000							92
Miller Landing	S	New CDP - Census 2000							74
Moose Pass	E	84	70	136	53	76	81	206	
Nanwalek	S	48	75	78	58	124	158	177	
Nikiski	C		0	0	0	1,109	2,743	4,327	
Nikolaevsk	S	0	0	0	0	0	371	345	
Ninilchik	S	132	97	169	134	341	456	772	
Port Graham	S	93	92	139	107	161	166	171	
Primrose	E	0	0	0	0	0	63	93	
Ridgeway	C	0	0	0	0	0	2,018	1,932	
Salamatof	C	0	0	0	0	334	999	954	
Seldovia Village	S	410	437			479	459	144	
Seldovia City	S	0	0	460	437	0	316	286	
Seward	E	949	2,114	1,891	1,587	1,843	2,699	2,830	
Soldotna	C	0	0	32	1,202	2,320	3,482	3,759	
Sterling	C	0	0	115	30	919	3,802	4,705	
Sunrise	C	New CDP - Census 2000							18
Tyonek	W	136	132	187	232	239	154	193	
Remainder of census area	E		946	3,282	7,681	16,116	7,409	249	
Kenai Peninsula Borough		2,633	4,831	9,053	16,586	25,282	40,802	49,691	

Table 1.1

KPB Demographics

Insert Map of CDP's

KPB Demographics

KBP Population

KBP Population Estimates - 1990-2000

KPB Community	1990 Census	June 1 Estimate (Subject to Annual Revision)									2000 Census	2001 Estimate	2002 Estimate	Annual Change
		1991	1992	1993	1994	1995	1996	1997	1998	1999				
Anchor Point	866	905	986	1,045	1,062	1,090	1,106	1,131	1,207	1,227	1,845	1,844	1,842	-0.1%
Bear Creek	580	617	614	610	629	620	620	623	636	650	1,748	1,852	1,858	0.3%
Beluga											32	24	25	4.2%
Clam Gulch	79	76	79	82	94	93	95	99	110	113	173	166	177	6.6%
Cohoe	508	530	540	546	560	573	580	590	601	602	1,168	1,167	1,223	4.8%
Cooper Landing	243	248	251	252	263	278	271	266	287	285	369	394	375	-4.8%
Crown Point	62	63	70	78	82	88	90	90	100	91	75	91	90	-1.1%
Diamond Ridge											1,802	1,822	1,130	-38.0%
Fox River	382	386	391	399	408	412	405	431	435	439	616	604	577	-4.5%
Fritz Creek	1,426	1,348	1,456	1,491	1,595	1,744	1,879	1,979	1,981	2,097	1,603	1,682	1,757	4.5%
Funny River											636	631	698	10.6%
Halibut Cove	78	80	75	78	79	75	71	78	72	71	35	29	26	-10.3%
Happy Valley	309	324	341	355	370	379	384	386	402	401	489	495	497	0.4%
Homer	3,660	3,700	3,788	3,850	3,940	3,965	4,008	4,068	4,128	4,154	3,946	3,891	4,721	21.3%
Hope	161	159	168	157	167	167	158	149	136	130	137	146	155	6.2%
Jakolof Bay	28	25	26	32	25	32	28	35	51	40				NA
Kachemak	365	368	373	381	390	394	394	394	416	419	431	414	419	1.2%
Kalifornsky	285	297	303	306	314	321	325	331	337	338	5,846	6,043	6,243	3.3%
Kasilof	383	406	438	446	467	494	518	531	545	548	471	462	508	10.0%
Kenai	6,327	6,528	6,708	6,741	6,871	6,917	6,918	6,927	6,960	7,005	6,942	6,925	7,166	3.5%
Lowell Point											92	83	82	-1.2%
Miller Landing											74	69	0	-100%
Moose Pass	81	83	92	103	108	115	118	118	130	118	206	205	216	5.4%
Nanwalek	158	159	162	166	158	160	168	177	179	170	177	185	221	19.5%
Nikiski	2,743	2,830	2,909	2,923	2,979	2,998	2,998	3,004	3,018	3,038	4,327	4,390	4,409	0.4%
Nikolaevsk	371	478	488	492	567	492	552	470	471	488	345	333	314	-5.7%
Nililchik	456	483	498	507	561	590	637	646	665	687	772	765	779	1.8%
Port Graham	166	168	170	174	166	169	177	185	188	178	171	179	176	-1.7%
Primrose	63	63	62	63	62	62	62	62	62	62	93	118	112	-5.1%
Ridgeway	2,018	2,105	2,145	2,167	2,222	2,560	2,297	2,334	2,375	2,382	1,932	1,972	1,943	-1.5%
Salamatof	999	1,031	970	1,011	1,026	1,075	1,007	1,130	1,123	1,122	954	883	940	6.5%
Seldovia City	459	299	293	286	279	278	276	279	281	284	286	304	308	1.3%
Seldovia Village		434	426	416	406	404	402	405	409	413	144	134	148	10.4%
Seward	2,699	2,856	2,878	2,886	2,965	2,917	2,891	2,996	3,028	3,010	2,830	2,768	2,794	0.9%
Soldotna	3,482	3,632	3,698	3,739	3,835	3,921	3,973	4,039	4,127	4,140	3,759	3,818	3,944	3.3%
Sterling	3,802	3,941	4,507	4,408	4,629	4,934	5,383	5,677	5,878	6,138	4,705	4,853	4,905	1.1%
Sunrise											18	16	13	-18.8%
Tyonek	154	150	152	149	146	150	148	150	153	160	193	165	185	12.1%
KPB Remainder	7,409	7,659	7,695	7,761	7,913	7,717	7,991	8,194	8,322	8,236	249	263	211	-19.8%
KPB	40,802	34,473	35,764	36,053	37,146	38,189	38,663	39,501	40,210	40,716	49,691	50,185	51,187	2.0%

Table 1.2

KPB Demographics

KPB Population by Age Group - 1990 v 2000

	<u>1990</u>	<u>2000</u>	Percent Change	Percent of Total Population
Total Population	40,802	49,691	21.8%	
Under 5 years	3,862	3,288	-14.9%	6.6%
5 to 9 years	4,059	4,024	-0.9%	8.1%
10 to 14 years	3,516	4,698	33.6%	9.5%
15 to 19 years	2,970	4,140	39.4%	8.3%
20 to 24 years	2,081	2,132	2.5%	4.3%
25 to 34 years	7,348	5,648	-23.1%	11.4%
35 to 44 years	8,234	9,074	10.2%	18.3%
45 to 54 years	4,205	8,739	107.8%	17.6%
55 to 59 years	1,376	2,632	91.3%	5.3%
60 to 64 years	1,164	1,667	43.2%	3.4%
65 to 74 years	1,489	2,361	58.6%	4.8%
75 to 84 years	419	1,077	157.0%	2.2%
85 years and over	79	211	167.1%	0.4%

Table 1.3

KPB's median age of KPB increased from 31.1 years during the 1990 census to 36.3 during the 2000 census. Alaska's median age is 32.4 years while the United States median age is 35.3 years.

KPB's 2002 population, estimated by the State of Alaska, is estimated at 51,187, a 2.0 percent increase over 2001. Estimates are based on births, deaths and Permanent Fund Dividend applications.

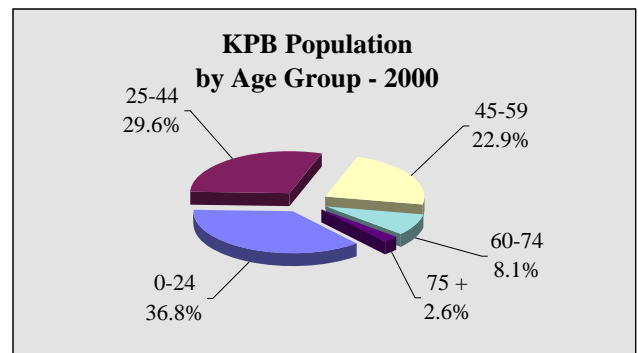


Chart 1.3

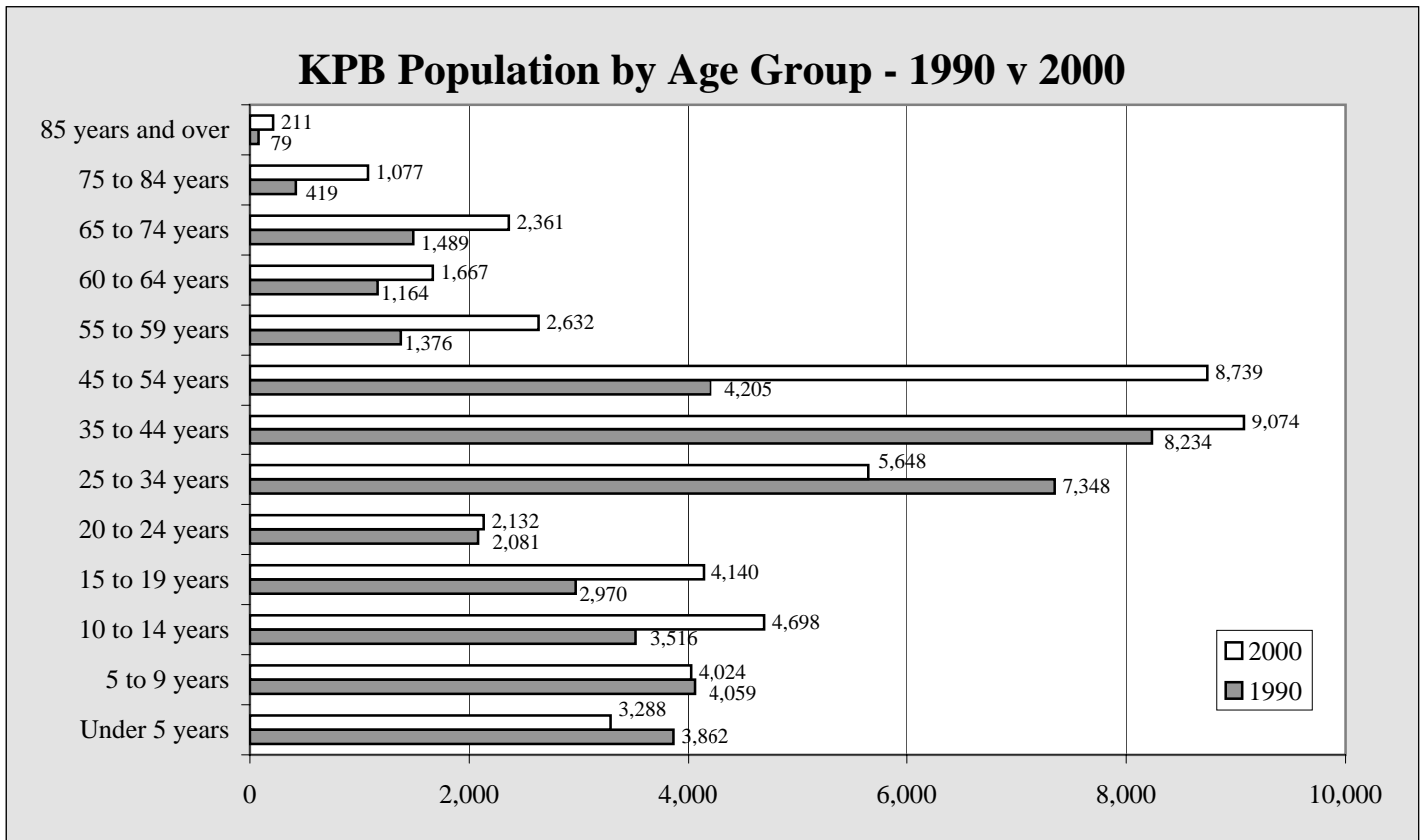


Chart 1.4

KBP Population

KBP Population Housing Units Density - Census 2000

	Population	Housing Units	Area in Square Miles			Density per square mile of land area	
			Total Area	Water Area	Land Area	Population	Housing Units
Anchor Point	1,845	979	90.90	0.12	90.79	20.3	10.8
Bear Creek	1,748	806	42.78	0.89	41.89	41.7	19.2
Beluga	32	54	103.38	0.74	102.65	0.3	0.5
Clam Gulch	173	115	13.73	0.00	13.73	12.6	8.4
Cohoe	1,168	630	72.63	2.90	69.73	16.7	9.0
Cooper Landing	369	379	69.91	3.92	66.00	5.6	5.7
Crown Point	75	38	3.55	0.00	3.55	21.1	10.7
Diamond Ridge	1,802	850	47.67	0.04	47.63	37.8	17.8
Fox River	616	170	129.44	2.85	126.59	4.9	1.3
Fritz Creek	1,603	854	54.40	0.00	54.40	29.5	15.7
Funny River	636	621	29.32	2.13	27.19	23.4	22.8
Halibut Cove	35	123	11.36	3.25	8.12	4.3	15.2
Happy Valley	489	398	88.65	0.07	88.58	5.5	4.5
Homer	3,946	1,873	22.43	11.85	10.58	372.9	177.0
Hope	137	175	51.79	0.08	51.70	2.6	3.4
Kachemak	431	219	1.61	0.00	1.61	268.0	136.2
Kalifornsky	5,846	2,479	70.15	0.96	69.19	84.5	35.8
Kasilof	471	208	10.57	0.21	10.36	45.4	20.1
Kenai	6,942	3,003	35.53	5.63	29.90	232.2	100.4
Lowell Point	92	72	11.78	0.00	11.77	7.8	6.1
Miller Landing	74	35	0.25	0.00	0.25	292.9	138.6
Moose Pass	206	119	18.10	0.06	18.04	11.4	6.6
Nanwalek	177	54	8.51	0.00	8.51	20.8	6.3
Nikiski	4,327	1,766	76.21	6.60	69.62	62.2	25.4
Nikolaevsk	345	122	36.27	0.00	36.27	9.5	3.4
Ninilchik	772	762	207.60	0.03	207.57	3.7	3.7
Port Graham	171	82	5.93	0.00	5.93	28.8	13.8
Primrose	93	47	38.37	0.97	37.39	2.5	1.3
Ridgeway	1,932	938	17.60	0.95	16.65	116.0	56.3
Salamatof	954	282	8.25	0.14	8.11	117.7	34.8
Seldovia City	286	232	0.57	0.19	0.38	749.9	608.3
Seldovia Village	144	159	20.83	1.01	19.82	7.3	8.0
Seward	2,830	1,058	21.53	7.09	14.44	196.0	73.3
Soldotna	3,759	1,670	7.41	0.47	6.94	541.9	240.7
Sterling	4,705	2,554	79.40	2.08	77.31	60.9	33.0
Sunrise	18	25	13.02	0.00	13.02	1.4	1.9
Tyonek	193	134	68.80	1.19	67.61	2.9	2.0
KPB Remainder	249	786	23,164.37	8,684.94	14,479.43	0.0	0.1
Kenai Peninsula Borough	49,691	24,871	24,754.60	8,741.34	16,013.26	3.1	1.6

Table 1.4

KPB Demographics

Alaska Permanent Fund



	Dividend Received	Cumulative Received	Percent Change	Statewide Payout in \$
1982	1,000.00	1,000.00		\$468,557,000
1983	386.15	1,386.15	-61.4%	\$176,129,580
1984	331.29	1,717.44	-14.2%	\$159,183,189
1985	404.00	2,121.44	21.9%	\$209,068,384
1986	556.26	2,677.70	37.7%	\$295,505,894
1987	708.19	3,385.89	27.3%	\$374,177,144
1988	826.93	4,212.82	16.8%	\$427,187,076
1989	873.16	5,085.98	5.6%	\$442,231,092
1990	952.63	6,038.61	9.1%	\$473,284,684
1991	931.34	6,969.95	-2.2%	\$476,433,496
1992	915.84	7,885.79	-1.7%	\$478,325,831
1993	949.46	8,835.25	3.7%	\$500,958,833
1994	983.90	9,819.15	3.6%	\$525,696,786
1995	990.30	10,809.45	0.7%	\$536,271,217
1996	1,130.68	11,940.13	14.2%	\$617,048,258
1997	1,296.54	13,236.67	14.7%	\$718,876,975
1998	1,540.88	14,777.55	18.8%	\$870,700,439
1999	1,769.84	16,547.39	14.9%	\$1,013,449,320
2000	1,963.86	18,511.25	11.0%	\$1,143,172,725
2001	1,850.28	20,361.53	-5.8%	\$1,075,954,473
2002	1,540.76	21,902.29	-16.7%	\$904,327,511

Table 1.5

How the Dividend is calculated:

- Add: net income of the last five years
- Multiply: by 21%
- Divide: in half
- Subtract: prior year obligations

During 2002, a total of \$904,327,511.36 was paid to Alaska residents with 95.9% of applicants receiving the dividend.

Total dividends received in the KPB are approximately equivalent to one month's wages within the KPB, thus seeming to add one month's income to disposable income of KPB residents.

Alaska Permanent Fund Dividend Applications from KPB, by Zip Code - 1991-2002

<u>Community</u>	<u>Zip Code</u>	1995	1996	1997	1998	1999	2000	2001	2002
Anchor Point	99556	1,985	2,059	2,087	2,155	2,105	2,205	2,194	2,103
Clam Gulch	99568	258	265	279	298	310	316	290	307
Cooper Landing	99572	327	333	336	355	352	366	370	352
Homer	99603	8,561	8,524	8,858	8,956	9,011	8,879	9,160	9,116
Hope	99605	169	170	167	152	148	157	171	175
Kasilof	99610	1,688	1,784	1,851	1,886	1,908	1,967	1,933	2,015
Kenai	99611	10,103	10,106	10,100	10,465	10,729	11,073	11,198	11,299
Moose Pass	99631	238	238	233	259	231	239	243	251
Nikiski	99635	2,724	2,681	2,767	2,853	2,467	2,406	2,334	2,301
Nilnilchik	99639	891	897	923	953	1,007	1,054	1,029	1,021
Seldovia	99663	456	453	485	472	473	485	477	471
Seward	99664	3,777	3,762	3,775	3,840	3,941	4,070	4,034	3,975
Soldotna	99669	11,753	11,746	12,102	12,335	12,368	12,483	12,505	12,645
Sterling	99672	2,198	2,368	2,508	2,583	2,740	2,802	2,793	2,738
Tyonek	99682	177	173	183	190	192	197	179	193
TOTAL		45,305	45,559	46,654	47,752	47,982	48,699	48,910	48,962
Change		4.10%	0.60%	2.40%	2.40%	0.50%	1.50%	0.40%	0.11%

Table 1.6

KPB Demographics

KENAI PENINSULA BOROUGH VOTER HISTORY - REGULAR ELECTIONS

Precinct	1998		1999		2000		2001	
	Registered Voters	Voter Turnout	Registered Voters	Voter Turnout	Registered Voters	Voter Turnout	Registered Voters	Voter Turnout
Anchor Point	1,628	222	1,706	249	1,790	289	1,762	393
Bear Creek	1,114	152	1,190	124	1,265	151	1,295	258
Cooper Landing	354	96	355	103	385	89	403	116
Diamond Ridge	1,232	373	1,318	208	1,394	317	1,390	317
Fritz Creek	1,417	303	1,444	228	1,490	389	1,517	445
Homer 1	1,089	321	1,078	284	1,061	230	1,044	286
Homer 2	1,162	344	1,164	249	1,170	297	1,162	355
Homer 3	1,116	313	1,084	260	1,140	245	1,126	304
Hope	164	43	147	37	156	38	158	48
K-Beach	2,033	617	2,166	443	2,320	280	2,402	888
Kachemak Bay	411	64	436	48	470	93	494	101
Kasilof North	1,524	285	1,621	331	1,701	164	1,747	538
Kasilof South	1,178	336	1,260	317	1,295	204	1,359	486
Kenai 1	1,366	189	1,339	323	1,366	178	1,359	482
Kenai 2	1,600	191	1,601	395	1,648	258	1,623	638
Kenai 3	1,029	153	988	235	1,027	168	1,046	406
Kenai 4	714	80	706	164	731	101	734	270
Moose Pass	277	59	278	61	307	78	294	98
Nanwalek	94	15	96	7	96	6	98	9
Nikiski 1	2,065	447	2,141	576	2,180	363	2,140	784
Ninilchik	870	276	944	313	957	116	965	293
Port Graham	125	16	125	19	121	18	121	26
Ridgeway	2,166	300	2,333	501	2,467	251	2,598	824
Salamatof	1,104	224	1,145	307	1,192	177	1,187	446
Seldovia	399	129	401	133	418	124	418	144
Seward 1	1,923	416	1,954	525	1,973	431	1,916	492
Soldotna 1	1,594	313	1,612	409	1,656	247	1,112	568
Soldotna 2	1,047	189	1,100	252	1,117	146	1,272	383
Sport Lake	1,150	197	1,191	288	1,251	135	1,848	382
Sterling	1,545	262	1,653	465	1,794	214	125	602
Tyonek	124	13	125	6	129	11		15
Absentee		675		778		771		1,126
Questioned		176		166		140		377
TOTAL	33,614	7,789	34,701	8,804	36,067	6,719	34,715	12,900
		23.17%		25.37%		18.63%		37.16%

Numerous precinct changes occurred due to redistricting required following Census 2000, therefore comparisons cannot be made on a precinct by precinct basis.

Precinct	2002	
	Registered	Voter
Anchor Point	1,256	316
Bear Creek	1,280	257
Central	2,700	695
Cooper Landing	400	125
Diamond Ridge	839	158
Funny River	1,193	342
Homer 1	2,066	610
Homer 2	1,934	528
Hope	163	45
Kachemak Bay	798	138
Kachemak City/Fritz	1,443	381
Kalifornsky Beach	1,575	501
Kasilof	1,525	498
Kenai 1	2,463	589
Kenai 2	1,312	338
Kenai 3	1,121	306
Mackey Lake	1,429	408
Moose Pass	303	100
Nikiski	1,597	460
Ninilchik	1,372	239
Salamatof	1,796	468
Scout Lake	2,207	628
Seldovia	388	109
Seward	1,857	445
Soldotna	2,833	833
Sterling	770	204
Tyonek	121	8
Absentee	0	1,231
Questioned	0	269
TOTAL	36,741	11,229
		30.56%

Table 1.7

KPB Demographics

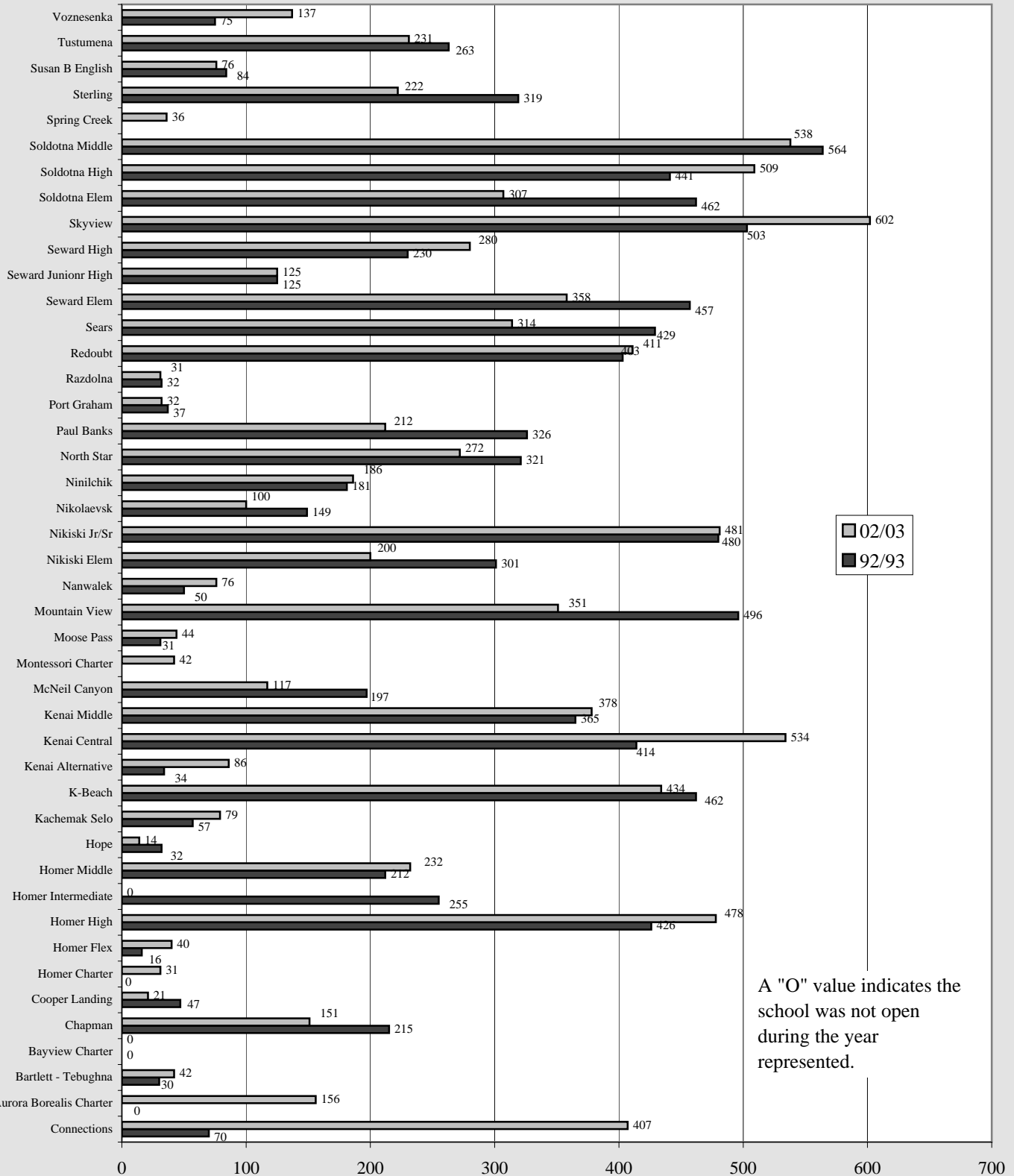
KPBSD Enrollment by School - 1991-2002

	91/92	92/93	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	% Change
Connections	102	70	66	114	104	98	112	92	221	462	370	407	10.00%
Aurora Borealis Charter	0	0	0	0	0	0	76	91	87	102	131	156	19.08%
Bartlett - Tebughna	42	30	38	44	43	37	41	41	52	45	44	42	-4.55%
Bayview Charter	0	0	0	0	0	0	18	17	0	0	0	0	NA
Chapman	214	215	231	250	258	244	250	233	191	165	151	151	0.00%
Cooper Landing	41	47	49	40	40	37	36	35	38	35	32	21	-34.38%
Homer Charter	0	0	0	0	0	0	23	20	22	28	27	31	14.81%
Homer Flex	21	16	26	26	14	15	30	33	31	48	40	40	0.00%
Homer High	416	426	440	477	515	531	558	533	513	508	478	478	0.00%
Homer Intermediate	240	255	279	262	256	249	0	0	0	0	0	0	NA
Homer Middle	197	212	220	231	250	253	238	219	223	219	230	232	0.87%
Hope	30	32	31	45	35	32	21	27	18	15	12	14	16.67%
Kachemak Selo	59	57	65	56	54	57	65	65	67	67	64	79	23.44%
K-Beach	442	462	467	476	436	460	426	426	451	446	458	434	-5.24%
Kenai Alternative	17	34	21	16	14	23	34	42	61	71	72	86	19.44%
Kenai Central	425	414	431	452	457	482	490	508	496	483	518	534	3.09%
Kenai Middle	374	365	388	406	454	455	442	435	414	426	424	378	-10.85%
McNeil Canyon	192	197	183	202	185	187	152	150	135	126	113	117	3.54%
Montessori Charter												42	NA
Moose Pass	36	31	34	35	39	39	38	36	42	40	46	44	-4.35%
Mountain View	509	496	449	458	417	434	407	413	386	391	355	351	-1.13%
Nanwalek	57	50	46	46	52	60	57	59	54	48	70	76	8.57%
Nikiski Elem	296	301	311	307	315	302	277	241	211	222	191	200	4.71%
Nikiski Jr/Sr	458	480	509	507	476	501	541	528	498	473	494	481	-2.63%
Nikolaevsk	162	149	162	167	141	137	147	146	127	113	119	100	-15.97%
Ninilchik	164	181	196	203	222	240	236	227	215	199	204	186	-8.82%
North Star	344	321	304	310	330	337	343	323	295	281	277	272	-1.81%
Paul Banks	390	326	332	334	307	347	249	227	239	229	199	212	6.53%
Port Graham	35	37	39	36	35	40	38	43	38	29	34	32	-5.88%
Razdolna	37	32	36	40	38	28	36	42	25	35	34	31	-8.82%
Redoubt	404	403	405	422	432	433	436	417	411	410	423	411	-2.84%
Sears	411	429	440	420	434	403	399	383	383	378	350	314	-10.29%
Seward Elem	473	457	480	473	460	451	401	407	405	382	358	358	0.00%
Seward Junior High	124	125	123	155	163	144	159	146	126	132	126	125	-0.79%
Seward High	205	230	250	261	276	285	276	297	287	295	284	280	-1.41%
Skyview	452	503	568	572	570	633	618	628	588	594	624	602	-3.53%
Soldotna Elem	503	462	449	429	416	414	377	409	356	333	307	307	0.00%
Soldotna High	456	441	431	500	547	581	592	571	554	538	511	509	-0.39%
Soldotna Middle	499	564	573	595	592	585	574	580	566	572	567	538	-5.11%
Spring Creek										31	47	36	-23.40%
Sterling	314	319	351	386	382	353	329	310	284	242	238	222	-6.72%
Susan B English	90	84	96	85	97	90	96	88	79	79	86	76	-11.63%
Tustumena	280	263	276	274	280	273	295	276	259	237	254	231	-9.06%
Voznesenka	68	75	103	108	134	126	113	108	130	138	136	137	0.74%
West Homer Elem	0	0	0	0	0	0	338	310	315	296	301	294	-2.33%
Windy Bay	0	0	0	0	0	0	0	0	0	0	0	0	NA
ANNUAL TOTAL	9,579	9,598	9,906	10,226	10,270	10,396	10,384	10,182	9,893	9,963	9,799	9,667	-1.35%
% Change		0.20%	3.21%	3.23%	0.43%	1.23%	-0.12%	-1.95%	-2.84%	0.71%	-1.65%	-1.35%	

Table 1.8

KPB Demographics

KPB Enrollment Change by School 1992/93 v 2002/03



A "0" value indicates the school was not open during the year represented.

Chart 1.5

KPB Demographics

Kenai Peninsula Borough School District Enrollment - History & Projections

YEAR	PRE SCH	K	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL	GROWTH RATE
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	768	753	688	713	658	652	615	608	589	9,319	6.69%
91/92	78	791	841	821	795	829	760	782	699	714	663	616	567	602	9,558	2.56%
92/93	76	711	796	818	787	766	827	753	786	712	741	651	573	586	9,583	0.26%
93/94	72	725	751	791	837	828	794	834	769	796	728	731	624	602	9,882	3.12%
94/95	63	778	775	760	792	904	845	820	855	790	830	749	663	619	10,243	3.65%
95/96	44	750	790	776	771	786	877	840	848	852	810	791	696	645	10,276	0.32%
96/97	50	736	742	800	781	806	787	889	863	829	922	790	746	662	10,403	1.24%
97/98	48	703	735	740	783	863	893	899	912	846	858	879	742	732	10,633	2.21%
98/99	46	644	716	752	731	785	796	821	813	883	875	790	796	731	10,179	-4.27%
99/00	65	604	682	721	751	727	757	810	835	809	883	803	699	750	9,896	-2.78%
00/01	48	638	648	684	725	765	745	780	862	821	893	854	796	704	9,963	0.68%
01/02	40	582	637	655	687	734	769	749	822	857	889	817	851	710	9,799	-1.65%
02/03	49	626	584	654	676	698	740	793	789	815	903	849	748	743	9,667	-1.35%
03/04	46	577	619	578	653	667	693	746	787	778	818	900	839	755	9,456	-2.18%
04/05	42	599	584	607	591	647	662	692	766	795	806	826	918	837	9,372	-0.89%
05/06	42	600	604	572	621	585	642	661	716	774	811	812	859	889	9,188	-1.96%
06/07	42	601	607	592	588	605	580	641	679	724	796	815	837	829	8,936	-2.74%
07/08	42	601	603	594	606	583	600	579	659	687	742	802	841	810	8,749	-2.09%
08/09	42	604	605	590	608	599	578	599	598	667	706	749	834	815	8,594	-1.77%

Table 1.9

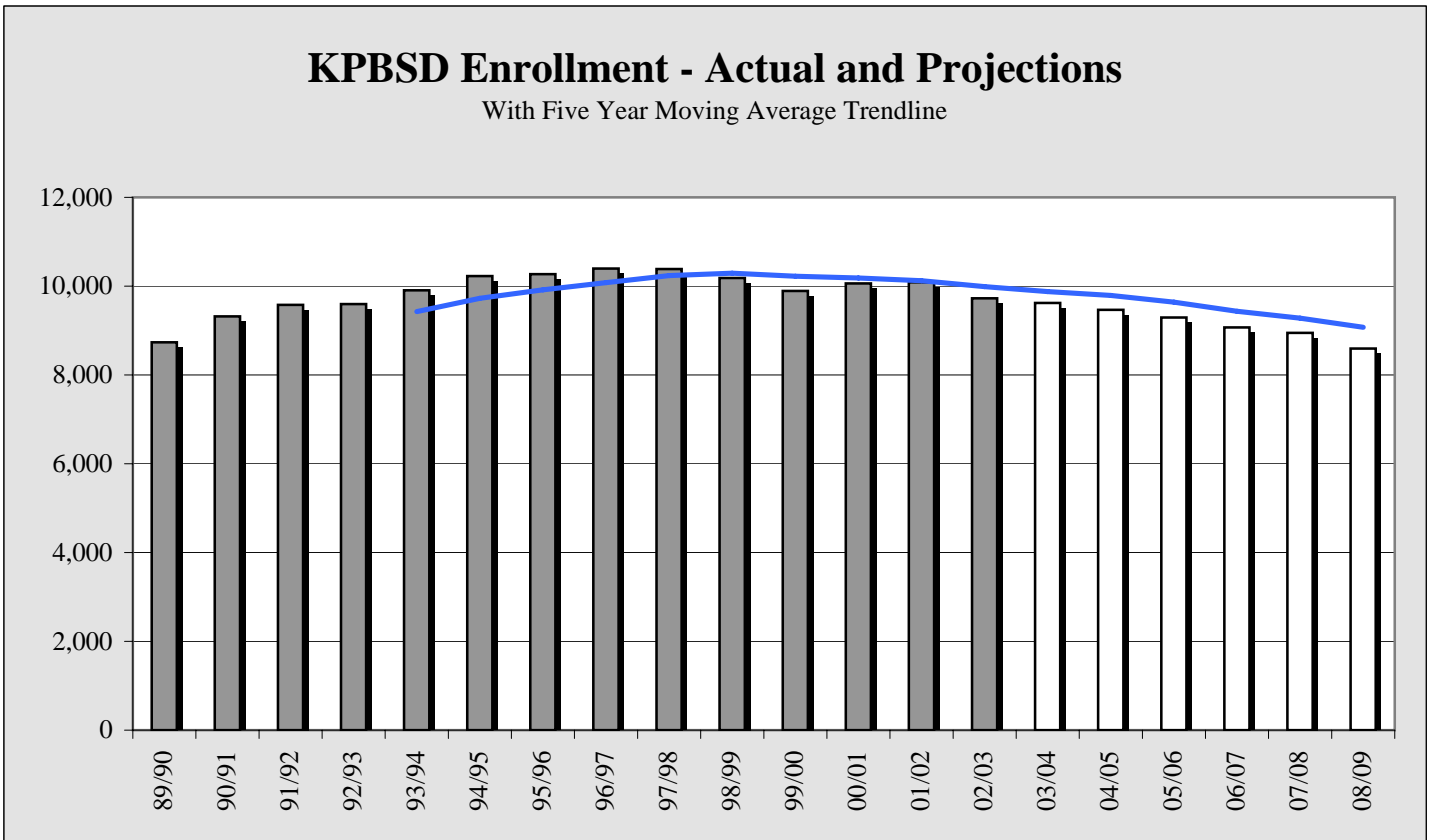


Chart 1.6

KPB Demographics

KPBSD - Select Detail by School

Data for 2001-2002 School Year

	Teachers - FTE	Students	Student/ Teacher Ratio	Ethnicity				
				Amer Ind/ Alaskan	Asian	Black	Hispanic	White
Aurora Borealis Charter	5.0	132	26.4	6	1	0	2	123
Bartlett - Tebughna	4.0	44	11.0	40	0	0	0	4
Chapman	13.5	154	11.4	14	4	2	4	130
Cooper Landing	2.0	33	16.5	4	0	0	0	29
Fireweed Academy	2.0	27	13.5	0	0	0	0	27
Homer High	31.2	489	15.7	29	9	1	4	446
Homer Middle	15.8	231	14.6	10	6	2	2	211
Hope	2.0	11	5.5	0	0	0	1	10
Kachemak Selo	5.0	64	12.8	0	0	0	0	64
K-Beach	27.0	462	17.1	57	4	3	11	387
Kenai Alternative	5.0	72	14.4	15	2	0	1	54
Kenai Central	33.4	529	15.8	60	10	8	19	432
Kenai Middle	28.8	431	15.0	47	9	4	18	353
McNeil Canyon	9.5	115	12.1	5	0	0	0	110
Moose Pass	3.5	46	13.1	4	2	0	0	40
Mountain View	22.5	356	15.8	45	8	3	15	285
Nanwalek	4.0	70	17.5	66	0	0	1	3
Nikiski Elem	15.0	191	12.7	37	1	1	4	148
Nikiski Jr/Sr	28.0	504	18.0	61	12	2	6	423
Nikolaevsk	8.0	120	15.0	3	1	3	0	113
Ninilchik	12.0	210	17.5	46	3	0	4	157
North Star	14.8	280	18.9	36	3	0	7	234
Paul Banks	15.0	207	13.8	6	1	0	1	199
Port Graham	3.0	34	11.3	34	0	0	0	0
Razdolna	3.0	34	11.3	0	0	0	0	34
Redoubt	25.1	429	17.1	50	9	1	20	349
Sears Elem	19.0	354	18.6	62	9	1	10	272
Seward Elem	21.6	352	16.3	64	4	9	11	264
Seward High	14.8	282	19.1	48	13	6	3	212
Seward Middle	11.0	125	11.4	23	7	0	2	93
Skyview	36.4	636	17.5	48	14	7	7	560
Soldotna Elem	24.6	328	13.3	30	4	2	8	284
Soldotna High	31.4	521	16.6	38	8	2	7	466
Soldotna Middle	32.1	572	17.8	59	12	7	11	483
Spring Creek	4.0	45	11.2	8	5	10	1	21
Sterling	14.5	245	16.9	27	1	1	4	212
Susan B English	6.0	87	14.5	32	0	2	1	52
Tustumena	14.5	255	17.6	25	4	0	0	226
Voznesenka	10.0	137	13.7	0	0	0	0	137
West Homer	18.0	299	16.6	20	8	4	2	265
KPBSD Total	596.0	9,513	19.3	1,159	174	81	187	7,912

Table 1.10

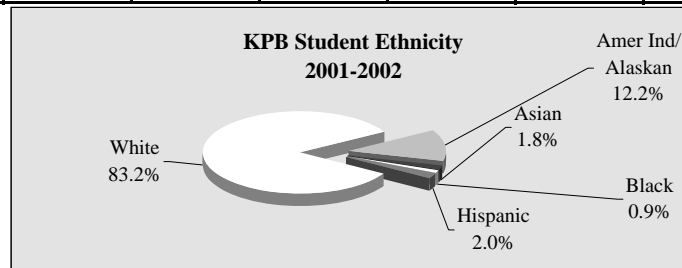


Chart 1.7

KPB Demographics

KPBSD - Miscellaneous Data - 2000-2001 School Year

The KPBSD Staff includes:

Teachers - FTE

Prekindergarten	0.0
Kindergarten	20.6
Elementary	390.1
Secondary	203.1
Ungraded	NA
Total	613.8

Table 1.11

The KPBSD employs 613.8 teachers. The average Alaskan school district has 143.3 teachers while the average school district across the nation employs 183.5 teachers. Geographically, it is one of the largest, if not the largest district in the nation, covering 25,600 square miles, larger than the state of West Virginia.

Other Staff - FTE

Instructional Aides	117.3
Instruction Coordinators and Supervisors	0.0
Elementary Guidance Counselors	6.3
Secondary Guidance Counselors	10.4
Total Guidance Counselors	16.7
Librarians/Media Specialists	18.2
Library/Media Support	0.0
District Administrators	16.1
District Administrative Support	49.7
School Administrators	48.0
School Administrative Support	56.9
Student Support Services	31.9
Other Support Services	152.7
Total	507.5
Total staff, teachers plus other staff, equals 1,121.3 individuals providing services in 41 schools to 9,925 students in 21 diverse communities.	

Table 1.12

Kenai Peninsula College.

Mission Statement - Kenai Peninsula College is committed to excellence in academic, vocational, and life-long learning. Our collective mission is to enhance individual and cultural potential as enlightened participants in the world community.

Kenai Peninsula College—a community campus of the University of Alaska Anchorage— KPC has campuses in both Soldotna KPC is a community campus of the University of Alaska Anchorage with campuses in both Soldotna and Homer and an extension site in Seward. KPC offers two-year Associates of Arts, Associates of Applied Science degrees, and courses leading to vocational certificates. Baccalaureate degrees, such as the Bachelor of Liberal Studies, Psychology, Anthropology, and Fine Arts can be obtained entirely at KPC. A number of four-year degree programs are available via distance delivery through other University of Alaska campuses. The college offers academic advising, transfer information, financial aid assistance, career counseling and free tutoring. It serves students needing Adult Basic Education, GED tutoring and testing, English as a Second Language and Literacy instruction. All ages, educational backgrounds and ethnicities are represented at this division of the University of Alaska Anchorage, which is fully accredited by the Commission on Colleges of the Northwest Association of Schools and Colleges.

The Soldotna Campus is perched on the banks of the Kenai River between Kenai and Soldotna and sits on more than 200 wooded acres providing classrooms, library, laboratories, computer labs, vocational shops, media center, bookstore, art gallery, career center, learning center, food café, commons areas and outdoor walking and ski trails. The highly qualified faculty prides itself on small class size and personalized attention for all students. Students build strong relationships with instructors and fellow students that last a lifetime.

The Kachemak Bay Campus is located in the picturesque seaside town of Homer and delivers KPC's programs and services on the southern Kenai Peninsula. The campus offers a quality education in a warm, friendly environment. The campus includes classrooms, computer lab, learning center, bookstore and library with access to CD-ROM and online databases.

Resurrection Bay Extension Site offers classes on the eastern Kenai Peninsula in Seward. General education requirement courses and personal enrichment classes are offered utilizing high school classrooms. An on-site coordinator at Seward High School schedules classes, hires adjunct faculty members, registers students and is available to answer questions from residents who desire to take classes in Seward. It is anticipated that an even greater selection of classes will be offered via distance delivery in 2004.

KPB Demographics

KPC Enrollment Detail

KPC - All Campuses

Enrollment	Fall '90	Fall '91	Fall '92	Fall '93	Fall '94	Fall '95	Fall '96	Fall '97	Fall '98	Fall '99	Fall '00	Fall '01	Fall '02
Fulltime	232	314	347	365	368	352	357	318	335	279	320	335	299
Parttime	1,602	1,503	1,401	1,506	1,272	1,363	1,360	1,124	1,142	1,161	1,229	1,352	1,461
Non academic	227	264	286	291	320	390	322	341	339	201	230	225	206
Total Unduplicated	2,007	2,039	2,022	2,119	1,919	2,060	1,993	1,783	1,816	1,641	1,779	1,912	1,966

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	Fall '00	Fall '01	Fall '02
Fulltime	206	283	311	322	307	307	310	265	285	253	275	294	259
Parttime	1,144	1,083	985	1,051	819	902	978	833	812	863	863	1,000	1,046
Non academic	110	117	194	157	167	192	170	188	220	121	110	130	106
Total Unduplicated	1,431	1,478	1,409	1,512	1,278	1,388	1,445	1,286	1,317	1,237	1,248	1,424	1,411

SEWARD

Enrollment	Fall '90	Fall '91	Fall '92	Fall '93	Fall '94	Fall '95	Fall '96	Fall '97	Fall '98	Fall '99	Fall '00	Fall '01	Fall '02
Fulltime	3	1	0	0	4	0	2	0	0	0	0	0	0
Parttime	47	79	12	47	22	18	15	18	11	0	8	14	29
Non academic	0	0	0	0	0	0	0	0	0	0	0	0	0
Total Unduplicated	50	80	12	47	26	18	17	18	11	0	8	14	29

KACHEMAK BAY

Enrollment	Fall '90	Fall '91	Fall '92	Fall '93	Fall '94	Fall '95	Fall '96	Fall '97	Fall '98	Fall '99	Fall '00	Fall '01	Fall '02
Fulltime	23	30	36	43	57	40	42	48	46	22	42	40	38
Parttime	411	341	404	418	431	467	384	294	337	314	371	344	398
Non academic	117	147	182	134	153	198	152	159	121	84	120	95	100
Total Unduplicated	526	493	601	570	615	674	546	501	504	420	513	479	536

Table 1.14

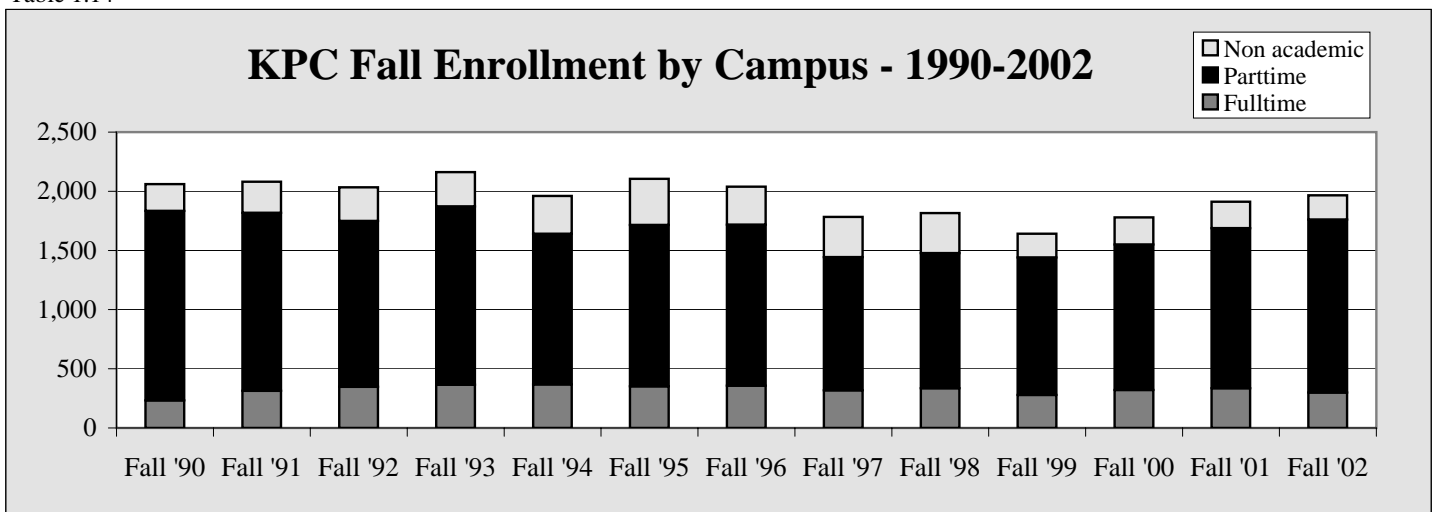


Chart 1.8

KPB Demographics

KPC 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	FY 01	FY 02
Soldotna	6,461	7,340	7,738	7,930	7,054	7,565	7,818	7,249	7,428	6,917	8,151	7,783
Seward	153	203	42	172	155	57	74	61	11	0	42	68
Kachemak Bay	1,428	1,538	1,762	1,942	2,138	1,806	1,645	1,781	1,853	1,371	1,520	1,865
TOTAL KPC	8,042	9,082	9,542	10,044	9,347	9,428	9,537	9,091	9,292	8,288	9,713	9,716

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	FY 01	FY 02
Soldotna	7,489	7,942	7,859	8,163	7,711	7,203	8,191	7,584	7,074	7,311	7,301	8,115
Seward	248	280	284	322	107	105	84	27	33	24	57	106
Kachemak Bay	1,827	1,641	1,906	2,199	2,062	1,865	1,783	1,701	1,861	1,691	1,732	1,786
TOTAL KPC	9,564	9,863	10,049	10,684	9,880	9,173	10,058	9,312	8,968	9,026	9,090	10,007

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	FY 01	FY 02
Soldotna	13,950	15,282	15,597	16,093	14,765	14,768	16,009	14,833	14,502	14,228	15,452	15,898
Seward	401	483	326	494	262	162	158	88	44	24	99	174
Kachemak Bay	3,255	3,180	3,668	4,141	4,200	3,671	3,428	3,482	3,714	3,062	3,252	3,651
TOTAL KPC	17,606	18,945	19,591	20,728	19,227	18,601	19,595	18,403	18,260	17,314	18,803	19,723

Table 1.15

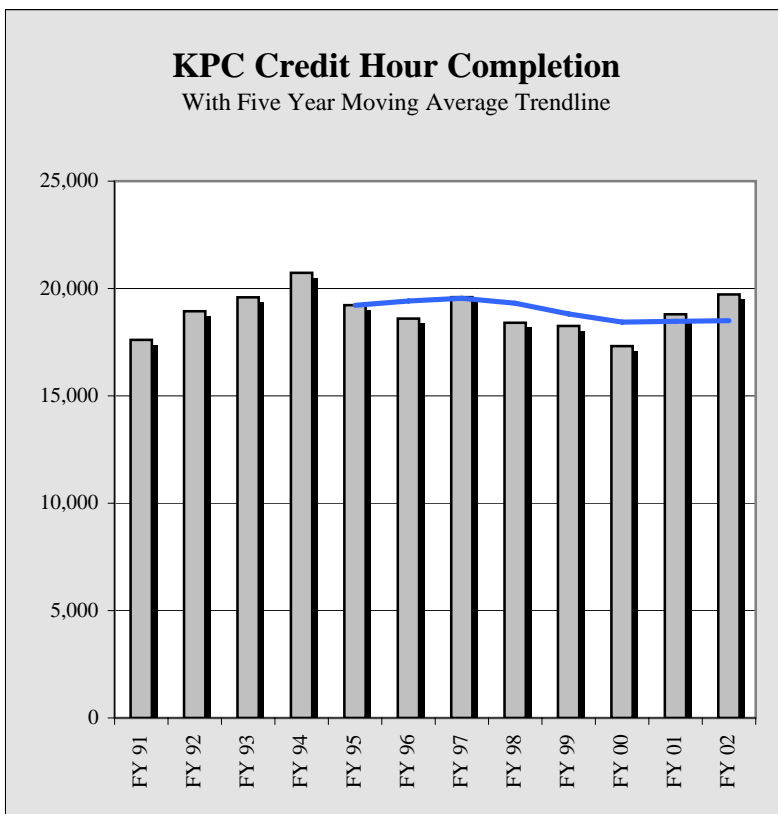


Chart 1.9

According to the U.S. Census Bureau, the following educational achievement statistics apply, as of Census 2000.

Alaska:

88.3% - high school graduates

24.7% - Bachelor's degree

8.6% - graduate or professional degree

Kenai Peninsula Borough:

88.5% - high school graduates

20.3% - Bachelor's degree

6.7% - graduate or professional degree

United States of America:

81.6% - high school graduates

25.0% - Bachelor's degree

Graduate or professional degree data not provided.

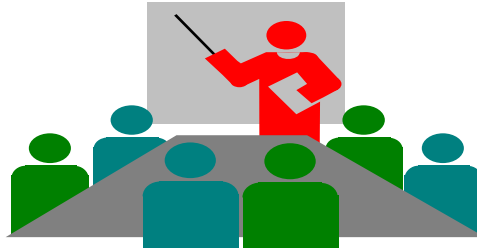
KPB Demographics

Alaska Vocational-Technical Center

AV-Tech Enrollment

	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
2000	1,621
2001	1,424
2002	1,859

Table 1.16



The Alaska Vocational Technical Center (AVTEC), located in Seward, provides skills training in a variety of industrial and technical fields and is adding LPN certification during the coming year. AVTEC is approved by the Alaska Commission on Post Secondary Education and is accredited by the Commission of the Council on Occupational Education. During 2002, 1,859 students were served by 36 instructors and a support staff of 35.

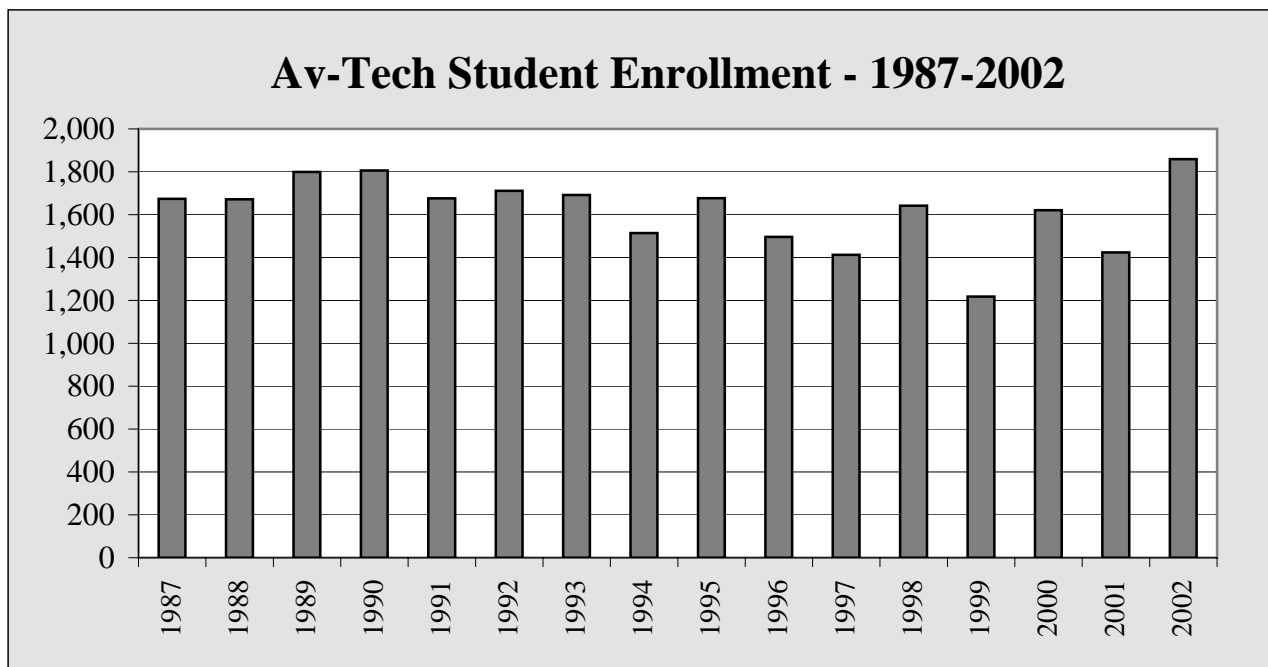


Chart 1.10

KPB Demographics

Public Library Circulation Data

Total KPB Public Library Circulation by Library

	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 2000	FY 2001	FY 2002
Anchor Point	7,180	7,337	6,949	7,294	8,320	7,332	6,395	7,254	4,398	6,617	NA
Cooper Landing	4,854	4,663	4,005	3,474	3,204	2,795	2,753	3,281	3,757	4,128	NA
Homer	71,325	75,507	80,342	89,961	100,965	99,987	107,032	108,323	98,783	104,190	NA
Hope	1,030	1,178	1,263	1,222	1,561	1,178	1,089	1,968	1,062	1,275	NA
Kasilof	11,052	13,656	10,135	8,200	9,276	13,986	12,021	11,047	11,870	8,534	NA
Kenai	81,689	91,842	96,454	97,971	97,931	100,767	106,235	98,557	87,925	86,955	NA
Moose Pass	434	1,005	1,395	981	1,098	924	946	1,145	831	733	NA
Ninilchik	7,168	9,109	11,672	17,881	23,855	22,127	23,822	22,616	20,717	18,217	NA
Seldovia	3,883	3,964	4,685	6,575	7,853	8,814	8,725	7,962	7,141	6,675	NA
Seward	41,853	44,273	43,945	51,902	46,780	50,370	48,558	37,507	39,984	31,082	NA
Soldotna	102,586	99,271	87,067	61,968	74,473	81,569	76,457	91,557	103,934	75,498	NA
Circulation	333,054	351,805	347,912	347,429	375,316	389,849	394,033	391,217	380,402	343,904	NA
% Change		5.6%	-1.1%	-0.1%	8.0%	3.9%	1.1%	-0.7%	-2.8%	-9.6%	NA

Table 1.17

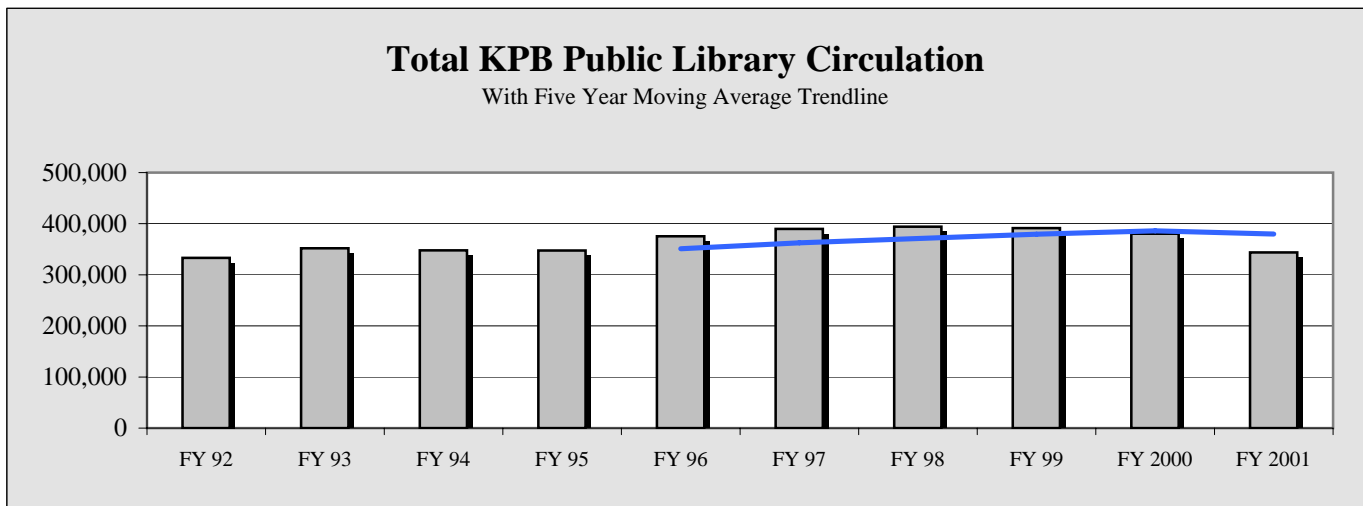


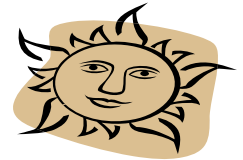
Chart 1.11

Per Capita Library Circulation by Library

	FY 92	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99	FY 2000	FY 2001	FY 2002
Anchor Point	5.29	5.39	4.65	4.34	4.92	4.39	3.93	4.18	2.02	2.77	NA
Cooper Landing	8.43	8.36	7.47	6.42	6.51	5.99	5.82	6.38	5.79	5.83	NA
Homer	8.08	7.99	8.14	8.32	9.18	8.98	9.28	9.23	8.72	8.34	NA
Hope	4.44	3.52	5.24	4.68	5.85	5.01	5.19	7.34	4.92	5.27	NA
Kasilof	9.69	9.20	8.94	7.41	8.00	9.21	8.67	8.36	10.49	7.29	NA
Kenai	6.73	7.16	7.17	6.86	7.16	7.18	7.39	7.09	6.48	6.18	NA
Moose Pass	3.91	4.98	6.94	5.11	5.63	5.10	4.75	5.78	3.28	2.87	NA
Ninilchik	7.57	8.50	8.90	9.29	10.46	10.03	10.28	9.97	8.94	8.04	NA
Seldovia	6.84	7.08	7.45	8.00	9.48	9.77	9.88	9.47	8.72	8.01	NA
Seward	7.38	7.77	7.64	7.54	7.64	8.45	7.60	6.66	7.07	5.78	NA
Soldotna	9.60	9.47	8.89	7.21	8.20	8.32	8.13	8.68	8.97	7.65	NA
State Average	6.32	6.23	6.32	5.84	6.19	6.19	6.09	6.16	5.84	5.79	NA

Table 1.18

KPB Demographics



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
Barrow	37.4	-14.4	9.9	4.53	29.4
Fairbanks	59.5	-7.2	26.7	10.45	68.1
Juneau	55	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



Table 1.19

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

Table 1.20

The highest point within the Kenai Peninsula Borough is Mt. Spurr at 11,100 ft +/-, and one of the lowest points is a 580 ft. hole off the end of the Homer Spit. Areas in the Kenai Fjords have depths near 600 feet as well.

Hours of Sunlight

The shortest day of the year in the central Kenai Peninsula is December 20 when the sun rises at 10:11 AM and sets at 3:54 PM for 5 hours and 43 minutes of daylight. On the longest day, June 21, the sun rises at 3:34 AM and sets at 10:38 PM for 17 hours and 4 minutes of daylight.

This page intentionally left blank.

KPB Sales

Overview

Sales records are acquired through Sales Tax Reports from businesses within the Kenai Peninsula Borough. The reports are completed, in most cases, on a quarterly basis, though in some cases they may be monthly or annual. Data may not include all sales because no incentive is offered for reporting of nontaxable sales.

Sales records provide data useful for predicting economic trends as well as providing a basis for administrative decisions. Data collected are specific to the area collecting and reporting the sales. By combining data from reporting communities, KPB trends can be determined. Previously reported data may change each quarter as corrected and/or delinquent sales tax returns are recorded. Routinely, at least three years or twelve quarters of information are revised each quarter. In recent months the total database has been updated to improve accuracy in reporting.

Kenai Peninsula Borough sales figures include detail from Homer, Kenai, Seldovia, Seward, Soldotna and KPB Unincorporated areas which indicates the area within the KPB but outside the boundaries of the five incorporated cities. The 2% KPB sales tax is included in the city rates listed below.

<u>6.50%</u>	<u>5.50%</u>	<u>5.00%</u>	<u>4.00%</u>	<u>2.00%</u>
Seldovia	Homer	Kenai	Seldovia	KPB Uninc (KPB)
(April – September)		Seward	(October – March)	
		Soldotna		

Gross and Taxable Sales data are reported. Sales that are not taxable include:

- Sales outside the borough
- Sales for resale
- Sales to government agencies
- Sales to tax-exempt organizations
- Sales in excess of \$500

Industry abbreviations include the following:

- AFF - Agriculture, Forestry and Fisheries-(Includes Fish Buyers)
- Min - Mining – (Includes Oil & Gas Extraction and Production)
- Const - Construction
- Manu - Manufacturing – (Includes Oil & Gas Manufacturing and Fish Processing)
- TCPU - Travel, Communications, and Public Utilities
- Whole - Wholesale Trade
- Retail - Retail Trade
- FIRE - Finance, Insurance and Real Estate
- Service - Services
- Govt - Public Administration, Education and Service

KPB Sales

Gross Sales

KPB Gross Sales by Area - 1998-2002 - in \$

	1998	1999	2000	2001	2002	1 Year Change
Homer	212,442,617	203,842,475	215,981,724	229,703,507	263,195,800	14.6%
Kenai	280,079,940	270,746,118	283,682,464	310,426,425	279,745,403	-9.9%
Seldovia	4,723,739	4,844,770	5,267,325	5,249,471	4,817,877	-8.2%
Seward	132,506,248	130,155,521	142,152,279	148,360,553	142,367,126	-4.0%
Soldotna	250,793,664	277,588,737	289,255,311	309,118,231	325,899,019	5.4%
KPB Uninc	793,020,393	733,148,429	708,304,685	964,648,799	861,936,408	-10.6%
Annual Change	1,673,566,601	1,620,326,050	1,644,643,788	1,967,506,986	1,877,961,633	-4.6%

Table 2.1

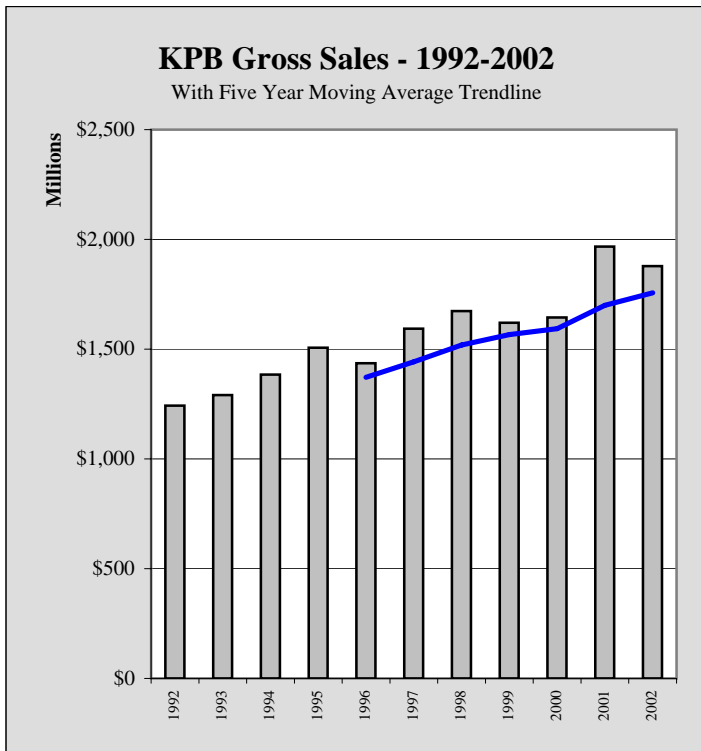


Chart 2.1

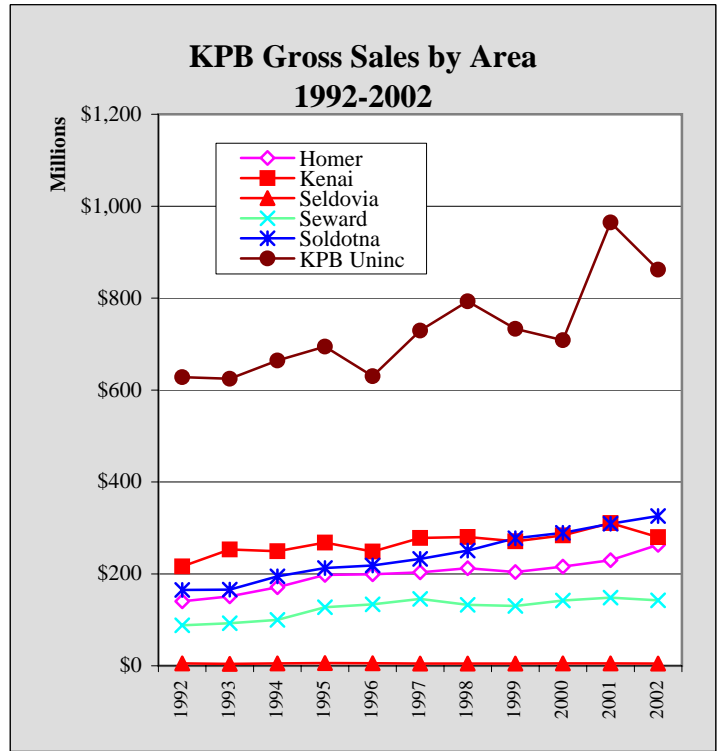


Chart 2.2.

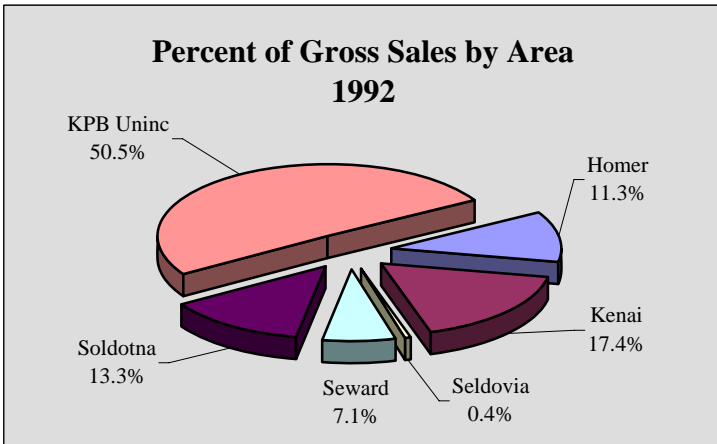


Chart 2.3

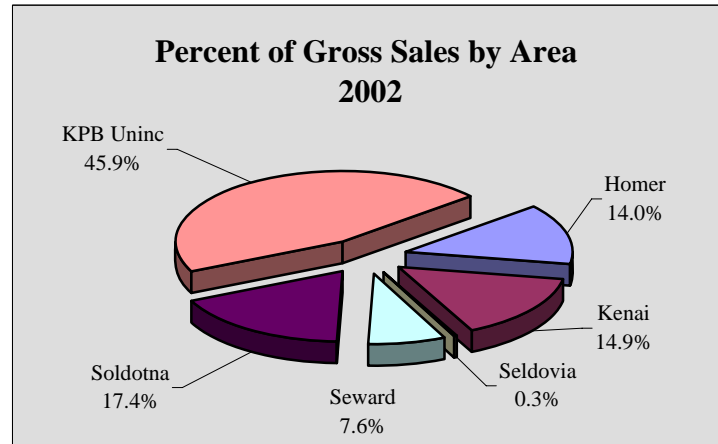


Chart 2.4

KPB Sales

Gross Sales

KPB Gross Sales by Industry - 1998-2002 - in \$

	1998	1999	2000	2001	2002	1 Year Change
AFF	30,373,442	32,347,943	24,816,872	17,584,763	16,750,059	-4.7%
Min	190,689,442	115,241,075	121,868,065	126,250,792	113,521,181	-10.1%
Const	187,102,648	166,008,223	185,994,582	241,706,588	229,399,098	-5.1%
Manu	147,360,433	165,066,528	117,856,947	287,725,053	201,047,383	-30.1%
TCPU	159,766,641	169,321,042	156,272,089	173,246,581	172,554,610	-0.4%
Whole	149,117,372	155,121,630	171,235,874	177,036,125	188,223,387	6.3%
Retail	547,202,550	545,752,691	580,370,933	633,597,773	625,008,358	-1.4%
FIRE	50,782,517	51,186,806	50,390,903	54,153,772	54,924,793	1.4%
Service	211,144,805	220,251,298	235,820,173	256,185,223	276,510,185	7.9%
Govt	26,751	28,814	17,350	20,316	22,579	11.1%
Total	1,673,566,601	1,620,326,050	1,644,643,788	1,967,506,986	1,877,961,633	-4.6%
Annual Change		-3.2%	1.5%	19.6%	-4.6%	

Table 2.2

KPB Gross Sales by Industry - 1992-2002 - in \$

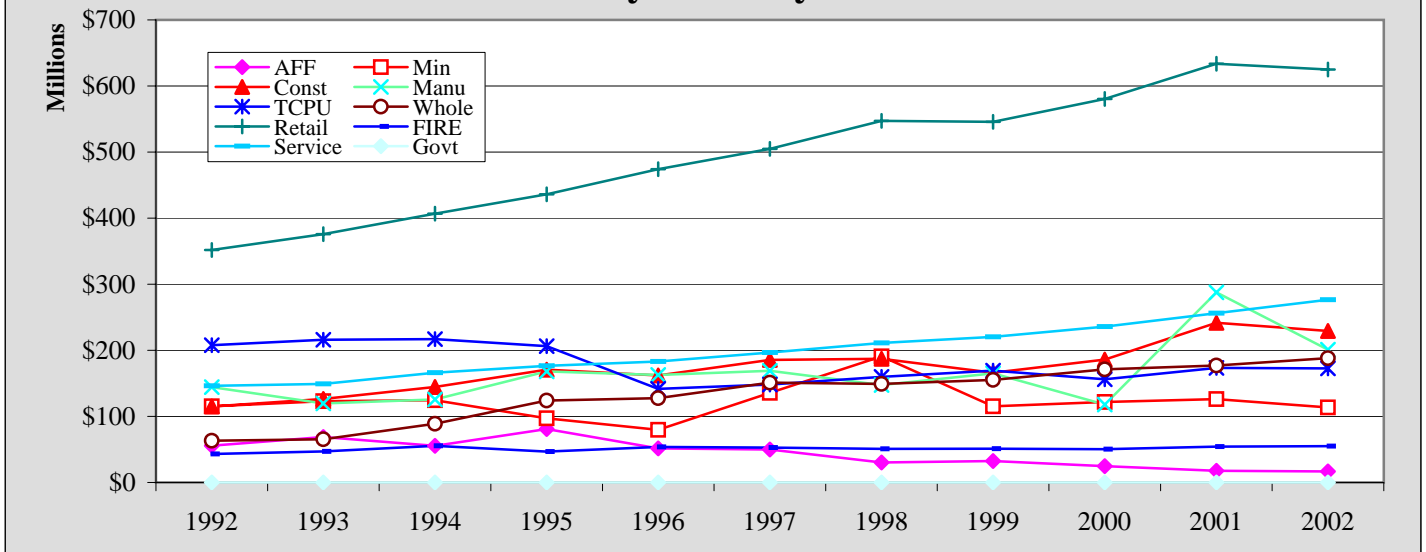


Chart 2.5

KPB Gross Sales by Industry - 1992

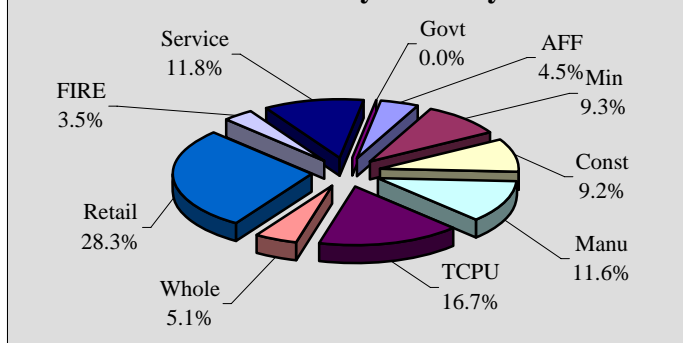


Chart 2.6

KPB Gross Sales by Industry - 2002

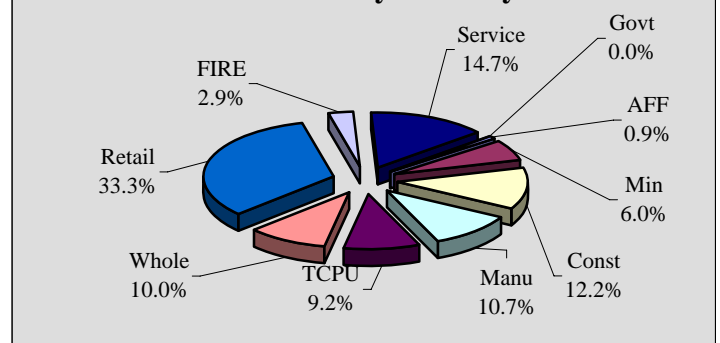


Chart 2.7

KPB Sales

Taxable Sales

KPB Taxable Sales by Area - 1998-2002 - in \$

	1998	1999	2000	2001	2002	1 Year Change
Homer	94,441,342	98,148,738	103,190,116	107,311,539	121,268,118	13.0%
Kenai	120,030,707	124,367,091	127,766,126	137,043,924	136,769,610	-0.2%
Seldovia	3,398,293	3,229,249	3,418,123	3,359,279	3,272,389	-2.6%
Seward	67,278,264	71,472,199	73,983,426	74,225,591	75,598,696	1.8%
Soldotna	147,789,661	155,952,764	159,436,128	172,418,438	176,977,868	2.6%
KPB Uninc	179,549,334	187,394,079	199,342,280	211,544,975	210,346,280	-0.6%
Total	612,487,601	640,564,120	667,136,199	705,903,746	724,232,961	2.6%
Annual Change		4.6%	4.1%	5.8%	2.6%	

Table 2.

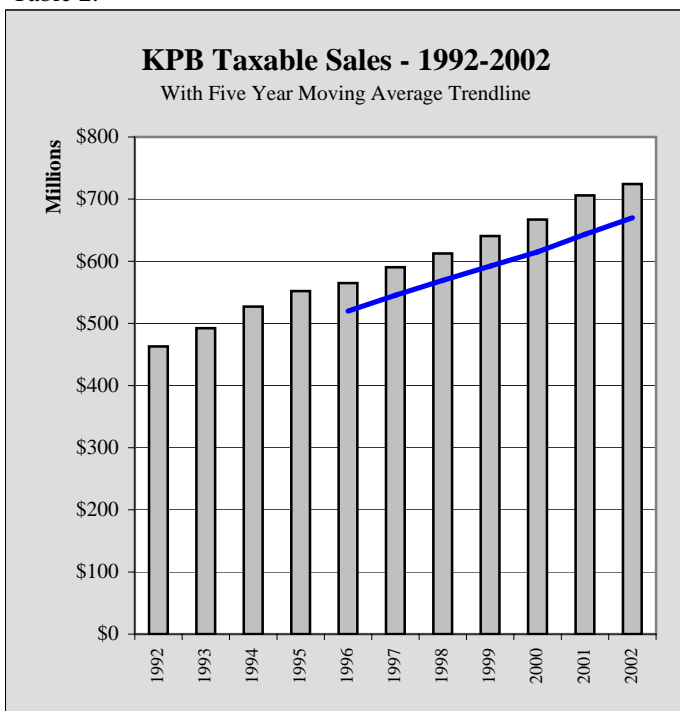


Chart 2.8

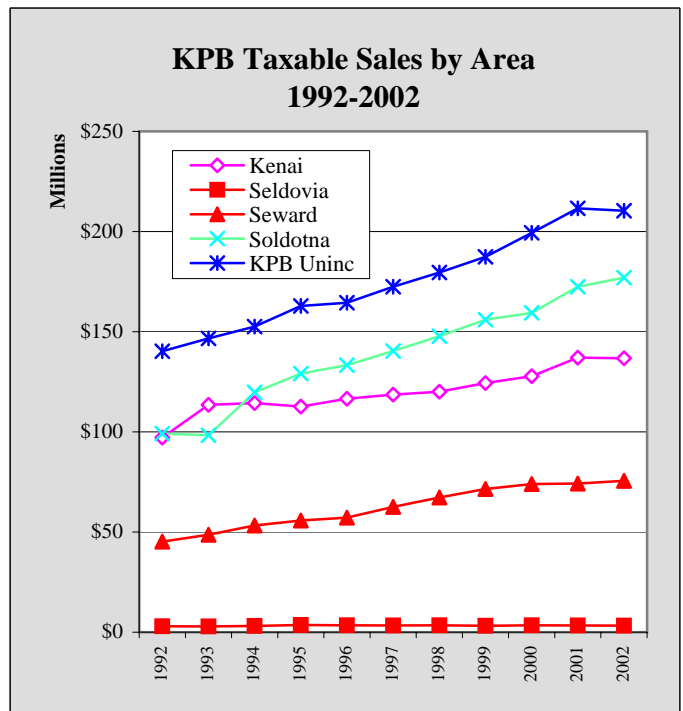


Chart 2.9

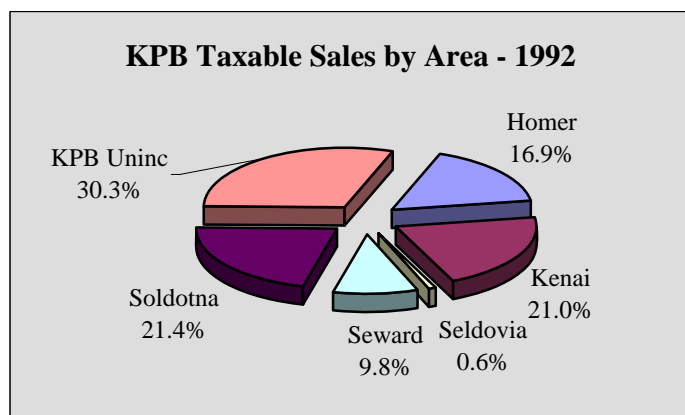


Chart 2.10

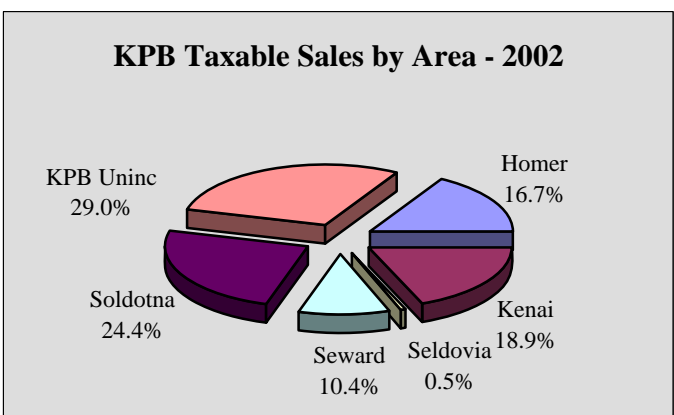


Chart 2.11

KPB Sales

Taxable Sales

KPB Taxable Sales by Industry - 1998-2002 - in \$

	1998	1999	2000	2001	2002	1 Year Change
AFF	3,458,989	3,539,802	4,148,862	4,391,790	4,461,252	1.6%
Min	5,202,698	3,828,650	4,613,878	5,863,223	5,848,904	-0.2%
Const	9,821,330	9,921,434	9,658,671	10,002,648	10,709,485	7.1%
Manu	9,578,020	9,251,298	9,792,611	9,654,663	9,616,559	-0.4%
TCPU	72,108,745	79,282,344	77,420,153	79,415,747	83,947,088	5.7%
Whole	18,357,305	19,290,256	21,493,691	22,282,063	21,690,782	-2.7%
Retail	353,131,302	367,123,730	383,777,809	411,721,005	419,549,532	1.9%
FIRE	18,576,711	18,862,816	20,702,551	23,486,072	24,084,827	2.5%
Service	122,225,757	129,434,976	135,510,623	139,066,219	144,301,953	3.8%
Govt	26,744	28,814	17,350	20,316	22,579	11.1%
Total	612,487,601	640,564,120	667,136,199	705,903,746	724,232,961	2.6%
Annual Change		4.6%	4.1%	5.8%	2.6%	

Table 2.4

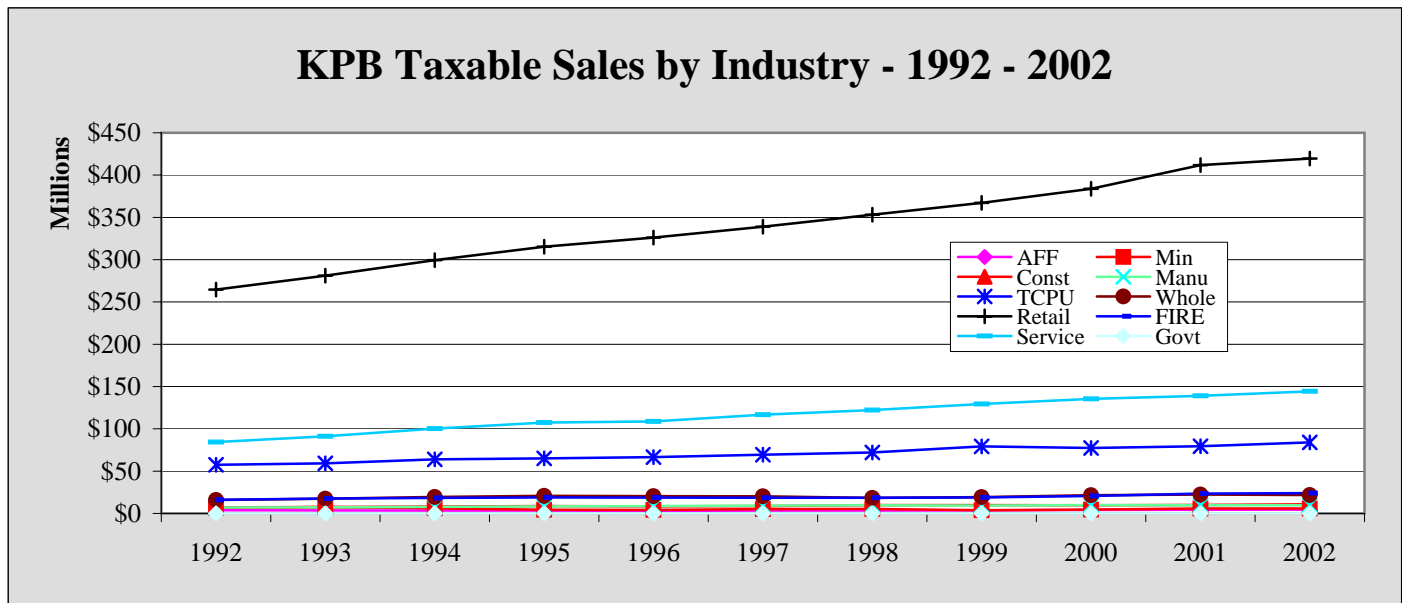


Chart 2.12

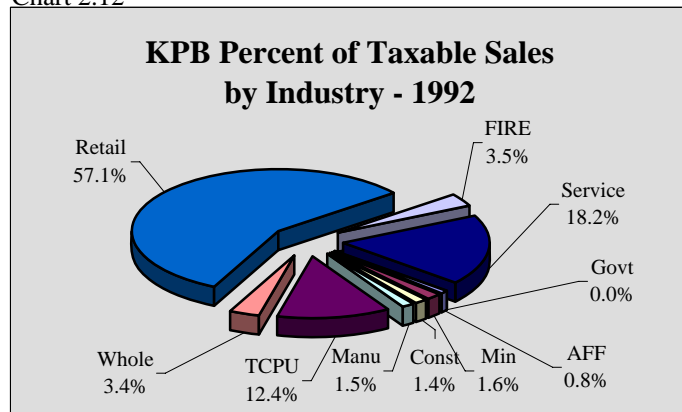


Chart 2.13

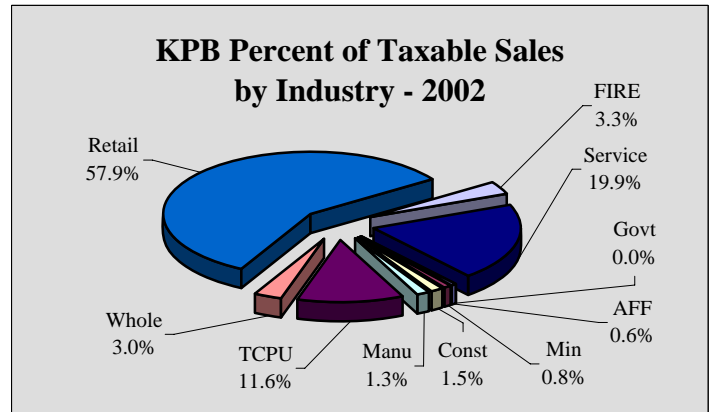


Chart 2.14

KPB Sales

Non-taxable Sales

KPB Nontaxable Sales by Area - 1998-2001 - in \$

	1998	1999	2000	2001	2002	1 Year Change
Homer	118,001,275	105,693,737	112,791,608	122,391,968	141,927,682	16.0%
Kenai	160,049,233	146,379,027	155,916,338	173,382,501	142,975,793	-17.5%
Seldovia	1,325,446	1,615,521	1,849,202	1,890,192	1,545,488	-18.2%
Seward	65,227,984	58,683,322	68,168,853	74,134,962	66,768,430	-9.9%
Soldotna	103,004,003	121,635,973	129,819,183	136,699,793	148,921,151	8.9%
KPB Uninc	613,471,059	545,754,350	508,962,405	753,103,824	651,590,128	-13.5%
Total	1,061,080,998	979,763,929	977,509,589	1,261,605,241	1,153,730,674	-8.6%
Annual Change		-7.7%	-0.2%	29.1%	-8.6%	

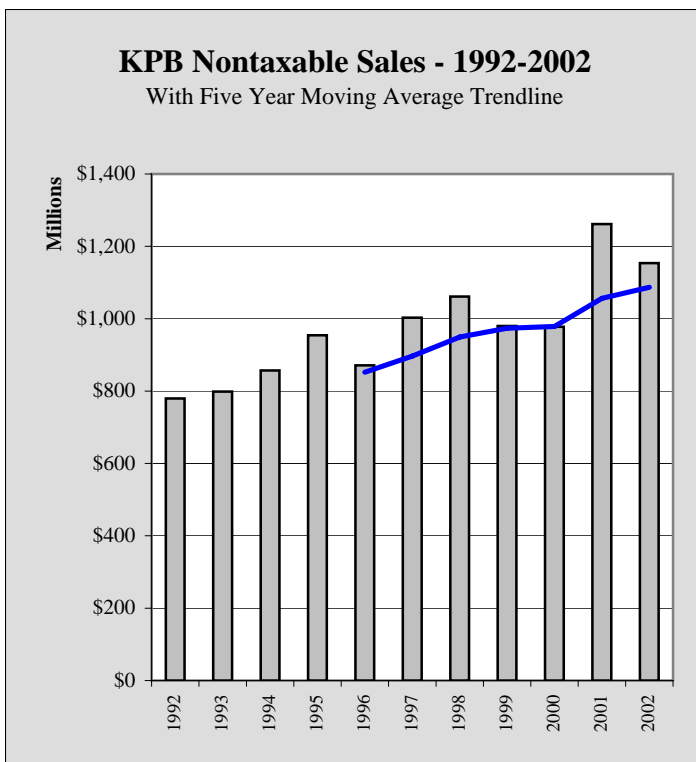


Chart 2.15

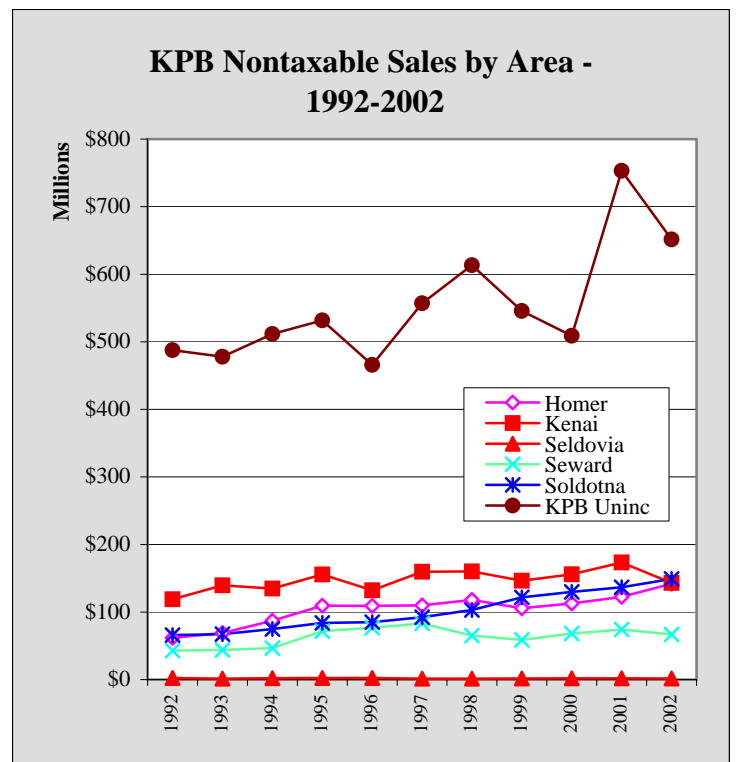


Chart 2.16

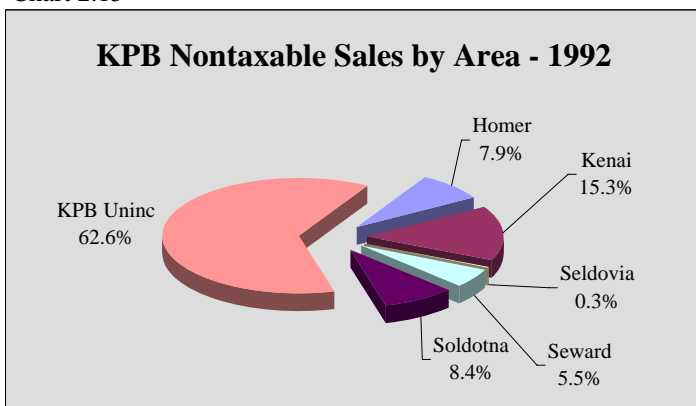


Chart 2.17

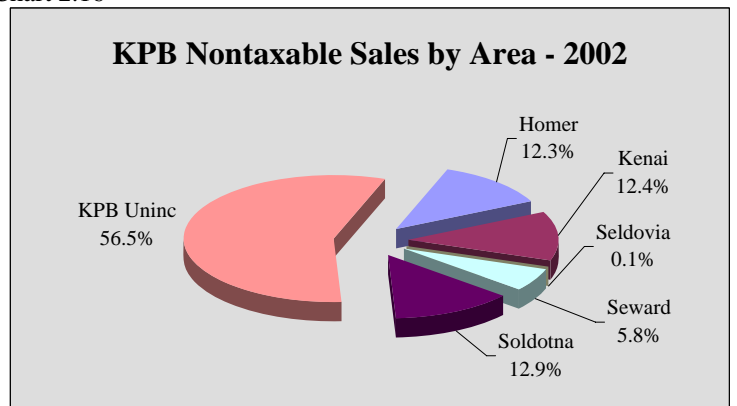


Chart 2.18

KPB Sales

Non-taxable Sales

KPB Nontaxable Sales by Industry - 1998-2002 - in \$

	1998	1999	2000	2001	2002	1 Year Change
AFF	26,914,453	28,808,141	20,668,010	13,192,973	12,288,807	-6.9%
Min	185,486,744	111,412,425	117,254,187	120,387,569	107,672,277	-10.6%
Const	177,281,318	156,086,789	176,335,911	231,703,940	218,689,613	-5.6%
Manu	137,782,413	155,815,230	108,064,336	278,070,390	191,430,824	-31.2%
TCPU	87,657,896	90,038,698	78,851,936	93,830,834	88,607,522	-5.6%
Whole	130,760,067	135,831,374	149,742,183	154,754,062	166,532,605	7.6%
Retail	194,071,248	178,628,961	196,593,124	221,876,768	205,458,826	-7.4%
FIRE	32,205,806	32,323,990	29,688,352	30,667,700	30,839,966	0.6%
Service	88,919,048	90,816,322	100,309,550	117,119,004	132,208,232	12.9%
Govt	7	0	0	0	0	NA
Total	1,061,079,000	979,761,930	977,507,589	1,261,603,240	1,153,728,672	-8.6%
Annual Change		-7.7%	-0.2%	29.1%	-8.6%	

Table 2.6

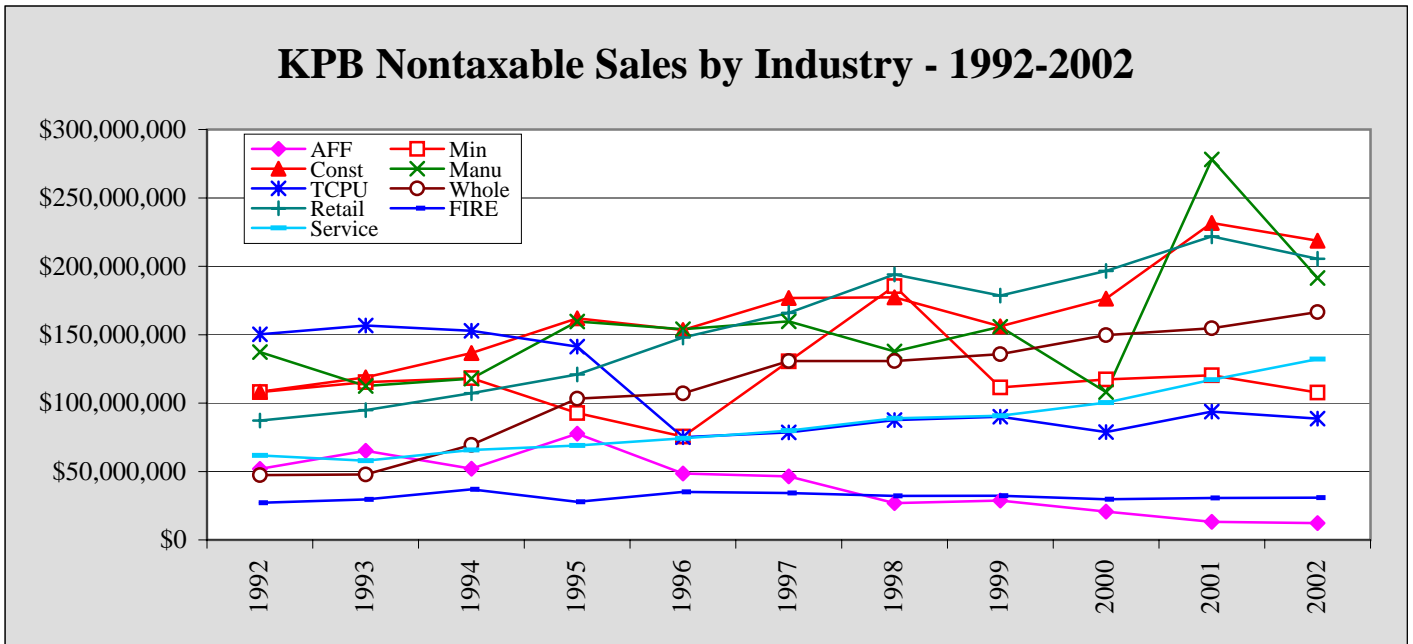


Chart 2.19

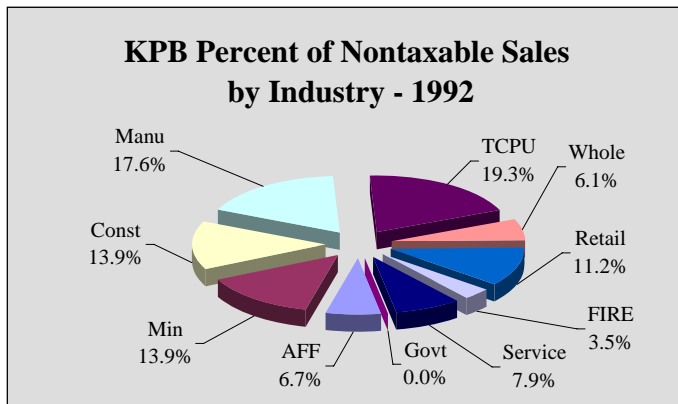


Chart 2.20

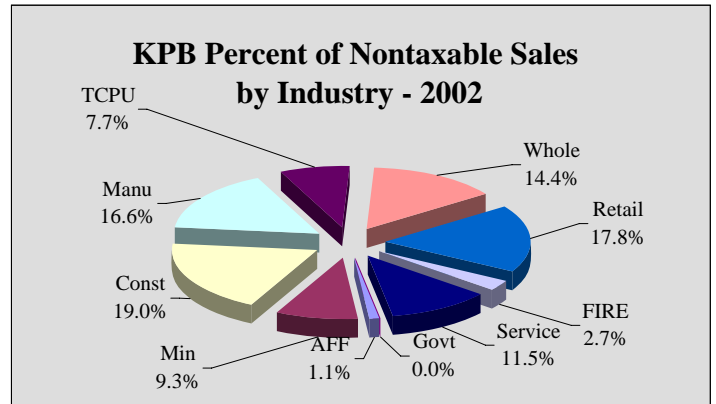


Chart 2.21

KPB Sales

Gross Sales by Quarter

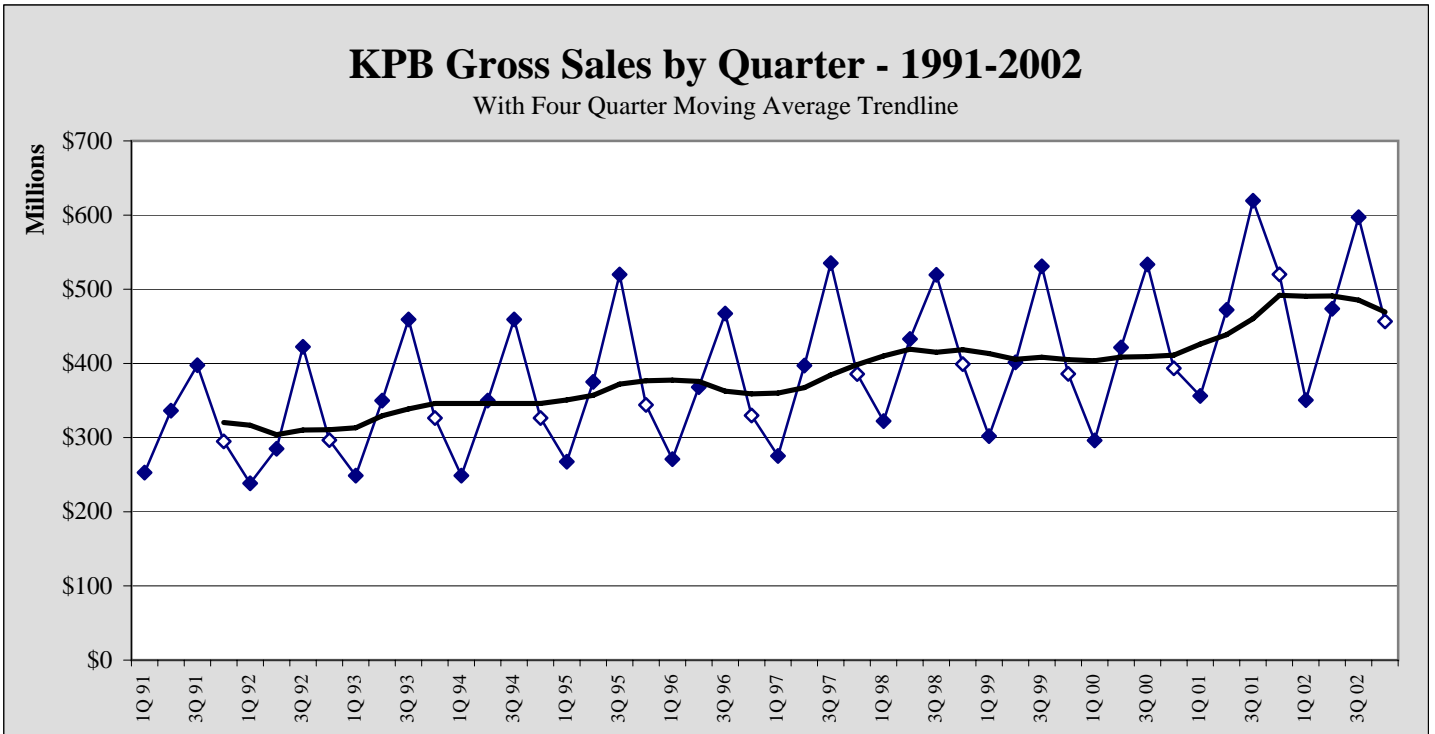


Chart 2.22

Taxable Sales by Quarter

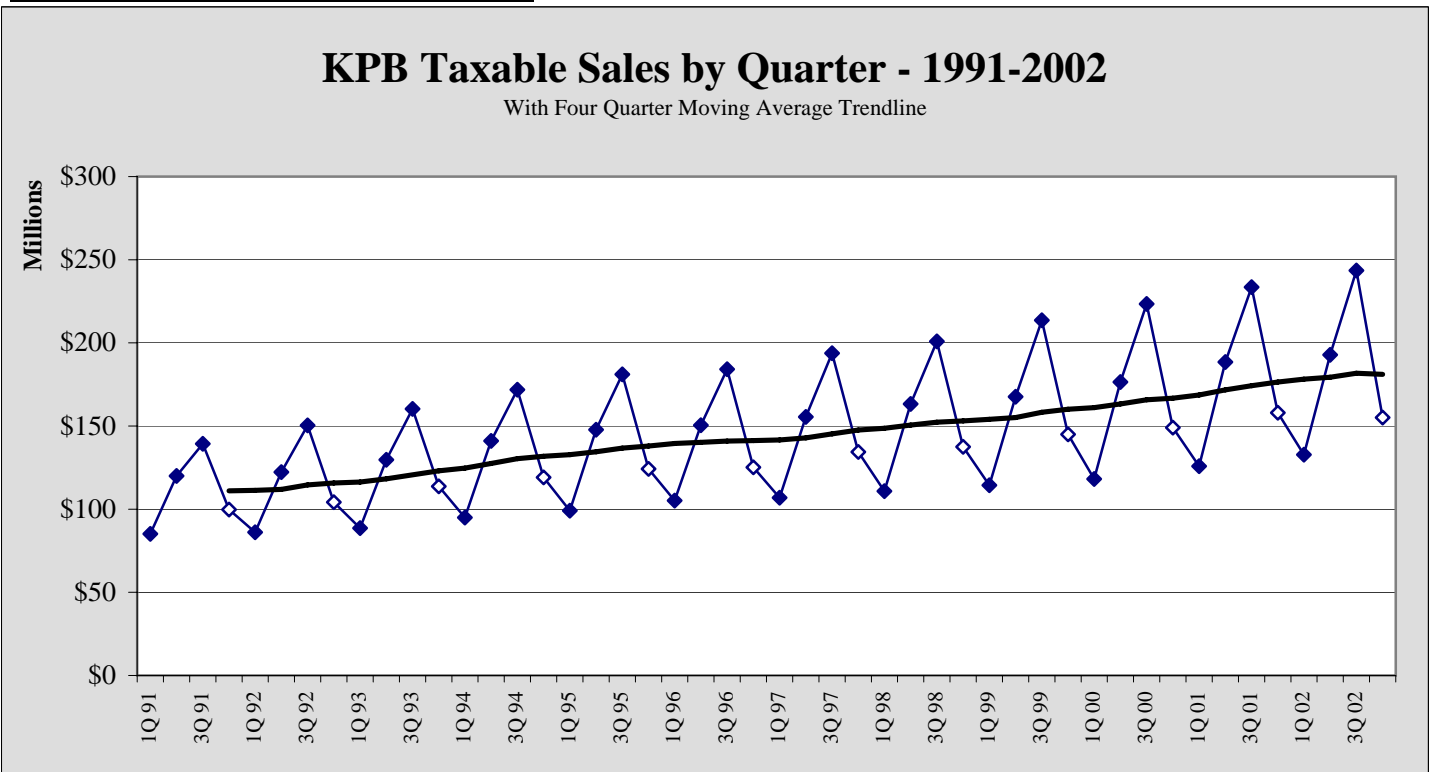


Chart 2.23

KPB Sales

Cost of Living

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

Cost of Food for One Week in \$

	Dec-96	Dec-97	Dec-98	Dec-99	Dec-00	Dec-01	Dec-02	Change since 2001
Family of 2, 20-50 years of age	64.59	60.53	63.22	63.38	64.49	70.79	70.65	9.77%
	62.13	58.19	60.83	61.01	62.11	68.20	67.97	9.81%
Family of 4, children 1-5 years	93.36	87.21	91.25	91.48	92.89	101.92	101.54	9.72%
Family of 4, children 6-11 years	109.84	102.59	107.57	107.81	109.57	120.09	119.76	9.60%
Children 1 year of age	16.57	15.38	16.15	16.16	16.34	17.91	17.78	9.61%
Children 2 years of age - New Line Item						17.91	17.78	NA
Children 3-5 years of age	18.07	16.81	17.60	17.69	17.92	19.66	19.53	9.71%
Children 6-8 years of age	23.94	22.24	23.50	23.52	23.87	26.11	26.03	9.38%
Children 9-11 years of age	27.18	25.33	26.57	26.66	27.06	29.63	29.50	9.50%
Females 12-19 years of age	26.47	24.67	25.89	25.89	26.31	28.91	28.72	0.10
Females 20-50 years of age	27.43	25.75	26.83	26.82	27.39	29.97	29.94	0.09
Females 51 and older	26.66	24.92	26.06	26.15	26.64	29.28	29.16	0.10
Males 12-14 years of age	30.67	28.59	29.99	30.13	30.49	33.51	33.32	9.90%
Males 15-19 years of age	31.57	29.43	30.84	30.97	31.41	34.57	34.37	10.06%
Males 20-50 years of age	31.29	29.26	30.67	30.80	31.24	34.39	34.29	10.08%
Males 51 and older	29.83	28.01	29.22	29.28	29.83	32.72	32.62	9.69%
Electricity, 1000 kWh	111.00	114.37	120.65	119.34	113.17	122.05	126.11	7.85%
Gasoline, auto, 55 gal	74.75	79.64	73.87	79.75	97.35	80.12		-17.70%
Lumber, 2X4X8	3.86	3.55	3.10	3.69	3.26	3.13	3.28	-3.99%
Propane, 100 lb. refill	41.13	na	36.68	37.52	42.24	43.42	43.42	2.79%

Table 2.7

Consumer Price Index

1982-1984 = 100

	1995	1996	1997	1998	1999	2000	2001	2002	% change
Anchorage	138.9	142.37	144.8	146.9	148.4	150.9	155.2	158.2	0.019
U.S. Average	152.4	156.9	160.5	163	166.6	175.1	176.7	179.9	0.018

Table 2.8

The Consumer Price Index is a measure of living costs based on changes in retail prices. Such indexes are generally based on a survey of a sample of the population in question to determine which goods and services compose the typical "market basket." These goods and services are then priced periodically, and their prices are combined in proportion to the relative importance of the goods.

Source - "consumer price index" Encyclopædia Britannica

<<http://search.britannica.com/eb/article?eu=26444>> [Accessed July 18, 2002].

KPB Sales

Per Capita Personal Income

Per Capita Personal Income - KPB, AK, US

	KPB	AK	U.S.	KPB as Percent of AK	KPB as Percent of U.S.
1980	\$13,930	\$14,807	\$10,183	94.08%	136.80%
1981	\$15,314	\$16,492	\$11,280	92.86%	135.76%
1982	\$16,869	\$18,379	\$11,901	91.78%	141.74%
1983	\$16,816	\$19,045	\$12,554	88.30%	133.95%
1984	\$16,978	\$19,385	\$13,824	87.58%	122.82%
1985	\$18,830	\$20,200	\$14,705	93.22%	128.05%
1986	\$17,245	\$19,699	\$15,397	87.54%	112.00%
1987	\$16,505	\$19,334	\$16,284	85.37%	101.36%
	\$17,987	\$19,882	\$17,403	90.47%	103.36%
1989	\$20,708	\$21,526	\$18,566	96.20%	111.54%
1990	\$21,479	\$22,719	\$19,584	94.54%	109.68%
1991	\$21,590	\$23,226	\$20,023	92.96%	107.83%
1992	\$21,768	\$23,846	\$20,960	91.29%	103.85%
1993	\$23,039	\$24,671	\$21,539	93.38%	106.96%
1994	\$23,168	\$25,141	\$22,340	92.15%	103.71%
1995	\$23,673	\$25,667	\$23,255	92.23%	101.80%
1996	\$23,378	\$25,901	\$24,270	90.26%	96.32%
1997	\$23,597	\$26,898	\$25,412	87.73%	92.86%
1998	\$24,654	\$27,645	\$26,893	89.18%	91.67%
1999	\$24,779	\$27,994	\$27,843	88.52%	89.00%
2000	\$27,867	\$29,642	\$29,469	94.01%	94.56%
2001	\$28,506	\$31,027	\$30,413	91.87%	93.73%
2002	NA	\$31,792	\$30,832	NA	NA

Table 2.9

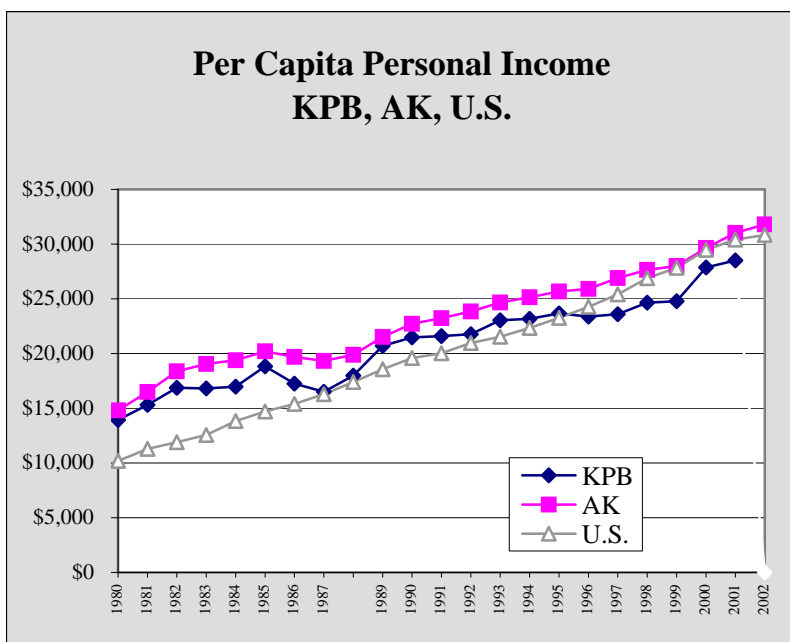


Chart 2.24

The 2001 per capita personal income for the KPB was calculated at \$28,506, less than Alaska at \$31,027 by 8.1% and the U.S. rate of \$30,413 by 6.3%.

Until 1995, the U.S. per capita personal income was consistently below both that of the KPB and Alaska. In recent years, the U.S. has exceeded the KPB and nudged the Alaska rate.

During 2001, KPB ranked 9th of 29 Alaska borough equivalents in per capita personal income, with Bristol Bay ranking #1 at \$42,402 and Wade Hampton, at the other end of the spectrum with \$15,004.

KPB Construction

Overview

Building construction permits are not required within the Kenai Peninsula Borough except within boundaries of the incorporated cities: Homer, Kenai, Seldovia, Seward, and Soldotna. Therefore, data presented in this section 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.

KPB 2002 building construction activity surpassed the 2001 record of 300 with a new all time high as 370 permits were issued for projects within the cities of Homer, Kenai, Seward and Soldotna. Volume of activity shows a steady upward trend since 1995.



Total assessed value of those permits was \$45,922,776 second highest on record, second to 1995 values when the \$35 million Alaska SeaLife Center was permitted. During the past four years, permits totaled \$30,211,753 (1998), \$34,128,283 (1999), \$28,146,057 (2000), and \$45,051,543 (2001).

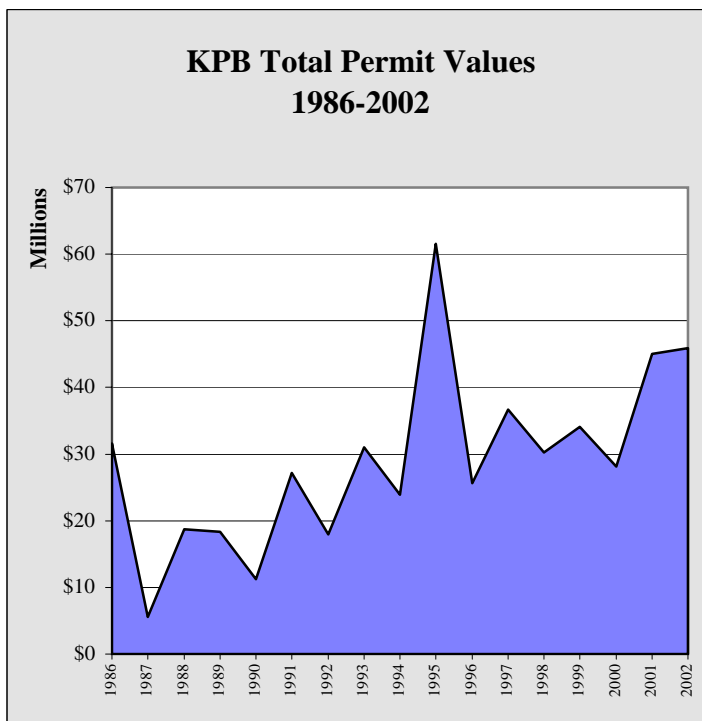


Chart 3.1

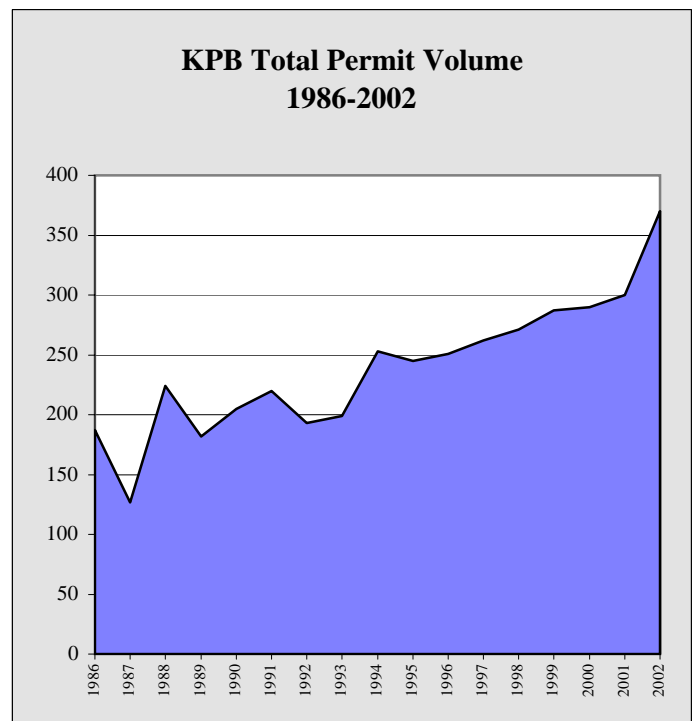


Chart 3.2

KPB Construction

2002 Permit Values

KPB 2002 Building Permit Value by Area and Type - in \$

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Residential New					
Homer	891,760	1,308,460	1,466,300	560,200	4,226,720
Kenai	279,000	2,362,000	2,899,000	377,000	5,917,000
Seward	120,000	400,000	205,000	0	725,000
Soldotna	240,849	2,075,293	689,202	176,000	3,181,344
TOTAL	1,531,609	6,145,753	5,259,502	1,113,200	14,050,064
Residential Alteration/Addition					
Homer	8,960	205,400	217,940	104,320	536,620
Kenai	28,000	323,100	302,400	70,000	723,500
Seward	25,496	169,157	27,555	19,800	242,008
Soldotna	86,935	339,286	317,466	11,500	755,187
TOTAL	149,391	1,036,943	865,361	205,620	2,257,315
Commercial New					
Homer	0	1,000,000	3,912,740	78,000	4,990,740
Kenai	3,579,200	1,480,000	212,000	990,000	6,261,200
Seward	0	3,294,730	750,000	2,100,000	6,144,730
Soldotna	714,806	2,601,575	1,080,678	0	4,397,059
TOTAL	4,294,006	8,376,305	5,955,418	3,168,000	21,793,729
Commercial Addition/Alteration					
Homer	28,000	14,349	180,350	72,000	294,699
Kenai	2,000	404,300	3,400,600	90,800	3,897,700
Seward	335,944	25,000	325,021	113,000	798,965
Soldotna	163,000	1,987,304	610,000	70,000	2,830,304
TOTAL	528,944	2,430,953	4,515,971	345,800	7,821,668
Total by Area					
Homer	928,720	2,528,209	5,777,330	814,520	10,048,779
Kenai	3,888,200	4,569,400	6,814,000	1,527,800	16,799,400
Seward	481,440	3,888,887	1,307,576	2,232,800	7,910,703
Soldotna	1,205,590	7,003,458	2,697,346	257,500	11,163,894
KPB TOTAL	6,503,950	17,989,954	16,596,252	4,832,620	45,922,776
Total by Category					
Residential - New	1,531,609	6,145,753	5,259,502	1,113,200	14,050,064
Residential - Add/Alter	149,391	1,036,943	865,361	205,620	2,257,315
Commercial - New	4,294,006	8,376,305	5,955,418	3,168,000	21,793,729
Commercial - Add/Alter	528,944	2,430,953	4,515,971	345,800	7,821,668
KPB TOTAL	6,503,950	17,989,954	16,596,252	4,832,620	45,922,776

Table 3.1

KPB Construction

2002 Permit Volume

KPB 2002 Building Permit Volume by Area and Type

	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter	Total
Residential New					
Homer	8	9	10	5	32
Kenai	2	18	19	3	42
Seward	1	1	2	0	4
Soldotna	1	17	5	1	24
TOTAL	12	45	36	9	102
Residential Alteration/Addition					
Homer	1	5	8	6	20
Kenai	1	14	26	4	45
Seward	3	15	3	4	25
Soldotna	2	6	10	2	20
TOTAL	7	40	47	16	110
Commercial New					
Homer	0	1	6	1	8
Kenai	1	3	2	3	9
Seward	0	4	1	3	8
Soldotna	4	9	5	0	18
TOTAL	5	17	14	7	43
Commercial Alteration/Addition					
Homer	1	2	3	1	7
Kenai	1	2	12	10	25
Seward	6	9	8	4	27
Soldotna	4	19	5	1	29
TOTAL	12	32	28	16	88
Total by Area					
Homer	10	17	27	13	67
Kenai	5	37	59	20	121
Seward	10	29	14	11	64
Soldotna	11	51	25	4	91
TOTAL	36	134	125	48	343
Total by Category					
Residential - New	12	45	36	9	102
Residential - Alter/Add	7	40	47	16	110
Commercial - New	5	17	14	7	43
Commercial - Alter/Add	12	32	28	16	88
KPB TOTAL	36	134	125	48	343

Table 3.2

KPB Construction

Values and Volume by Type, Area

New Commercial (CN) construction permit values totaled \$21,793,729 or 47.5% of the 2002 KPB total, with 43 permits. New Residential (RN) permitting provided 30.6% of the total, \$14,050,064 and 102 permits. Commercial Alteration/Addition (CA) permitting totaled \$7,821,668 for 17% of permit value and 88 permits. Finally, Residential Alteration/Addition (RA) permit values totaled \$2,257,315 or 4.9% of permit value and 110 permits.

Kenai issued 121 permits totaling \$16,799,400, 36.6% of KPB value and 35.3% of volume. Soldotna contributed 24.3% of permit value, \$11,163,894, and 26.5% of KPB volume, 91 permits. Homer issued 67 permits with a total value of \$10,048,779 or 21.9% of the KPB total value and 19.5% of the volume. Seward's 64 permits, 18.7% of the total, provided 17.2% of KPB's total value, with \$7,910,703 in permit values.

Total KPB permit value for the year was \$45,922,776 with 343 permits issued.

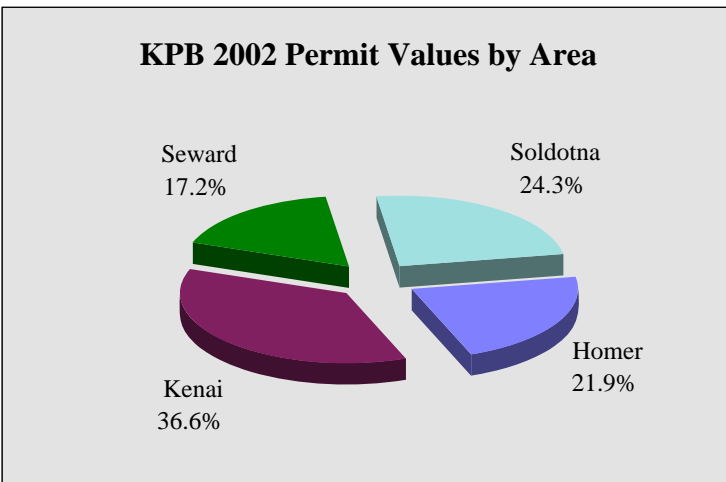


Chart 3.3

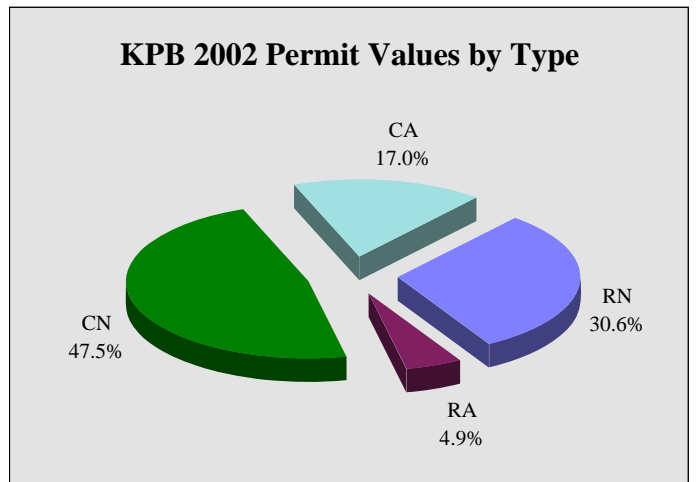


Chart 3.4

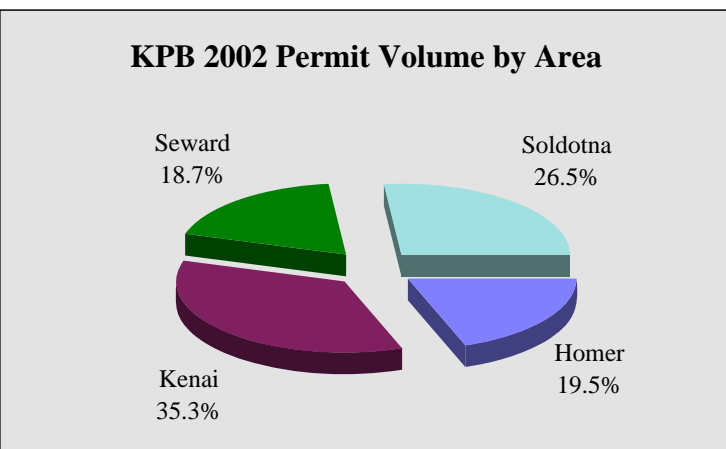


Chart 3.5

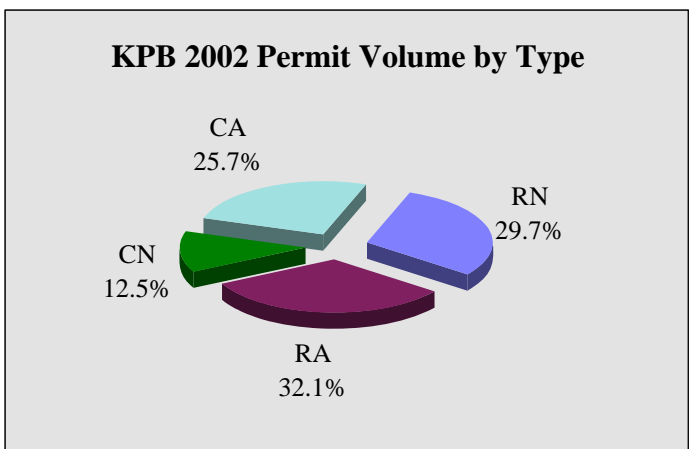


Chart 3.6

KPB Construction

Construction Value by Type

KPB Construction Values by Type - 1986-2002 – in \$

	Residential New	Residential Alter	Commercial New	Commercial Alter	Total
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
2000	9,840,058	1,929,699	10,662,544	5,713,756	28,146,057
2001	13,356,633	1,985,969	11,565,350	18,143,591	45,051,543
2002	14,050,064	2,257,315	21,793,729	7,821,668	45,922,776

Table 3.3

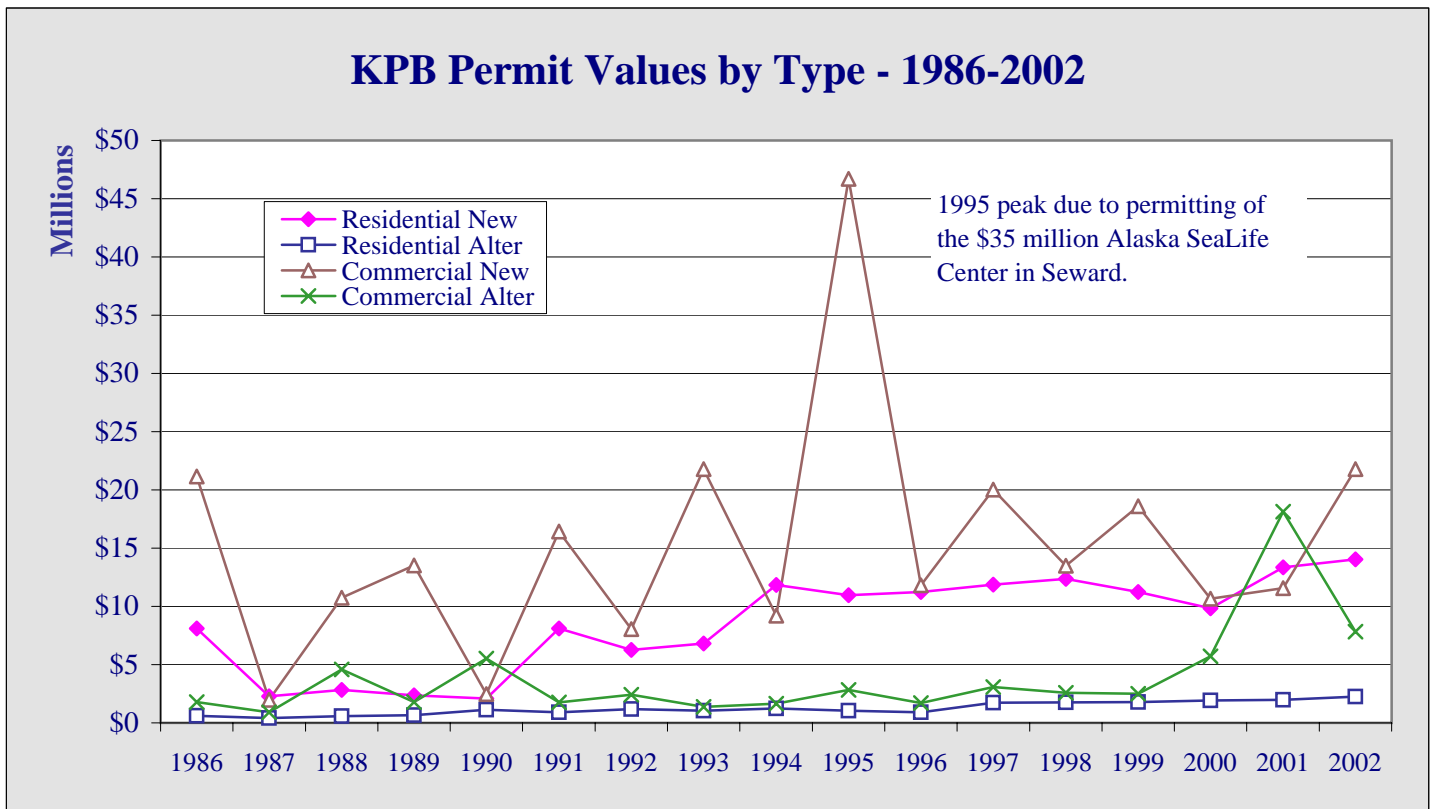


Chart 3.7

KPB Construction

Construction Volume by Type

KPB Construction Volume by Type - 1986-2002

	Residential New	Residential Alter	Commercial New	Commercial Alter	Total
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	42	245
1996	100	67	39	45	251
1997	96	83	44	39	262
1998	92	78	48	53	271
1999	76	89	52	70	287
2000	73	91	45	81	290
2001	87	91	32	90	300
2002	102	110	43	88	343

Table 3.4

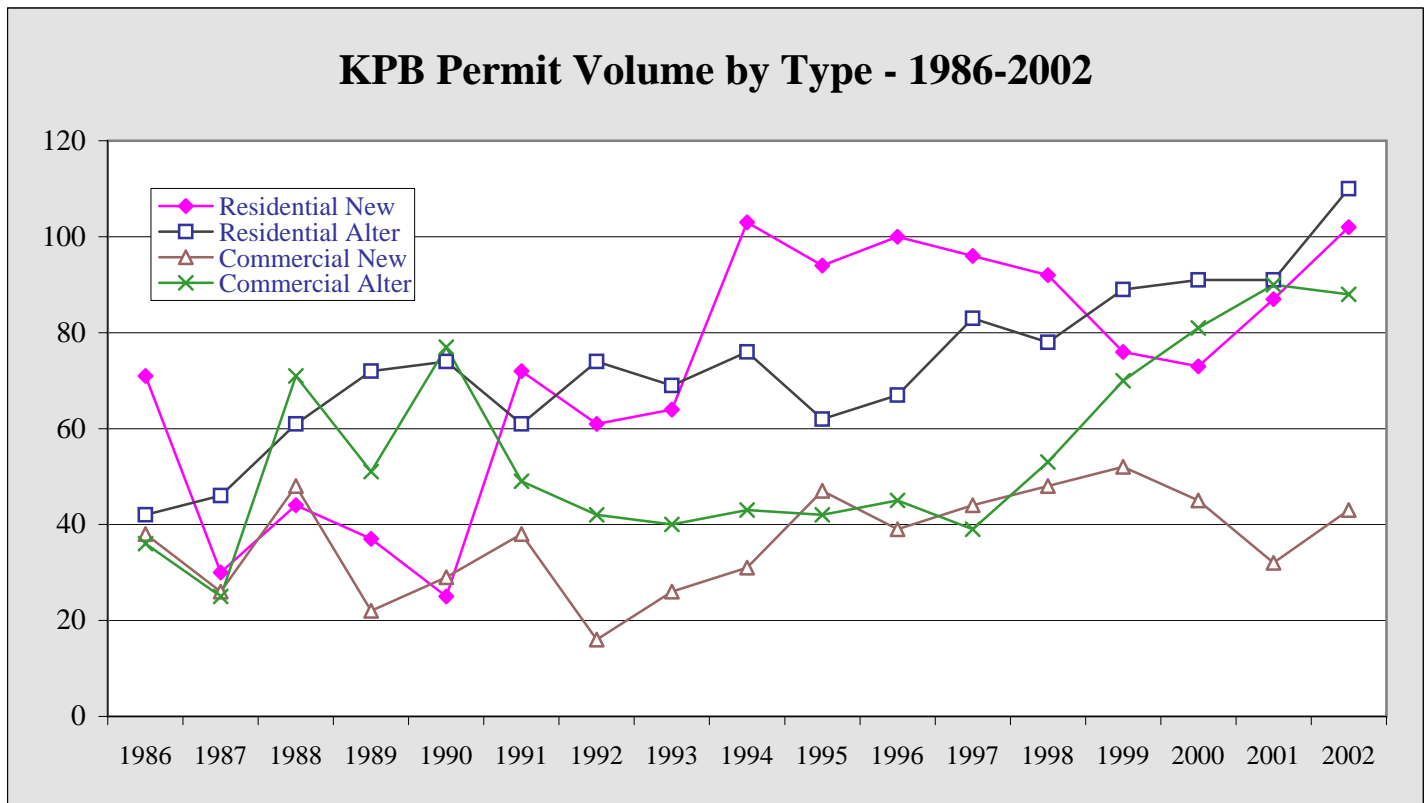


Chart 3.8

KPB Construction

Construction Value by Area

KPB Construction Values by Area - 1986-2002 – in \$

	Homer	Kenai	Seward	Soldotna	Total
1986	6,676,300	18,880,543	NA	6,073,877	31,630,720
1987	1,708,084	2,395,926	NA	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
2000	7,128,972	9,398,100	3,451,565	8,167,420	28,146,057
2001	19,800,690	13,578,900	2,716,981	8,954,972	45,051,543
2002	10,048,779	16,799,400	7,910,703	11,163,894	45,922,776

Table 3.5

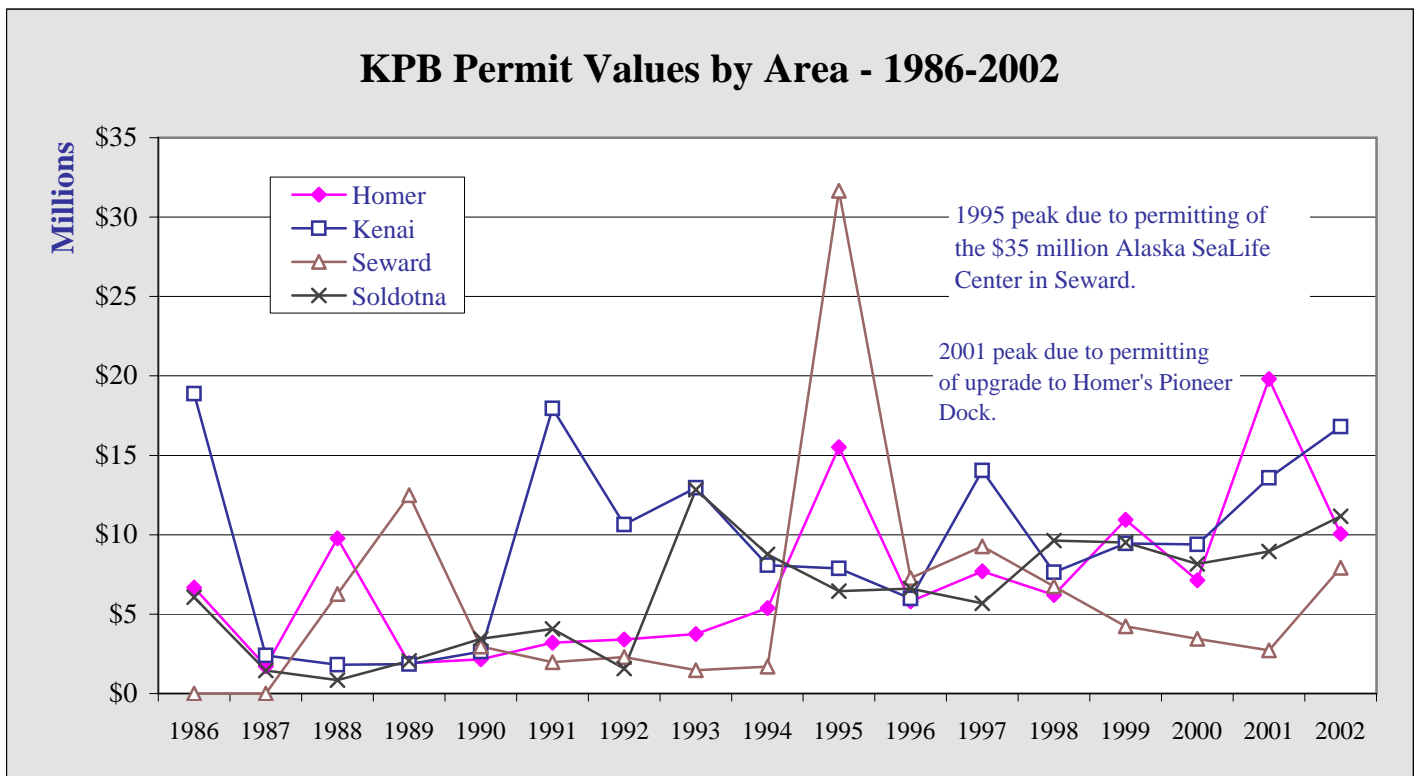


Chart 3.9

KPB Construction

Construction Volume by Area

KPB Construction Volume by Area - 1986-2001

	Homer	Kenai	Seward	Soldotna	Total
1986	61	88	0	38	187
1987	31	69	0	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	48	48	245
1996	65	78	47	61	251
1997	55	89	60	58	262
1998	48	97	49	77	271
1999	52	102	56	77	287
2000	58	93	51	88	290
2001	72	87	48	93	300
2002	67	121	64	91	343

Table 3.6

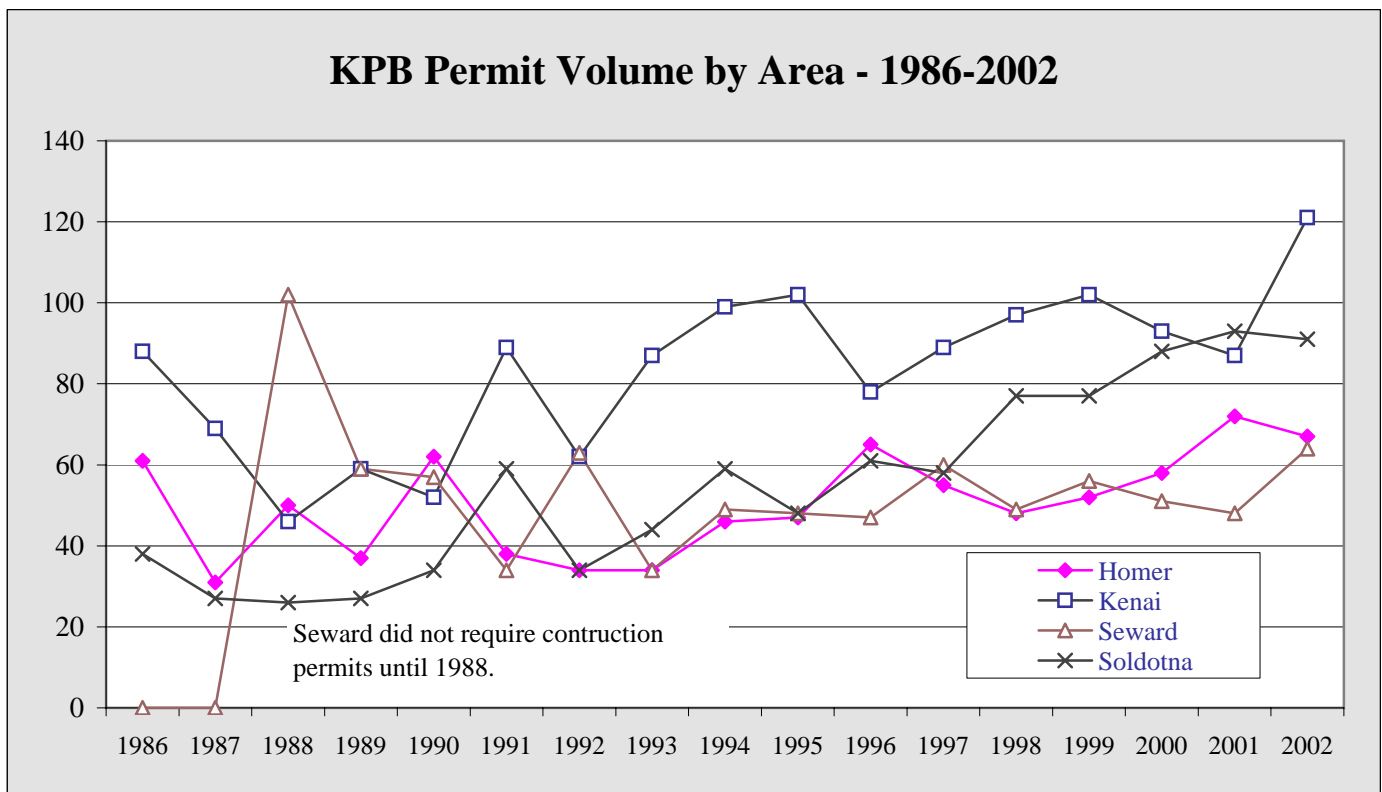


Chart 3.10

KPB Construction

New Residential Permitting

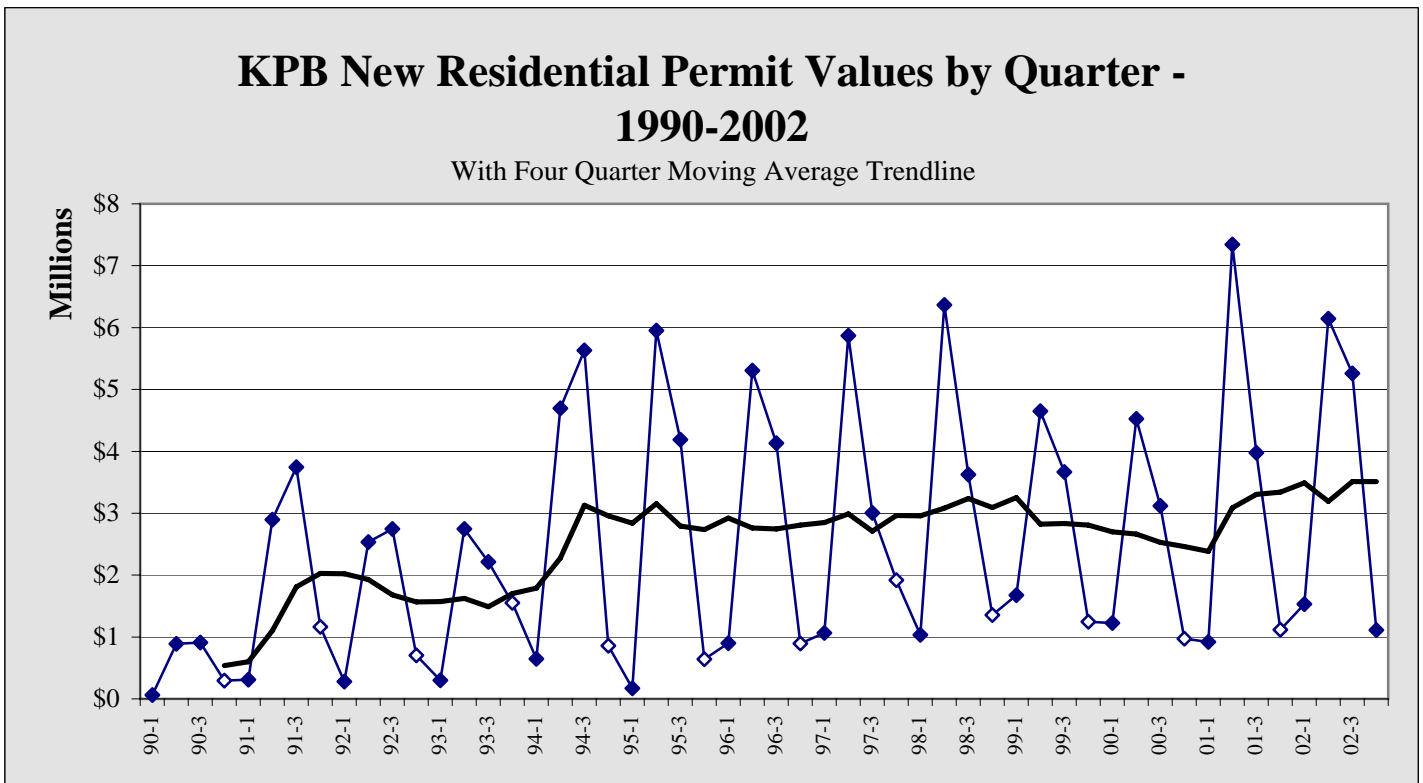


Chart 3.11

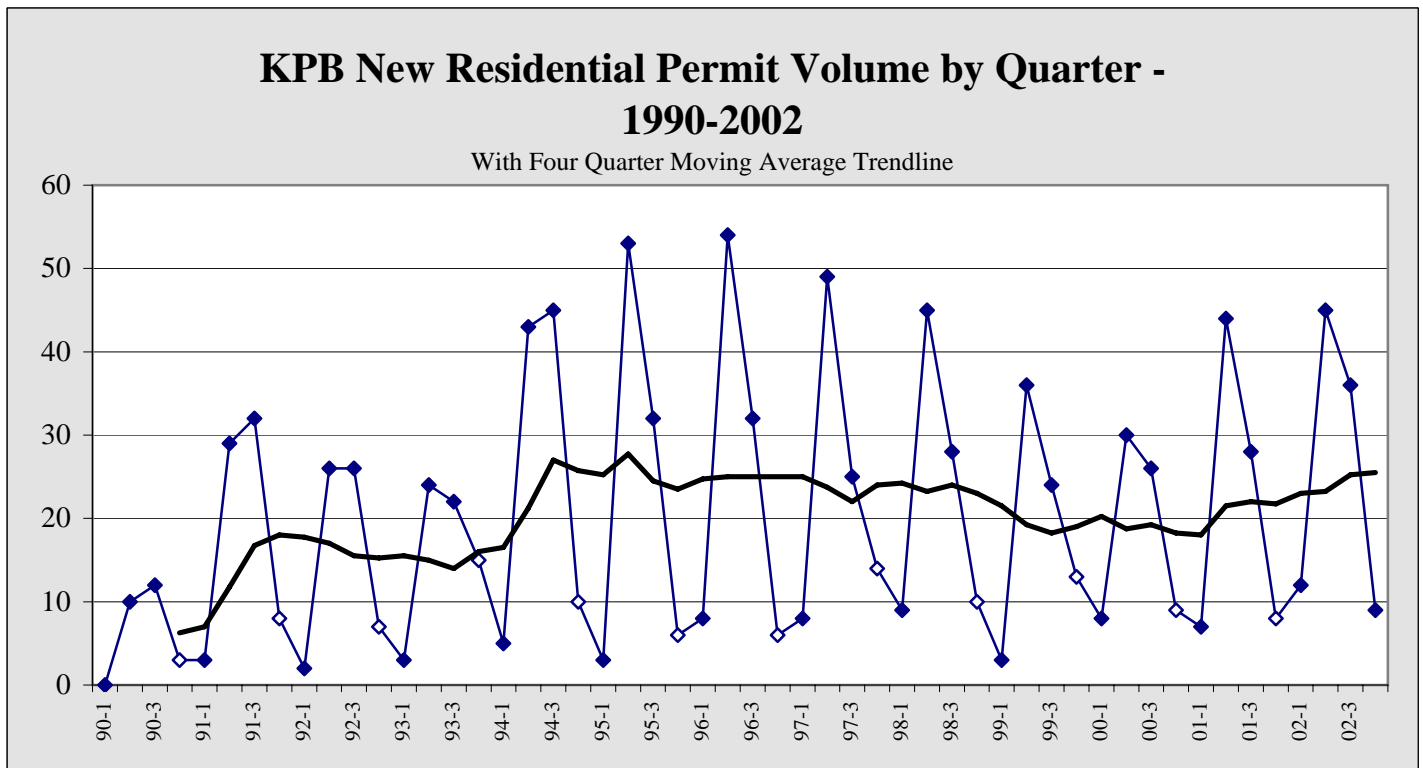


Chart 3.12

KPB Construction

Residential Alteration/Addition Permitting

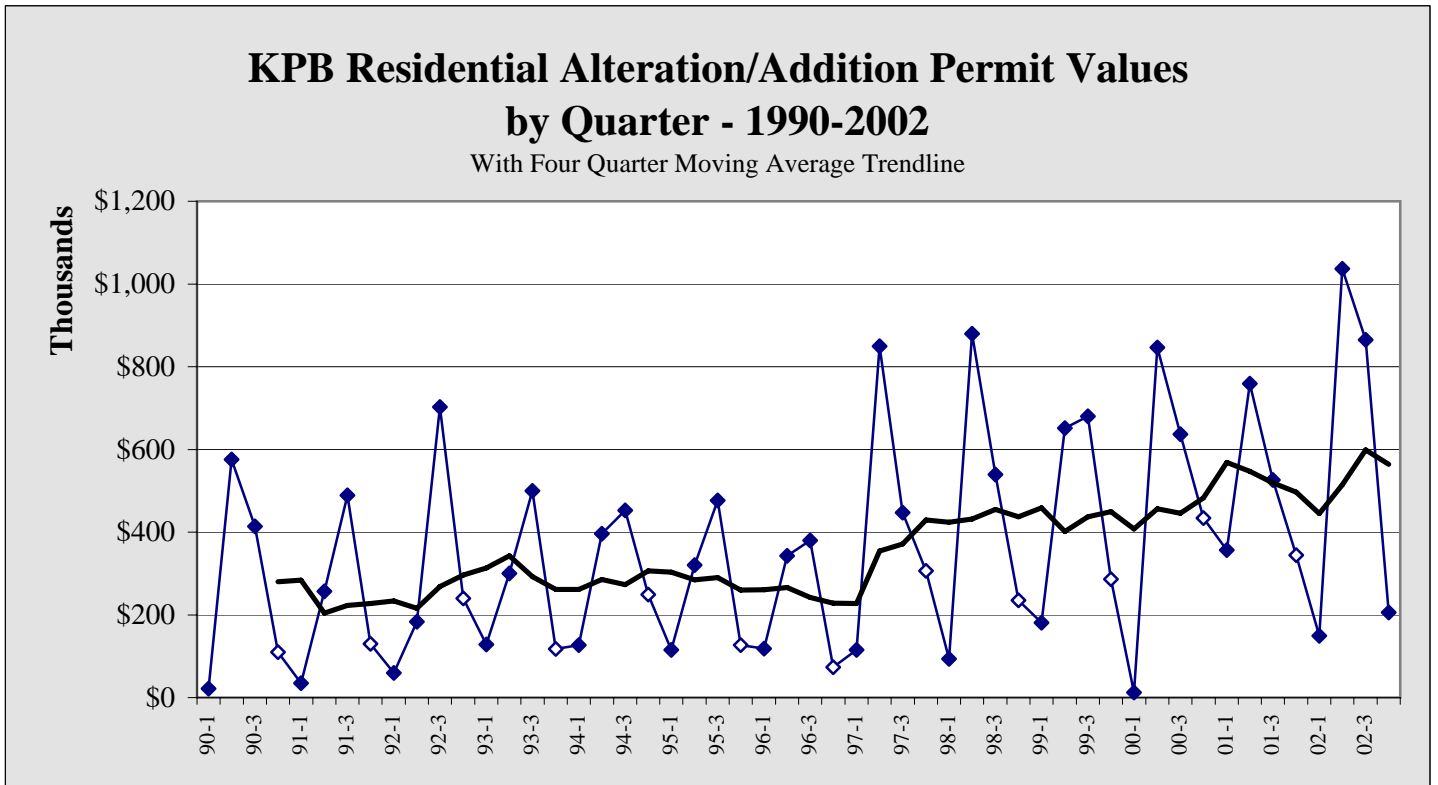


Chart 3.13

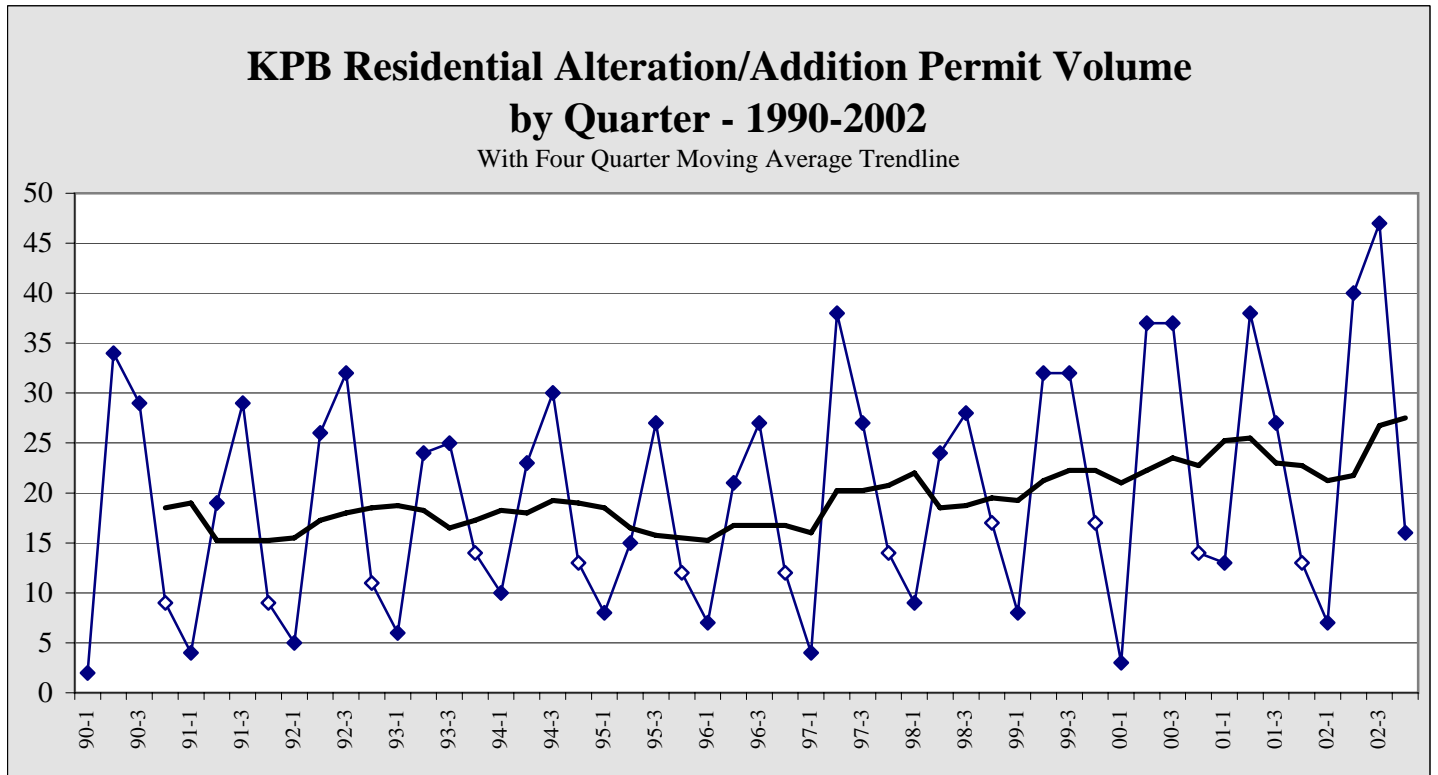


Chart 3.14

KPB Construction

New Commercial Permitting

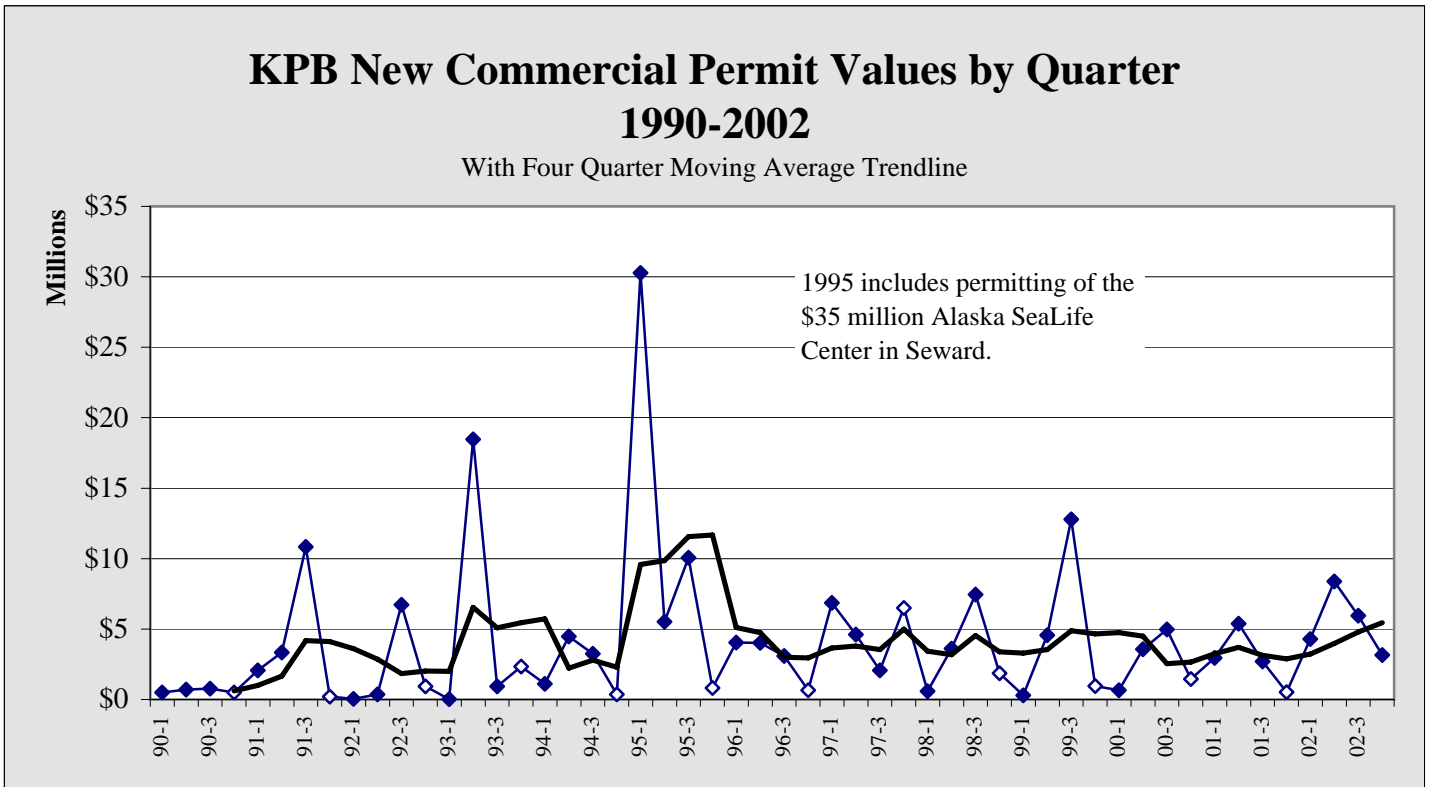


Chart 3.15

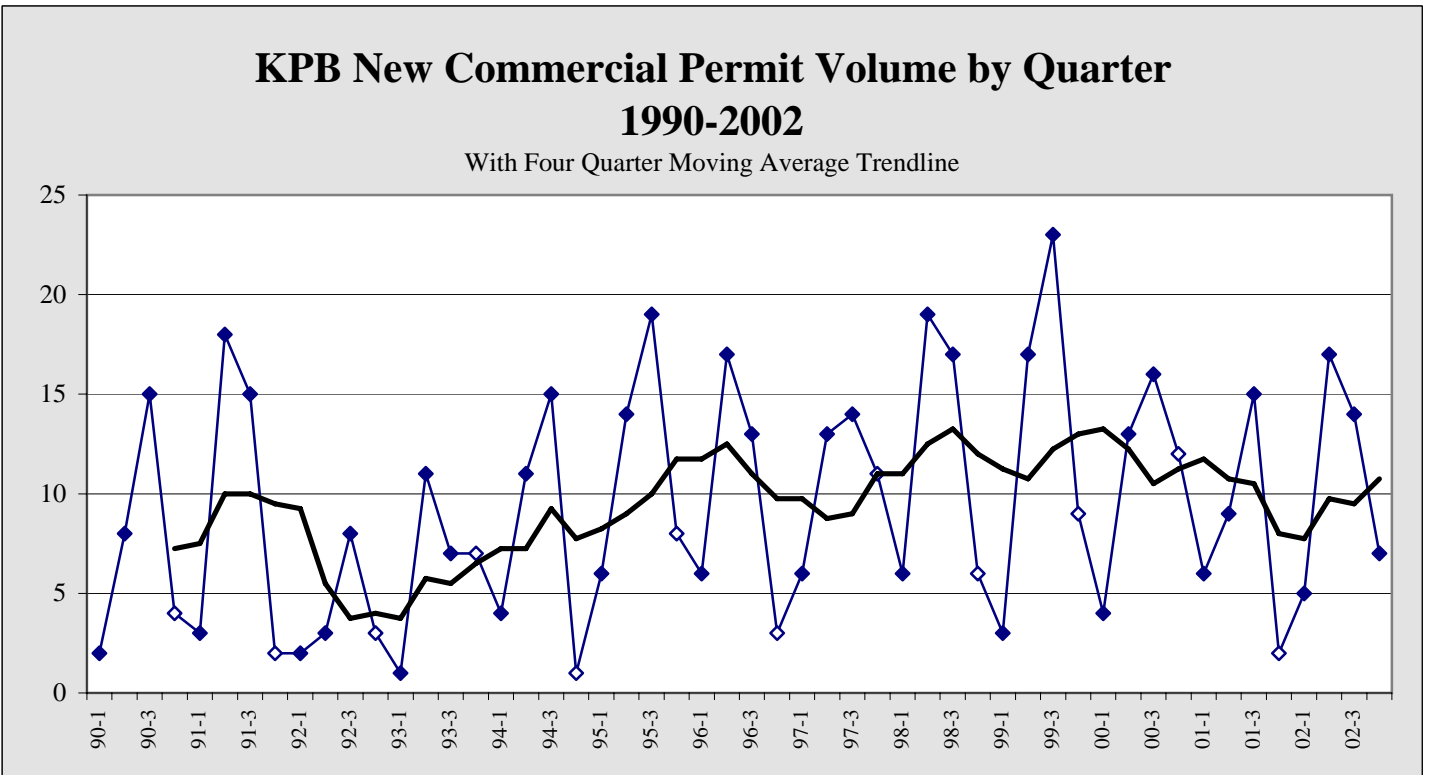


Chart 3.16

KPB Construction

Commercial Alteration/Addition Permitting

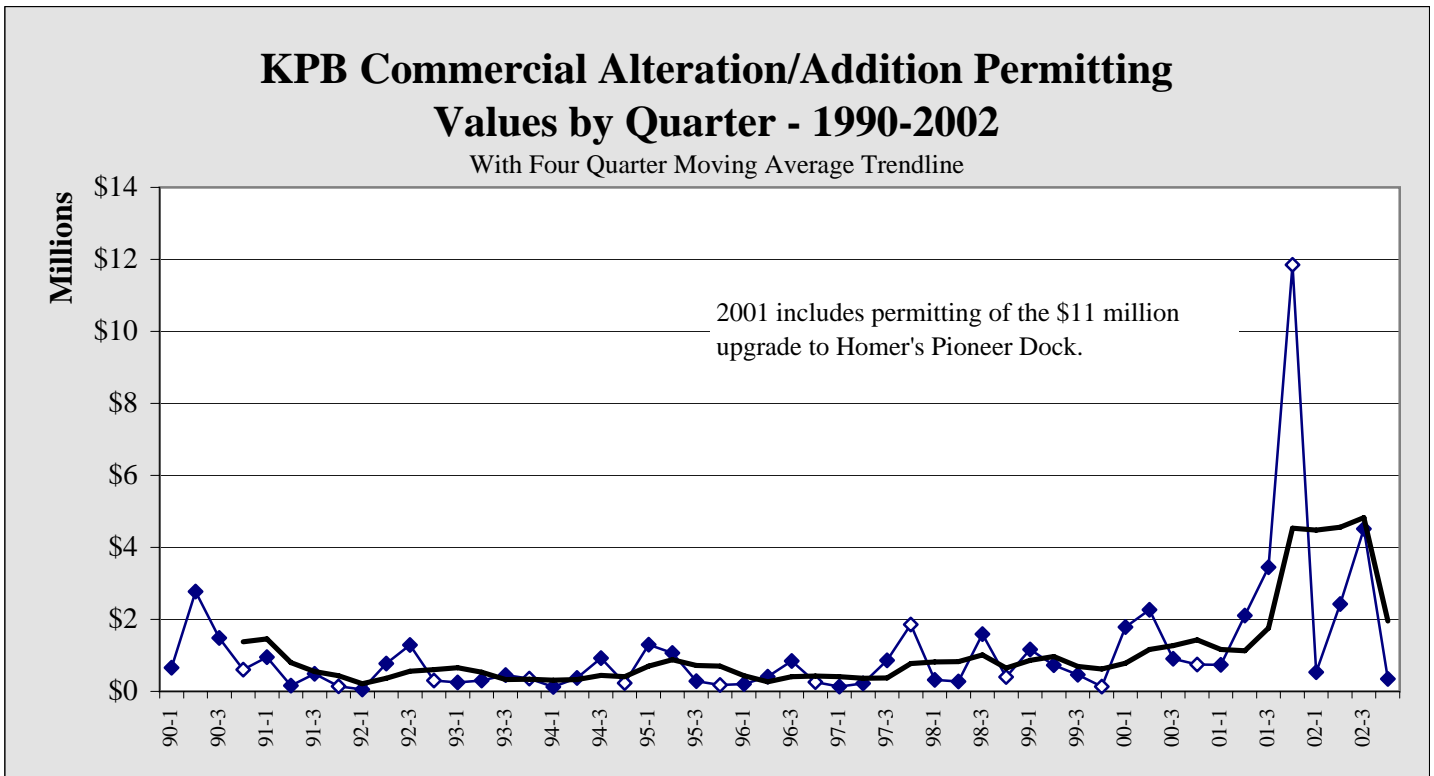


Chart 3.17

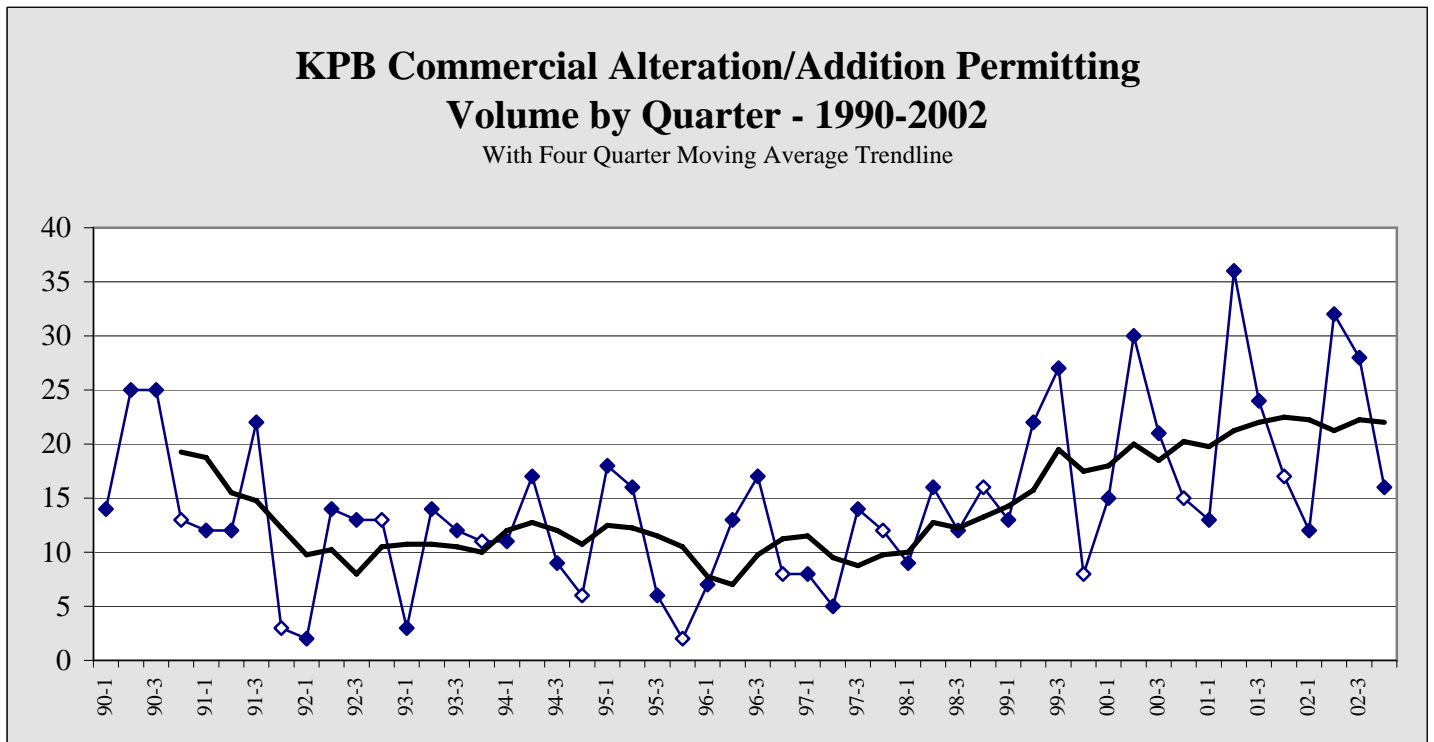


Chart 3.18

KPB Construction

KPB Construction Industry Sales



Chart 3.19



Chart 3.20

KPB Construction

Employment and Earnings

Annual Average Monthly Construction Employment and Earnings

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002*
Average Monthly Employment	689	813	846	867	886	914	917	989	1,118	1,185
Average Monthly Earnings	\$3,002	\$3,120	\$3,043	\$2,932	\$3,040	\$3,057	\$3,084	\$3,406	\$3,347	\$3,403

Table 3.7

* - 2002 data is preliminary

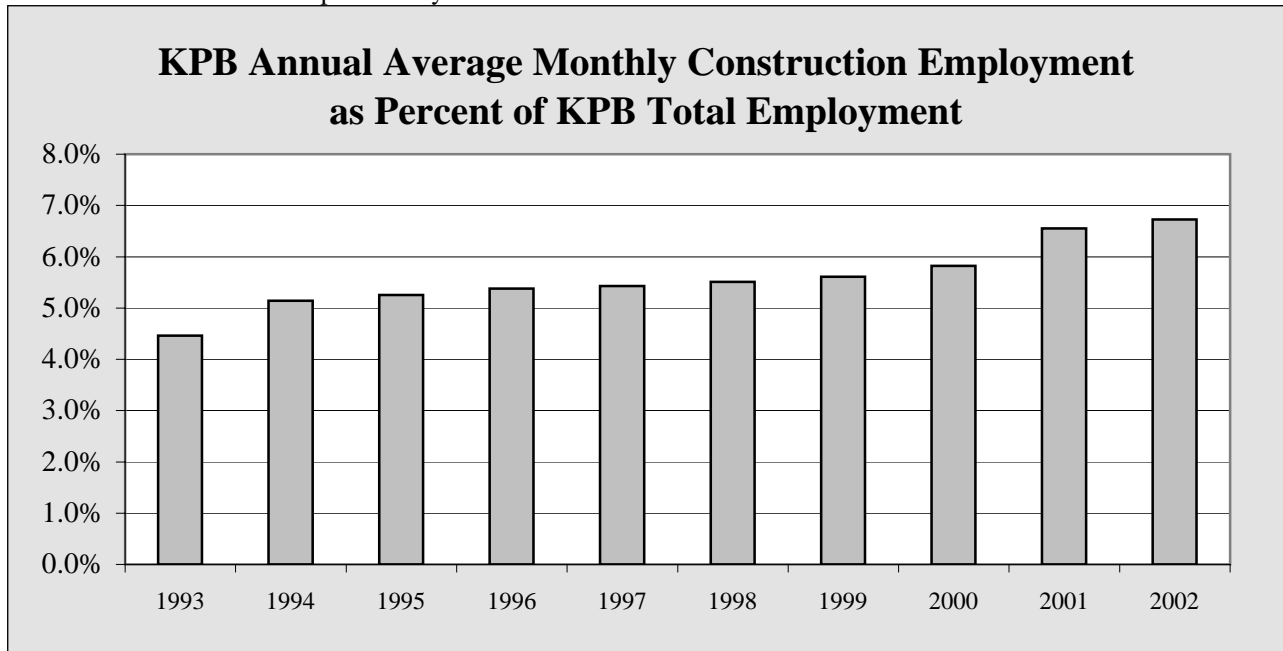


Chart 3.21

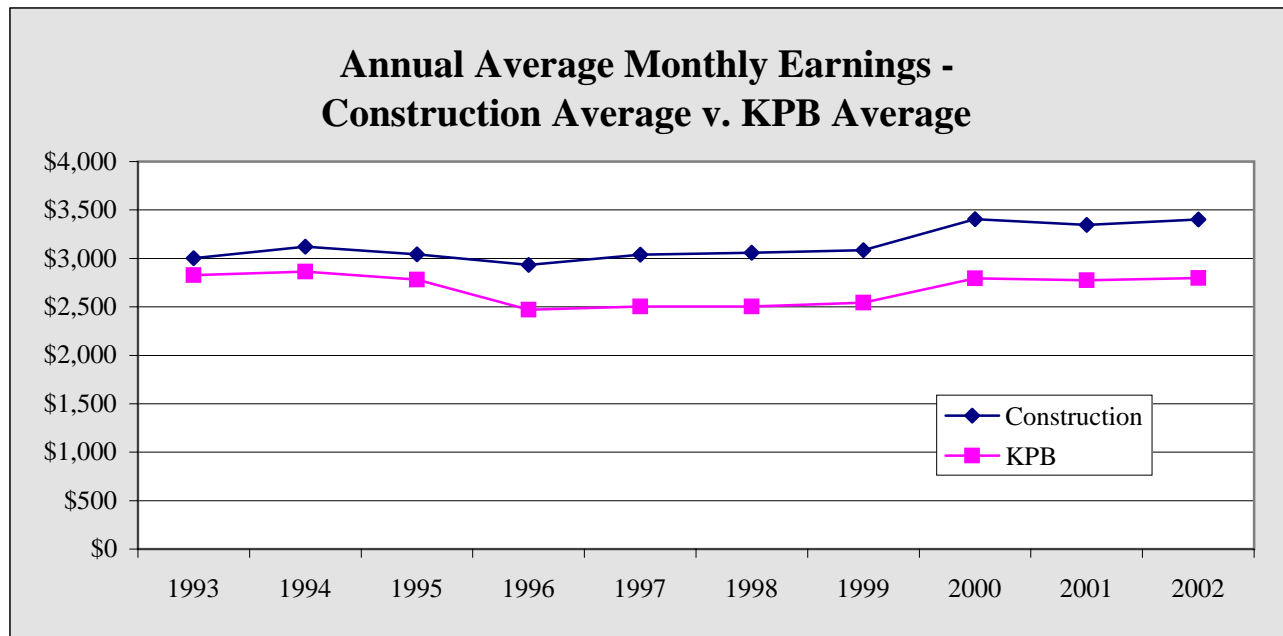


Chart 3.22

KPB Employment

The North American Free Trade Agreement (NAFTA) was signed by the United States, Canada and Mexico during 1993 and became effective January 1, 1994. The treaty included a clause to standardize industry classifications between the three countries. Since signing, the United States has phased in the new industry codes known as the North American Industry Coding System (NAICS), replacing the Standard Industry Classification (SIC) system. As of 2002, the State of Alaska, which provides all employment data, is reporting economic statistics based on NAIC codes rather than the SIC codes. To date, the KPB, which provides all sales data, has chosen to continue use of the SIC system of classification.

Under the SIC classification system, nine industry sectors were grouped by their production processes, class of consumer, or some other characteristic, extended to four levels of classes. The NAICS system has twenty industry sectors and is based on the production processes used by the industry, extending to five classification levels.

Because of the change in coding, trending of employment information will be nearly impossible. The new Information sector includes 20 new industry classifications and 14 reclassified from other sectors, allowing statistics to reflect the technological advances so noticeable in our culture. Another new sector, the Health Care and Social Assistance sector has 39 industries of which 27 are new and 1 has been transferred. The Professional, Scientific and Technical Services sector includes 47 industries of which 28 are new and 7 are transferred. Arts and Entertainment has 25 industries with 19 new and 2 transferred. The Educational Sector, Administrative and Support and Waste Management and Remediation Services, and Other Services combine to include 60 new industry classifications. Accommodation and Food Services includes 10 new industries, allowing better tracking of economic effects of tourism. Manufacturing has added 79 new industry definitions. Wholesale and Retail sectors were reclassified by how the business operates rather than how the customers are served.

The following two pages contain listings of SIC and NAICS classes of industry. The rest of the pages contain detail, both of historical SIC information and current year NAICS information. In the section indicating city employment, some categories have been combined because of low numbers. Information cannot be disclosed in small sectors due to confidentiality issues.

KPB Employment

The North American Free Trade Agreement (NAFTA) was signed by the United States, Canada and Mexico during 1993 and became effective January 1, 1994. As of 2002, the State of Alaska will report economic statistics based on NAIC codes (NAFTA) rather than the SIC codes which were used prior to signing of the agreement. The KPB has chosen to continue with the SIC system of classification for the time being.

1987 SIC Codes - Sectors and Subsectors

Agriculture, forestry, and fisheries	
1	Agricultural production- crops
2	Agricultural production- livestock
7	Agricultural services
8	Forestry
9	Fishing, hunting, and trapping
Mineral Industries	
10	Metal mining
12	Coal mining
13	Oil and gas extraction
14	Nonmetallic minerals, except fuels
Construction Industries	
15	General building contractors
16	Heavy construction contractors
17	Special trade contractors
Manufacturing	
20	Food and kindred products
21	Tobacco manufactures
22	Textile mill products
23	Apparel and other textile products
24	Lumber and wood products
25	Furniture and fixtures
26	Paper and allied products
27	Printing and publishing
28	Chemicals and allied products
29	Petroleum and coal products
30	Rubber and miscellaneous plastics products
31	Leather and leather products
32	Stone, clay, glass, and concrete products
33	Primary metal industries
34	Fabricated metal products
35	Industrial machinery and equipment
36	Electrical and electronic equipment
37	Transportation equipment
38	Instruments and related products
39	Miscellaneous manufacturing industries
Transportation, Communication, and Utilities	
41	Local and interurban passenger transit
42	Motor freight transportation and warehousing
43	U.S. Postal Service
44	Water transportation
45	Transportation by air
46	Pipelines, except natural gas
47	Transportation services
48	Communications
49	Electric, gas, and sanitary services

Wholesale Trade	
50	Wholesale trade--durable goods
51	Wholesale trade--nondurable goods
Retail Trade	
52	Building materials, hardware, garden supply, & mobile
53	General merchandise stores
54	Food stores
55	Automotive dealers and gasoline service stations
56	Apparel and accessory stores
57	Furniture, home furnishings and equipment stores
58	Eating and drinking places
59	Miscellaneous retail
Finance, Insurance, and Real Estate	
60	Depository institutions
61	Nondepository credit institutions
62	Security, commodity brokers, and services
63	Insurance carriers
64	Insurance agents, brokers, and service
65	Real estate
67	Holding and other investment offices
Service Industries	
70	Hotels, rooming houses, camps, and other lodging places
72	Personal services
73	Business services
75	Automotive repair, services, and parking
76	Miscellaneous repair services
78	Motion pictures
79	Amusement and recreational services
80	Health services
81	Legal services
82	Educational services
83	Social services
84	Museums, art galleries, botanical & zoological garden
86	Membership organizations
87	Engineering and management services
88	Private households
89	Miscellaneous services
Public Administration	
91	Executive, legislative, and general government
92	Justice, public order, and safety
93	Finance, taxation, and monetary policy
94	Administration of human resources
95	Environmental quality and housing
96	Administration of economic programs
97	National security and international affairs

Table 4.1

KPB Employment

1997 NAICS Codes - Sectors and Subsectors

Under the SIC classification system, industries were grouped by their production processes, class of consumer, or some other characteristic and had four levels of classes. The NAICS system is based on the production processes used by the industry and extends to five levels of classification. Wholesale and Retail sectors were reclassified by how the business operates rather than the customers served.

Agriculture, Forestry, Fishing and Hunting	
111	Crop Production
112	Animal Production
113	Forestry and Logging
114	Fishing, Hunting and Trapping
115	Support Activities for Agriculture and Forestry
Mining	
211	Oil and Gas Extraction
212	Mining (except Oil and Gas)
213	Support Activities for Mining
Construction	
233	Building, Developing, and General Contracting
234	Heavy Construction
235	Special Trade Contractors
Utilities	
221	Utilities
Manufacturing	
311	Food Manufacturing
312	Beverage and Tobacco Product Manufacturing
313	Textile Mills
314	Textile Product Mills
315	Apparel Manufacturing
316	Leather and Allied Product Manufacturing
321	Wood Product Manufacturing
322	Paper Manufacturing
323	Printing and Related Support Activities
324	Petroleum and Coal Products Manufacturing
325	Chemical Manufacturing
326	Plastics and Rubber Products Manufacturing
327	Nonmetallic Mineral Product Manufacturing
331	Primary Metal Manufacturing
332	Fabricated Metal Product Manufacturing
333	Machinery Manufacturing
334	Computer and Electronic Product Manufacturing
335	Electrical Equipment, Appliance, and Component Manufacturing
336	Transportation Equipment Manufacturing
337	Furniture and Related Product Manufacturing
339	Miscellaneous Manufacturing
Wholesale Trade	
421	Wholesale Trade, Durable Goods
422	Wholesale Trade, Nondurable Goods
Retail Trade	
441	Motor Vehicle and Parts Dealers
442	Furniture and Home Furnishings Stores
443	Electronics and Appliance Stores
444	Building Material and Garden Equipment and Supplies Dealers
445	Food and Beverage Stores
446	Health and Personal Care Stores
447	Gasoline Stations
448	Clothing and Clothing Accessories Stores
451	Sporting Goods, Hobby, Book, and Music Stores
452	General Merchandise Stores
453	Miscellaneous Store Retailers
454	Nonstore Retailers

Table 4.2

Transportation and Warehousing	
481	Air Transportation
482	Rail Transportation
483	Water Transportation
484	Truck Transportation
485	Transit and Ground Passenger Transportation
486	Pipeline Transportation
487	Scenic and Sightseeing Transportation
488	Support Activities for Transportation
491	Postal Service
492	Couriers and Messengers
493	Warehousing and Storage
Information	
511	Publishing Industries
512	Motion Picture and Sound Recording Industries
513	Broadcasting and Telecommunications
514	Information Services and Data Processing Services
Finance and Insurance	
521	Monetary Authorities - Central Bank
522	Credit Intermediation and Related Activities
523	Securities, Commodity Contracts, and Other Financial Investments
524	Insurance Carriers and Related Activities
525	Funds, Trusts, and Other Financial Vehicles
Real Estate and Rental and Leasing	
531	Real Estate
532	Rental and Leasing Services
533	Lessors of Nonfinancial Intangible Assets (except Copyrights)
Professional, Scientific, and Technical Services	
541	Professional, Scientific, and Technical Services
Management of Companies and Enterprises	
551	Management of Companies and Enterprises
Administrative & Support & Waste Management & Remediation Services	
561	Administrative and Support Services
562	Waste Management and Remediation Services
Educational Services	
611	Educational Services
Health Care and Social Assistance	
621	Ambulatory Health Care Services
622	Hospitals
623	Nursing and Residential Care Facilities
624	Social Assistance
Arts, Entertainment, and Recreation	
711	Performing Arts, Spectator Sports, and Related Industries
712	Museums, Historical Sites, and Similar Institutions
713	Amusement, Gambling, and Recreation Industries
Accommodation and Food Services	
721	Accommodation
722	Food Services and Drinking Places
Other Services (except Public Administration)	
811	Repair and Maintenance
812	Personal and Laundry Services
813	Religious, Grantmaking, Civic, Professional, and Similar
814	Private Households
Public Administration	
921	Executive, Legislative, and Other General Government Supp
922	Justice, Public Order, and Safety Activities
923	Administration of Human Resource Programs
924	Administration of Environmental Quality Programs
925	Administration of Housing Programs, Urban Planning, and C
926	Administration of Economic Programs
927	Space Research and Technology
928	National Security and International Affairs

KPB Employment

2002 Monthly Employment Detail

All 2002 data are preliminary.

Kenai Peninsula Borough Employment Statistics - 2002

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Labor Force	20,734	21,010	21,141	21,049	21,821	22,945	24,857	24,101	22,407	21,713	21,127	20,505	21,951
Unemployment	2,658	2,602	2,571	2,255	1,985	1,900	1,939	1,882	2,202	2,275	2,358	2,688	2,276
Unemployment Rate	12.8%	12.4%	12.2%	10.7%	9.1%	8.3%	7.8%	7.8%	9.8%	10.5%	11.2%	13.1%	10.5%
Employment	18,076	18,408	18,570	18,795	19,836	21,045	22,918	22,219	20,205	19,438	18,769	17,817	19,675

Table 4.3

Labor Force

KPB Average Monthly Labor Force

	Average
1992	20,281
1993	20,726
1994	21,350
1995	21,524
1996	22,513
1997	22,381
1998	21,628
1999	21,574
2000	21,658
2001	21,673
2002	21,951

Table 4.4

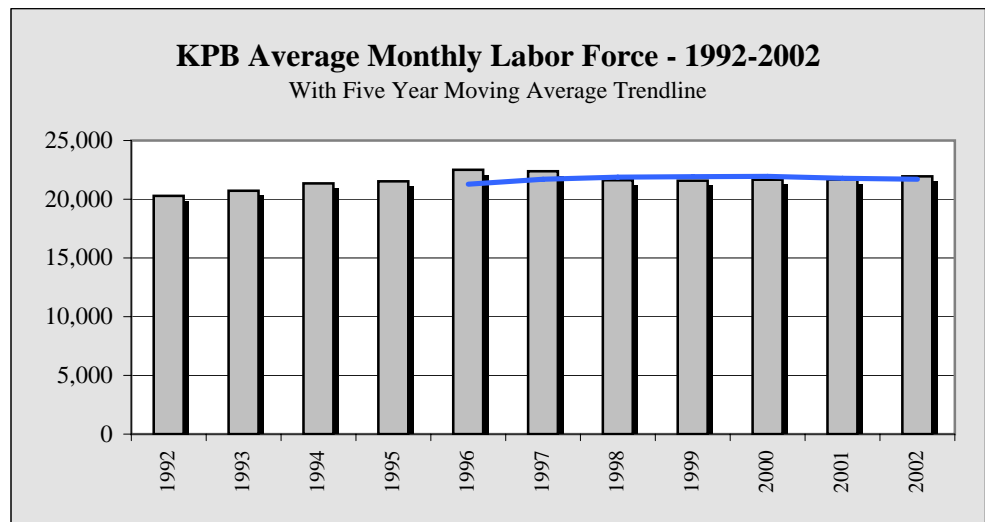


Chart 4.1

Unemployment

KPB Average Monthly Unemployment

	Average
1992	3,138
1993	2,680
1994	2,708
1995	2,653
1996	3,147
1997	3,031
1998	2,116
1999	2,378
2000	2,193
2001	1,995
2002	2,276

Table 4.5

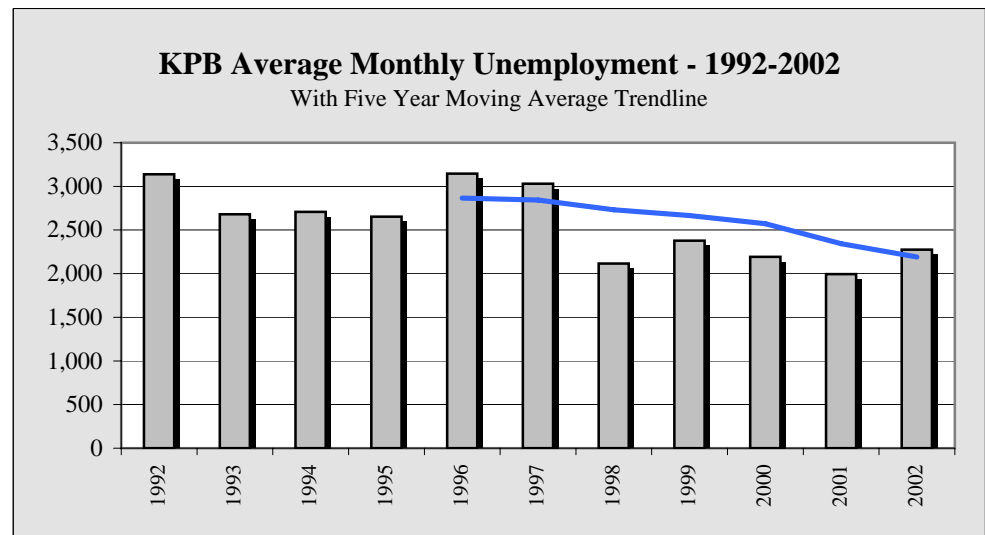


Chart 4.2

KPB Employment

Unemployment Rate

KPB Average Monthly Unemployment Rate

	Average
1992	15.7%
1993	13.2%
1994	12.8%
1995	12.5%
1996	14.2%
1997	13.7%
1998	9.9%
1999	11.1%
2000	10.1%
2001	9.3%
2002	10.5%

Table 4.6

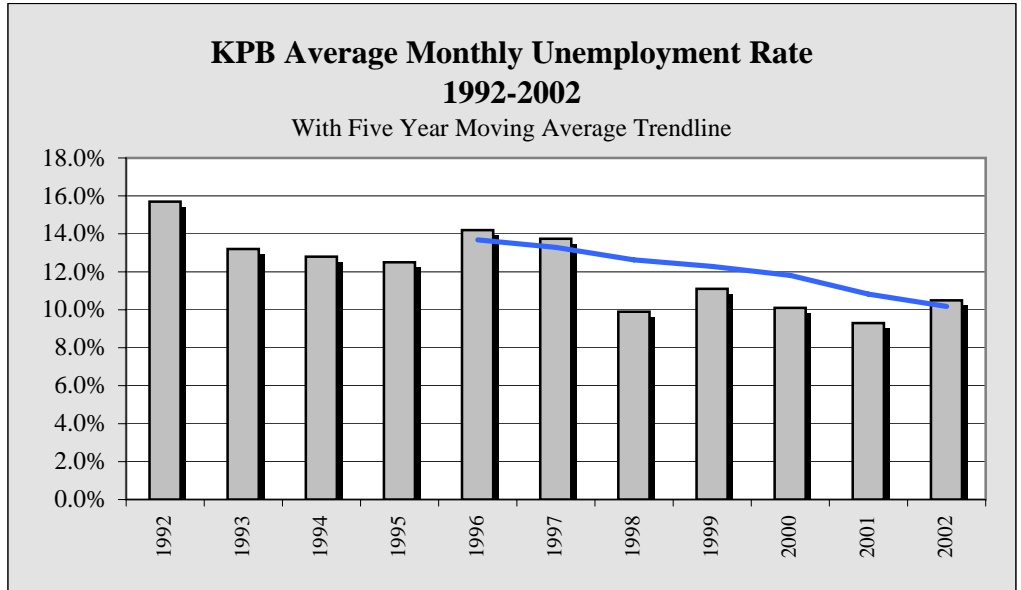


Chart 4.3

Employment

KPB Average Monthly Employment

	Average
1992	17,143
1993	18,045
1994	18,642
1995	19,704
1996	19,366
1997	19,350
1998	19,512
1999	19,196
2000	19,465
2001	19,678
2002	19,675

Table 4.7

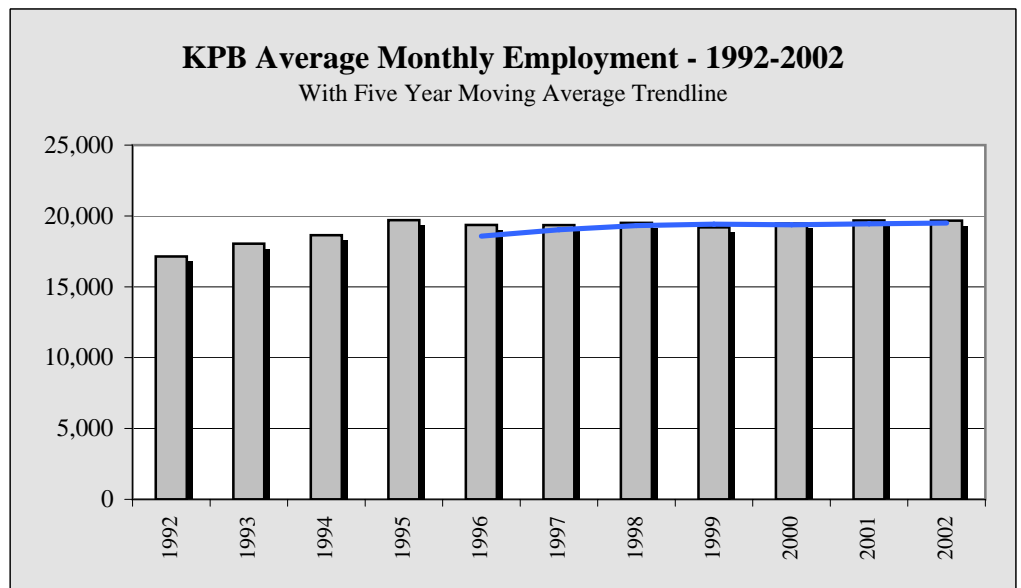


Chart 4.4

KPB Employment

KPB Labor Statistic Charts - 2002



Chart 4.5

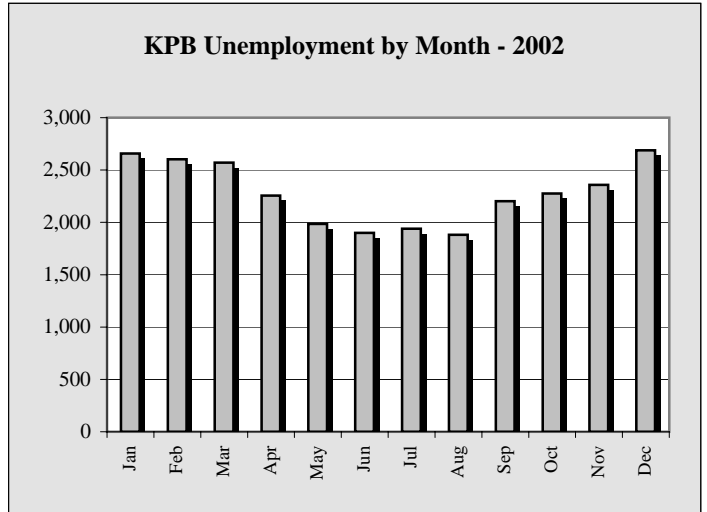


Chart 4.6

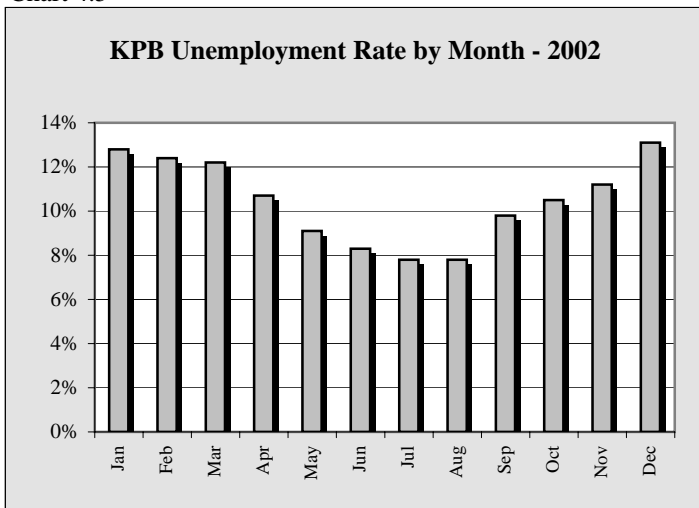


Chart 4.7

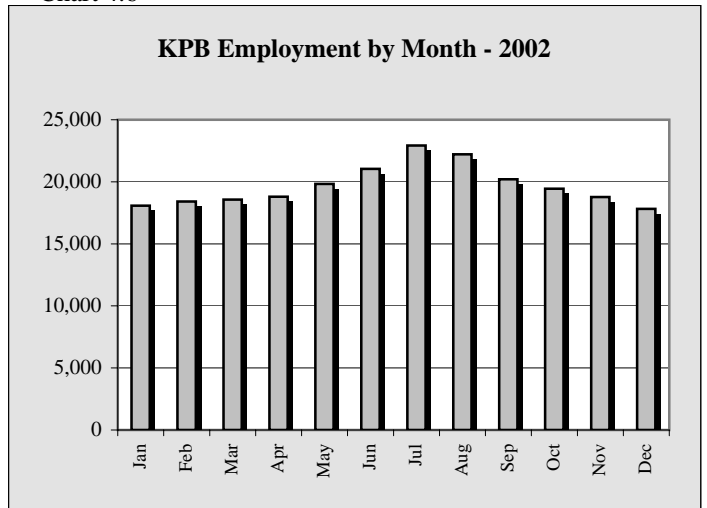


Chart 4.8

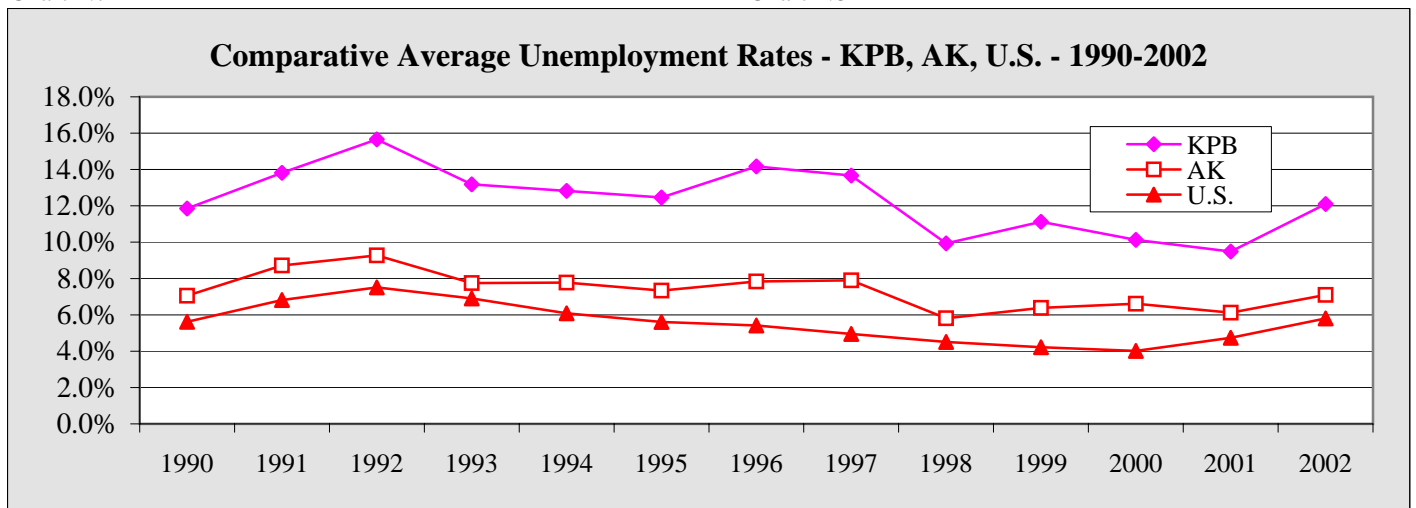


Chart 4.9

KPB Employment

Employment by Industry - SIC

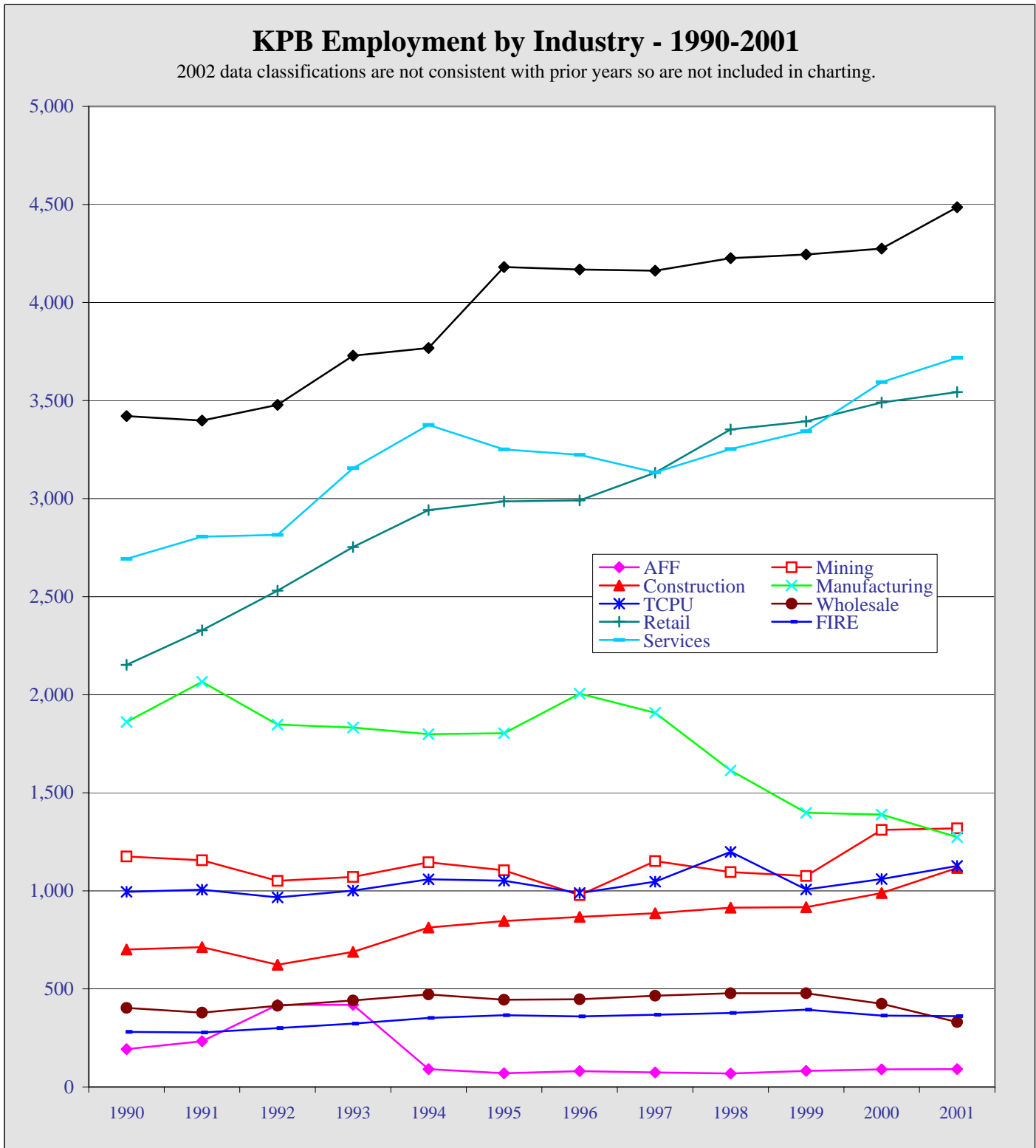


Chart 4.10

KPB Employment

Employment by Industry

Kenai Peninsula Borough's Wage and Salary (SIC) Annual Average Monthly Employment by Industry - 1990-2001

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	One Year Change
Total Employment	13,892	14,376	14,474	15,451	15,816	16,109	16,110	16,328	16,588	16,344	16,984	17,057	0.4%
AFF	193	233	419	419	91	70	81	74	69	82	90	91	1.1%
Mining	1,175	1,156	1,051	1,071	1,146	1,105	978	1,152	1,096	1,076	1,311	1,319	0.6%
Construction	701	713	623	689	813	846	867	886	914	917	989	1,117	12.9%
Manufacturing	1,861	2,066	1,848	1,833	1,799	1,804	2,006	1,908	1,614	1,398	1,389	1,274	-8.3%
Seafood	1,149	1,284	1,136	1,024	952	961	1,096	1,072	807	642	658	474	-28.0%
TCPU	995	1,006	967	1,001	1,059	1,052	989	1,047	1,199	1,007	1,060	1,127	6.3%
Trade	2,555	2,708	2,945	3,194	3,414	3,432	3,438	3,597	3,831	3,873	3,914	3,873	-1.0%
Wholesale	403	379	414	441	472	445	447	465	478	478	424	331	-21.9%
Retail	2,152	2,329	2,531	2,753	2,942	2,986	2,991	3,132	3,353	3,394	3,490	3,543	1.5%
FIRE	281	278	300	323	352	366	360	368	377	394	364	361	-0.8%
Services	2,693	2,806	2,815	3,155	3,376	3,251	3,223	3,134	3,253	3,344	3,594	3,718	3.5%
Government	3,421	3,398	3,479	3,728	3,768	4,181	4,168	42	4,226	4,245	4,275	4,486	4.9%
Federal	285	289	308	357	374	374	405	415	404	390	436	414	-5.0%
State	1,077	1,051	1,029	1,031	1,033	1,040	1,047	1,041	1,041	1,027	1,027	1,059	3.1%
Local	2,059	2,058	2,141	2,341	2,361	2,767	2,716	2,706	2,781	2,828	2,812	3,013	7.1%

Table 4.8

- Totals may not add due to rounding

2002 data cannot be compared to prior year data listed above due to implementation of NAICS for employment data. The new classifications provide more detail and updated industry classifications. All 2002 employment data is preliminary.

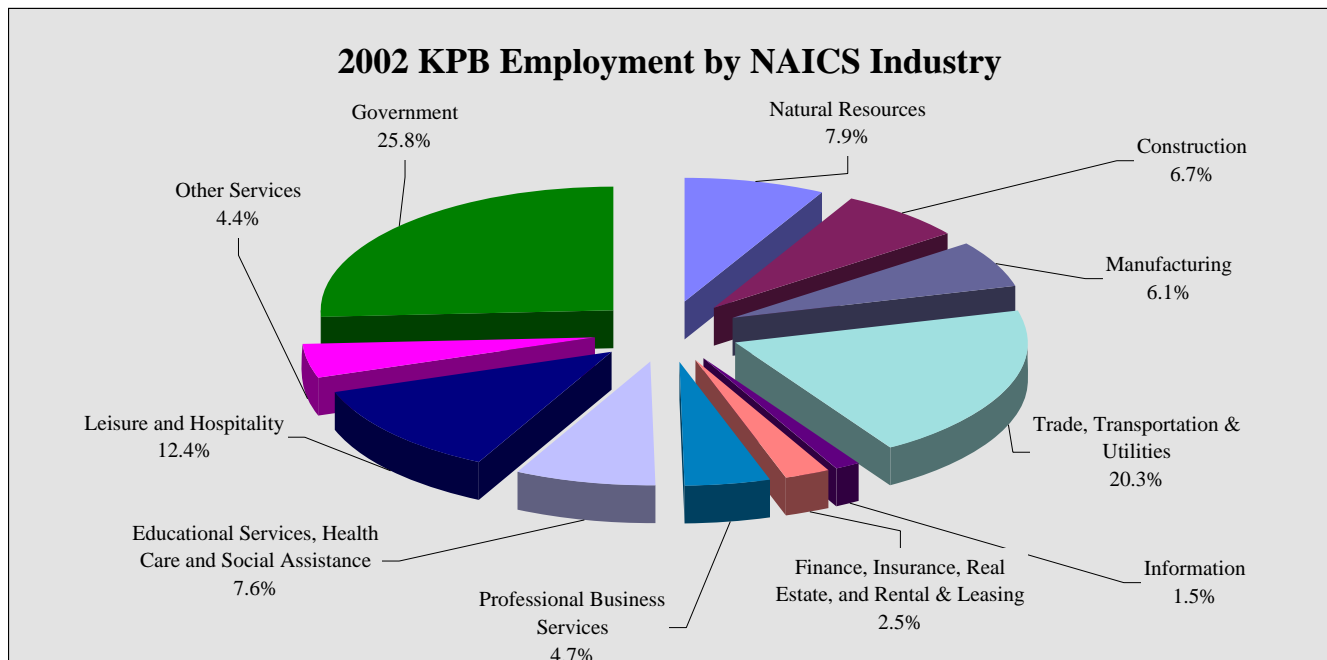


Chart 4.11

KPB Employment

Annual Average Monthly Employment by Area - 2002

	Homer	Kenai	Seldovia	Seward	Soldotna	KPB
Total Employment	2,892	5,407	131	2,134	6,065	17,614
Natural Resources	5	1,015		9	307	1,388
Agriculture, Forestry, Fishing and Hunting					52	87
Mining		1,015		9	255	1,301
Construction	197	224	8	86	595	1,185
Manufacturing	180	582		206	105	1,077
Petroleum & Coal and Chemical Manufacturing						475
Seafood Product Preparation and Packaging	70	71		148	36	328
Trade, Transportation & Utilities	626	1,017	19	440	1,214	3,580
Wholesale Trade	13	199	2	42	14	268
Retail Trade	374	605	12	190	971	2,330
Information	61	134	2	10	41	262
Finance, Insurance, Real Estate, and Rental & Leasing	63	100	16	45	167	445
Professional Business Services	106	184	3	18	512	830
Educational Services, Health Care & Social Assistance	336	325		167	504	1,345
Leisure and Hospitality	460	475	13	363	676	2,191
Accommodation and Food Services	389	423		245	634	1,894
Other Services	108	370		89	181	771
Government	752	984	71	701	1,762	4,545

Table 4.9

Note: Totals may not add due to rounding

Annual Average Monthly Earnings by Area - 2002

	Homer	Kenai	Seldovia	Seward	Soldotna	KPB
Average	\$2,289	\$3,512	\$1,853	\$2,441	\$2,598	\$2,798
Natural Resources		\$6,237			\$4,595	\$3,130
Agriculture, Forestry, Fishing and Hunting						\$2,644
Mining		\$6,237			*	
Construction	\$3,494	\$2,881	*	*	\$3,645	\$3,403
Manufacturing	*	\$6,002		\$2,157	*	\$4,072
Petroleum & Coal and Chemical Manufacturing						6,683
Seafood Product Preparation and Packaging	*	*		*	*	\$1,987
Trade, Transportation & Utilities	\$2,644	\$2,730	*			\$4,754
Wholesale Trade	*	*			*	\$2,973
Retail Trade	\$1,908	\$2,309		\$1,815	\$1,942	\$1,977
Information	*	\$3,064			*	\$3,071
Finance, Insurance, Real Estate, and Rental & Leasing	*	\$2,274		*	\$3,011	\$2,351
Professional Business Services	\$1,665	\$2,663		*	\$2,061	\$2,141
Educational Services, Health Care & Social Assistance	\$1,835	\$1,976		*	\$2,048	\$1,961
Leisure and Hospitality	\$1,015	\$1,082	*	\$1,777	\$930	\$1,175
Accommodation and Food Services	\$1,039	\$1,075		\$1,384	\$958	\$1,112
Other Services	\$1,626	\$992		*	\$1,719	\$1,316
Government	\$3,101	\$3,742	\$1,844	\$3,286	\$3,215	\$3,130

* - Confidential due to few participants

Table 4.10

KPB Employment

Wages, Salaries by Industry, Occupation

2001* Mean Wage Rates - Railbelt, Alaska, US				
SOC Code	Occupation	Railbelt	Alaska	National
15-1021	Computer Programmers	\$28.33	\$27.88	\$30.23
21-1022	Medical & Public Health Social Workers	\$18.75	\$18.50	\$18.29
29-2061	Licensed Practical & Licensed Vocational Nurses	\$18.58	\$17.87	\$15.14
29-1111	Registered Nurses	\$23.54	\$26.26	\$23.19
35-2014	Cooks, Restaurant	\$11.25	\$11.66	\$9.24
35-3031	Waiter/Waitress	\$6.85	\$7.04	\$7.36
37-2011	Janitors/Cleaners, Ex Maids & Housekeeper Cleaners	\$11.04	\$11.68	\$9.52
39-5012	Hairdressers, Hairstylists & Cosmetologists	\$11.47	\$13.14	\$10.27
41-2011	Cashier	\$9.18	\$9.41	\$7.81
41-2031	Retail Salesperson	\$11.13	\$11.90	\$10.06
43-3031	Bookkeeping, Accounting & Auditing Clerks	\$14.68	\$15.46	\$13.38
43-4171	Receptionist & Information Clerks	\$10.22	\$11.35	\$10.31
43-9022	Word Processors & Typists	\$14.01	\$14.10	\$12.92
47-2031	Carpenters	\$21.95	\$22.54	\$17.36
49-3023	Automotive Service Technicians & Mechanics	\$20.36	\$19.85	\$15.32
51-4121	Welders, Cutters, Solderers & Brazers	\$22.53	\$22.18	\$14.55
53-3032	Truck Drivers, Heavy & Tractor Trailer	\$22.49	\$20.19	\$16.20

Table 4.11

Mean Wage Rates - Railbelt Region - 1999, 2000, 2001*

Denali Borough, Fairbanks North Star Borough, **Kenai Peninsula Borough**, Matanuska-Susitna Borough, Southeast Fairbanks Census Area and Valdez-Cordova Census Area

SOC Code	Occupation	1999	2000	2001
15-1021	Computer Programmers	\$25.18	\$28.08	\$28.33
21-1022	Medical & Public Health Social Workers	\$13.61	\$16.53	\$18.75
29-2061	Licensed Practical & Licensed Vocational Nurses	\$16.43	\$17.98	\$18.58
29-1111	Registered Nurses	\$22.21	\$21.16	\$23.54
35-2014	Cooks, Restaurant	\$9.69	\$10.77	\$11.25
35-3031	Waiter/Waitress	\$6.78	\$6.82	\$6.85
37-2011	Janitors/Cleaners, Ex Maids & Housekeeper Cleaners	\$9.87	\$10.66	\$11.04
39-5012	Hairdressers, Hairstylists & Cosmetologists	\$8.33	\$10.69	\$11.47
41-2011	Cashier	\$9.22	\$9.05	\$9.18
41-2031	Retail Salesperson	\$11.32	\$10.71	\$11.13
43-3031	Bookkeeping, Accounting & Auditing Clerks	\$12.87	\$14.02	\$14.68
43-4171	Receptionist & Information Clerks	\$9.64	\$9.34	\$10.22
43-9022	Word Processors & Typists	\$11.72	\$12.75	\$14.01
47-2031	Carpenters	\$20.49	\$19.78	\$21.95
49-3023	Automotive Service Technicians & Mechanics	\$19.53	\$20.08	\$20.36
51-4121	Welders, Cutters, Solderers & Brazers	\$20.95	\$21.25	\$22.53
53-3032	Truck Drivers, Heavy & Tractor Trailer	\$20.70	\$21.35	\$22.49

Table 4.12

* - 2002 was not available at the time of printing.

KPB Employment

KPB Employment Leaders

The Kenai Peninsula Borough's Largest Employers

Rank		Name of Business/Organization	Location/ Headquarters	Business Activity	2001	2002
1	1	Kenai Peninsula Borough School District	Soldotna	education	1,426	1,325
2	2	State of Alaska - excludes University	KPB	state government	856	880
3	3	U.S. Government	KPB	federal government	414	428
5	4	Central Peninsula General Hospital	Soldotna	hospital	342	372
7	5	Kenai Peninsula Borough	Soldotna	government	328	352
4	6	Peak Oilfield Services	North Kenai	oilfield services	367	349
6	7	Safeway/Eagle Stores	KPB	grocery	342	331
8	8	Agrium, Inc.	North Kenai	oilfield services	292	297
11	9	Frontier Community Services	Soldotna	janitorial services	222	278
10	10	South Peninsula Hospital	Homer	hospital	226	247
9	11	Fred Meyer	Soldotna	general merchandise	249	225
12	12	Alaska Petroleum Contractors	North Kenai	oilfield services	191	209
15	13	University of Alaska-incl annual avg student employment - 33	KPB	university	160	198
14	14	Union of California (Unocal)	Kenai	petroleum products /platforms	175	177
13	15	Tesoro Alaska Petroleum Company	North Kenai	refinery/gas stations	178	176
16	16	Veco Alaska	North Kenai	oilfield services	141	161
20	17	South Peninsula Mental Health Association	Homer	health care	121	143
18	18	Spenard Builders Supply	Soldotna	building material	122	127
21	19	City of Kenai	Kenai	local government	121	124
19	20	Homer Electric Association	Homer/Soldotna	utility	121	122
	21	Katch-A-Mac dba McDonald's	KPB	eating establishment		121
	22	CIRI Alaska Tourism	Seward	tour operator		117
22	23	Central Peninsula Counseling Services	Kenai	health care	116	115
17	24	Kmart	Kenai	general merchandise	138	113
	25	City of Homer	Homer	local government		112
23		Icicle Seafoods			109	
24		Austin Maintenance & Construction, Inc.			108	
25		City of Seward	Seward	local government	105	

Table 4.13

1/ State employment excludes employees of University of Alaska Fairbanks (168) and Alaska Vocational and Technical Education Center (AVTEC) (72)

KPB Employment

The Kenai Peninsula Borough's Largest Employers by City - 2002

Rank	Homer	Annual Average Employment	Rank	Kenai	Annual Average Employment
1	South Peninsula Hospital	247	1	Peak Oilfield Services	349
2	Kenai Peninsula Borough School District	188	2	Agrium	297
3	South Peninsula Behavioral Health Services	143	3	State of Alaska - Excludes University	251
4	City of Homer	112	4	Kenai Peninsula Borough School District	245
5	State of Alaska - Excludes University	101	5	Union Oil of California - (Unocal)	177
6	Land End Resort	91	6	Tesoro Alaska Petroleum Company	176
7	Alaska Wildberry Products	82	7	Veco Alaska	161
8	Safeway/Eagle Store	77	8	Federal Government	155
9	Homer Electric Association	69	9	City of Kenai	124
10	The Fish Factory	46	10	Central Peninsula Counseling Services	115

Rank	Seldovia	Annual Average Employment	Rank	Seward	Annual Average Employment
1	Seldovia Village Tribe	37	1	State of Alaska - Excludes University	266
2	Kenai Peninsula Borough School District	16	2	CIRI Alaska Tourism	117
3	City of Seldovia	15	3	Federal Government	115
4	Seldovia Native Association	13	4	Kenai Peninsula Borough School District	110
5	Main Street Market	8	5	City of Seward	103
6	Linwood Bar	6	6	Seward Assoc for Advance Mariners (Sealife Center)	98
7	Seldovia Fuel & Lube	4	7	Icicle Seafoods	90
8	Hopkins Brothers Construction	4	8	AK Department of Education/AVTEC	82
9	The Saltry	4	9	Wesley Rehab and Care Center	64
10	SOS Response Team	3	10	Safeway	55

Rank	Soldotna	Annual Average Employment
1	Kenai Peninsula Borough School District	603
2	Central Peninsula General Hospital	372
3	Kenai Peninsula Borough	352
4	Frontier Community Services	278
5	Fred Meyer	225
6	Alaska Petroleum Contractors	209
7	State of Alaska - Excludes University	177
8	University of Alaska (incl student employment)	109
9	Laidlaw Education Services	104
10	Safeway	100

Table 4.14

KPB Farm Production

KPB Farm Production Values in \$

	Crops	Livestock and 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
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	834,000	256,000	1,090,000
1999	596,000	110,900	706,900
2000	618,000	206,100	824,100
2001	558,000	189,900	747,900
2002	NA	NA	NA

Table 5.1

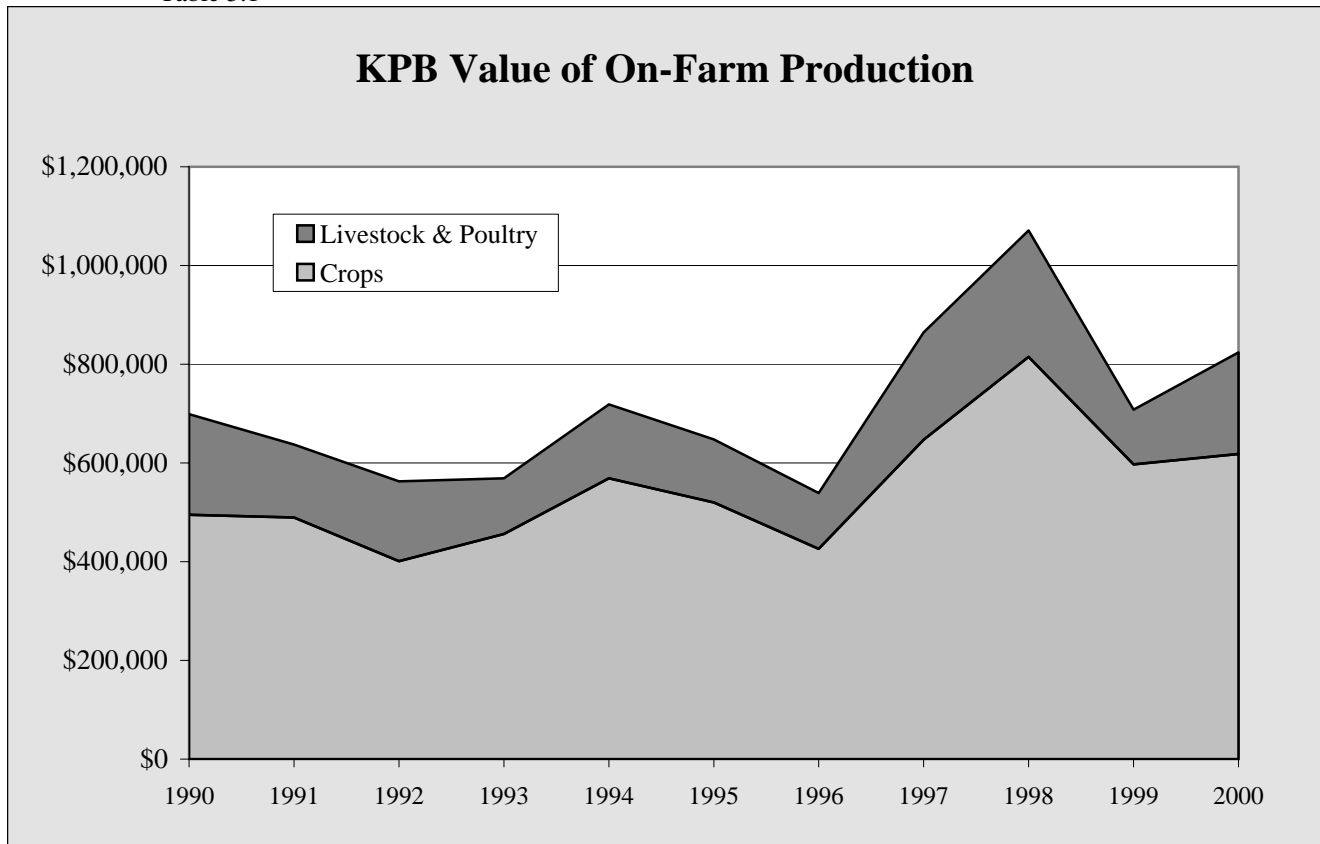


Chart 5.1

KPB Farm Production

Alaska, U.S. Prices Received for Crops, Milk

Alaska - in \$

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	20.54
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
1999	3.75	2.45	195.00	17.00	20.90
2000	3.60	3.15	220.00	20.70	20.30
2001	3.40	2.50	210.00	20.30	20.50
2002	NA	NA	NA	NA	NA

Table 5.2

United States - in \$

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	12.84
1994	2.03	1.22	86.70	5.58	13.01
1995	2.89	1.67	82.20	6.77	12.48
1996	2.74	1.96	95.80	4.91	14.75
1997	2.38	1.60	100.00	5.64	13.36
1998	1.98	1.10	84.60	5.56	15.46
1999	2.05	1.10	77.00	5.84	14.38
2000	2.15	1.05	83.00	4.95	12.40
2001	2.25	1.50	97.30	6.60	15.05
2002	NA	NA	NA	NA	NA

Table 5.3

During December 2002 there were 47,030 Alaskan individuals who participated in the Food Stamp program, a 12.4% gain over the 41,832 who received benefits during December 2001. Benefits received during 2002 totaled \$59,454,787, a 22% increase over the \$46,477,327 paid out during 2001. Benefits for 2002 recipients across the U.S. totaled \$18,257,134,394 compared to the 2001 payout of \$15,547,017,668, a 15% increase. Source - USDA. Data subject to revision.

Farm Production

Alaska, U.S. Prices Received for Livestock and Poultry

Alaska - in \$

Year	All Hogs (Cwt)	Beef Cattle (Cwt)	All Cows (Cwt)	Steers & Heifers (Cwt)	Milk Cows (Head)	Calves (Cwt)	All Sheep (Cwt)
1991	60.00	68.00	55.00	73.00	945.00	na	35.00
1992	69.00	65.00	54.00	76.00	940.00	na	40.00
1993	65.00	70.00	55.00	81.00	959.00	84.00	45.00
1994	55.00	69.00	56.00	79.00	1,000.00	86.00	50.00
1995	55.00	66.10	56.00	80.00	1,100.00	84.00	50.00
1996	52.50	64.00	57.00	75.00	1,150.00	80.00	55.00
1997	57.30	62.00	55.00	76.00	1,200.00	79.00	60.00
1998	64.00	64.00	57.00	78.00	1,340.00	79.00	55.00
1999	53.80	69.00	59.90	80.00	1,300.00	83.40	65.00
2000	58.40	75.60	60.00	84.00	1,350.00	100.00	67.00
2001	61.00	79.00	65.00	90.00	1,400.00	100.00	65.00
2002	NA	NA	NA	NA	NA	NA	NA

Table 5.4

United States - in \$

Year	All Hogs (Cwt)	Beef Cattle (Cwt)	All Cows (Cwt)	Steers & Heifers (Cwt)	Milk Cows (Head)	Calves (Cwt)	All Sheep (Cwt)
1991	49.10	72.70	49.80	76.60	1,100.00	na	19.70
1992	41.60	71.30	47.40	75.30	1,130.00	na	25.80
1993	45.20	72.60	47.60	76.80	1,160.00	91.20	28.60
1994	39.90	66.70	43.00	69.40	1,170.00	87.20	30.90
1995	40.50	61.80	35.70	86.70	1,130.00	73.10	28.00
1996	51.90	58.70	30.50	62.50	1,090.00	58.40	29.90
1997	52.90	63.10	34.80	66.80	1,100.00	78.90	37.90
1998	34.40	59.60	33.70	62.80	1,120.00	78.80	30.60
1999	30.30	63.40	35.10	66.90	1,280.00	87.80	31.10
2000	42.30	68.60	37.90	72.30	1,340.00	104.00	34.20
2001	44.30	71.30	40.90	75.10	1,500.00	106.00	34.60
2002	NA	NA	NA	NA	NA	NA	NA

Table 5.5

Farm Production

U.S. Per Capita Consumption in Pounds

	<u>Red Meats</u>				<u>Poultry</u>		<u>Fresh and Frozen</u>		<u>Canned</u>
	Beef	Veal	Pork	Lamb Mutton	Chicken	Turkey	Fish	Shellfish	Salmon
1990	95.8	1.3	63.6	1.6	70.3	17.5	6.0	3.6	0.4
1991	94.9	1.2	64.1	1.6	73.3	17.8	5.9	3.8	0.5
1992	94.1	1.2	67.4	1.5	76.4	17.7	5.9	3.8	0.5
1993	92.0	1.1	66.5	1.5	78.3	17.5	6.2	3.8	0.4
1994	95.2	1.1	67.2	1.3	79.6	17.6	6.3	0.39	0.4
1995	95.5	1.2	66.3	1.3	79.3	17.6	6.2	3.6	0.5
1996	95.7	1.4	62.0	1.2	80.6	18.1	6.3	3.5	0.5
1997	93.6	1.2	61.4	1.2	82.1	17.2	6.0	3.7	0.4
1998	95.0	1	66.1	1.3	82.6	17.6	5.7	4.3	0.3
1999	96.2	0.8	67.7	1.3	87.8	17.5	5.7	4.3	0.3
2000	96.5	0.8	65.5	1.3	88.4	17.3	5.6	4.6	0.3
2001	94.3	0.7	64.4	1.3	87.1	17.4	5.7	4.6	0.4

	<u>Eggs</u>	<u>Dairy Products</u>				<u>Fruits</u>		<u>Vegetables</u>	
	# in shell	Milk in Gallons	Butter	Cheese (Exclude Cottage Cheese)	Ice Cream /Sherbets /Yogurts	Fresh	Processed	Fresh	Processed
1990	186.2	25.7	4.4	24.6	28.4	116.2	155.9	170.2	215.5
1991	182.4	25.5	4.3	24.9	29.1	112.5	141.6	170.3	225.4
1992	179.6	25.1	4.3	25.9	28.7	122.8	159.3	173.9	220.7
1993	177.8	24.4	4.6	26.0	29.1	123.5	157.1	180.7	226.5
1994	175.1	24.3	4.8	26.5	29.6	124.9	153.6	186.5	226.3
1995	172.3	23.9	4.4	26.9	86.7	122.5	160.8	180.9	226.3
1996	172.3	23.8	4.3	27.3	28.2	126.2	157.0	185.9	231.6
1997	170.0	23.4	4.1	27.5	28.2	129.4	160.9	190.1	227.9
1998	172.2	23.0	4.4	27.8	29.0	128.8	155.0	186.5	226.4
1999	176.9	22.9	4.7	29.0	28.6	129.6	154.9	191.3	222.4
2000	176.7	22.5	4.5	29.8	28.0	127.2	153.2	200.4	224.7
2001	178.7	22.0	4.5	30.0	26.9	125.8	150.0	196.6	216.3

	<u>Miscellaneous - in Pounds or Gallons</u>								
	Wheat Flour	Rice	Peanuts in shell	Refined Sugar	Fats/Oils includes butter	Carbonated Drinks in Gallons	Coffee in Gallons	Tea in Gallons	Alcoholic Beverages in Gallons
1990	124.5	15.8	0.3	64.4	66.0	46.2	26.8	6.9	27.5
1991	125.5	16.2	0.3	63.6	67.5	47.8	26.7	7.4	26.3
1992	124.7	16.7	0.4	64.2	69.5	48.2	25.8	8.0	25.9
1993	128.5	16.6	0.4	63.8	72.3	48.6	23.3	8.3	25.5
1994	129.1	18.0	0.5	64.3	70.2	48.4	20.8	8.1	25.3
1995	126.9	18.6	0.5	64.7	68.1	47.4	20.2	7.9	24.7
1996	132.9	17.6	0.7	65.5	66.9	46.6	22.1	7.6	24.8
1997	134.5	18.1	0.7	65.3	66.2	46.8	23.3	7.2	24.7
1998	131.6	18.3	0.6	65.1	66.8	47.9	23.9	8.3	24.8
1999	131.9	19.5	0.7	66.3	69.5	49.7	25.1	8.2	25.0
2000	133.7	19.6	0.7	65.5	77.0	49.2	26.3	7.8	24.9
2001	127.9	20.2	0.6	64.4	NA	49.0	24.2	8.2	25.0

Table 5.6

KPB Housing and Property

Housing Construction

Residential construction permits are not required within the Kenai Peninsula Borough except within the boundaries of the incorporated cities of Homer, Kenai, Seldovia, Seward and Soldotna. Seldovia data is incomplete so it is not included in this report. In the absence of permits, the KPB Assessing Department provides new single family housing information based on reported or sighted activity.

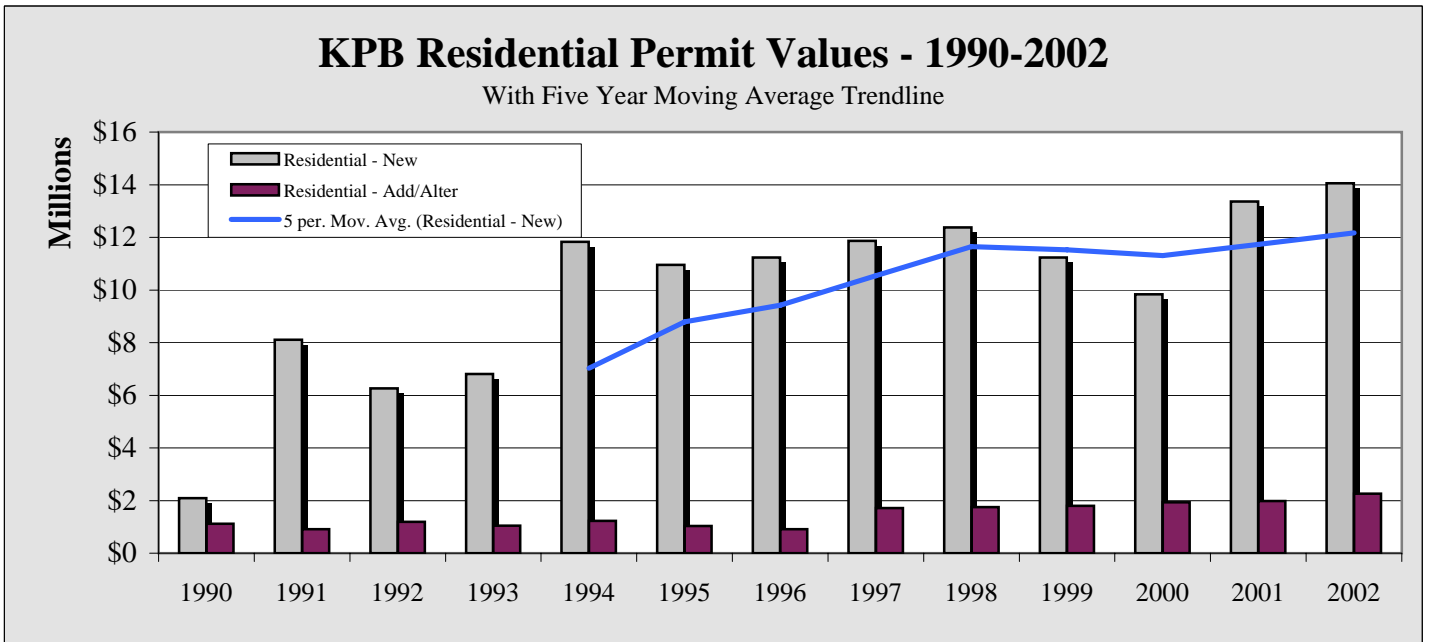


Chart 6.1

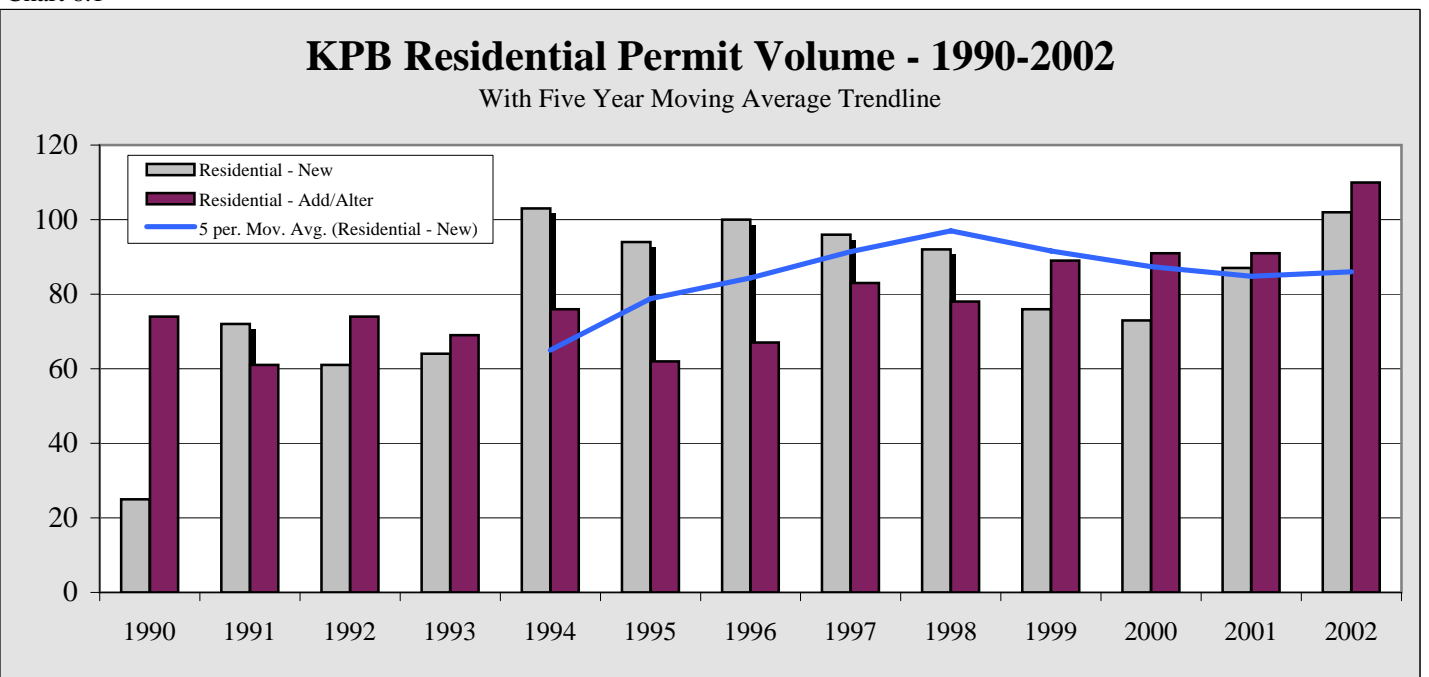


Chart 6.2

KPB Housing and Property

New Residential Construction

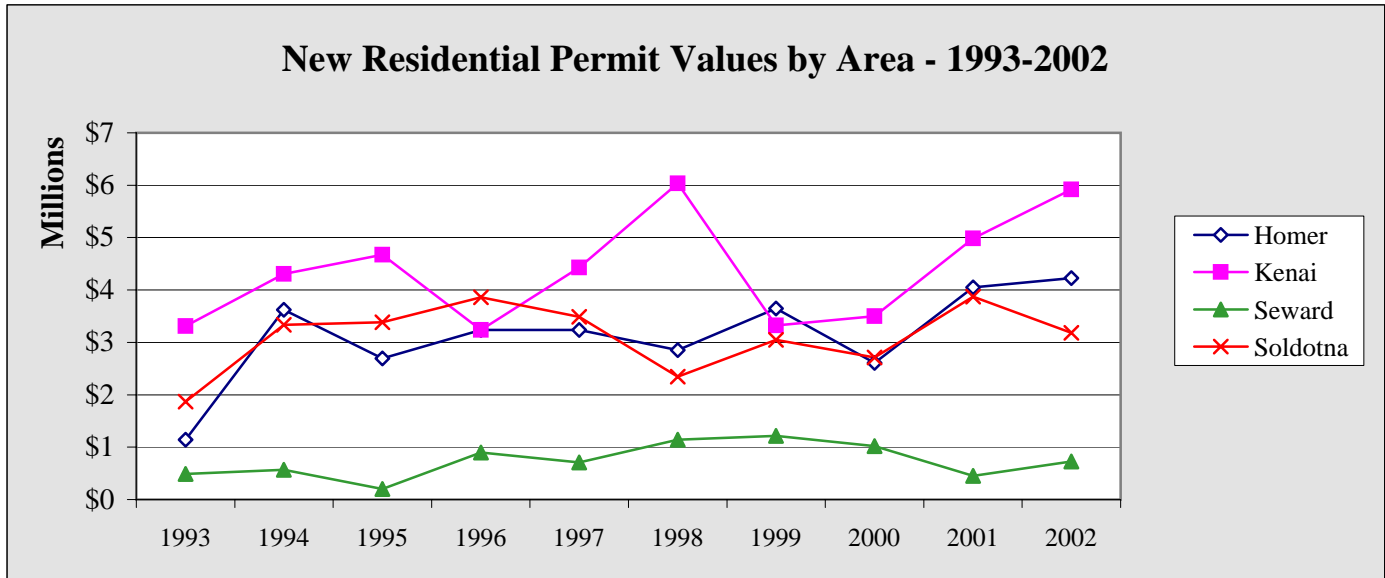


Chart 6.3

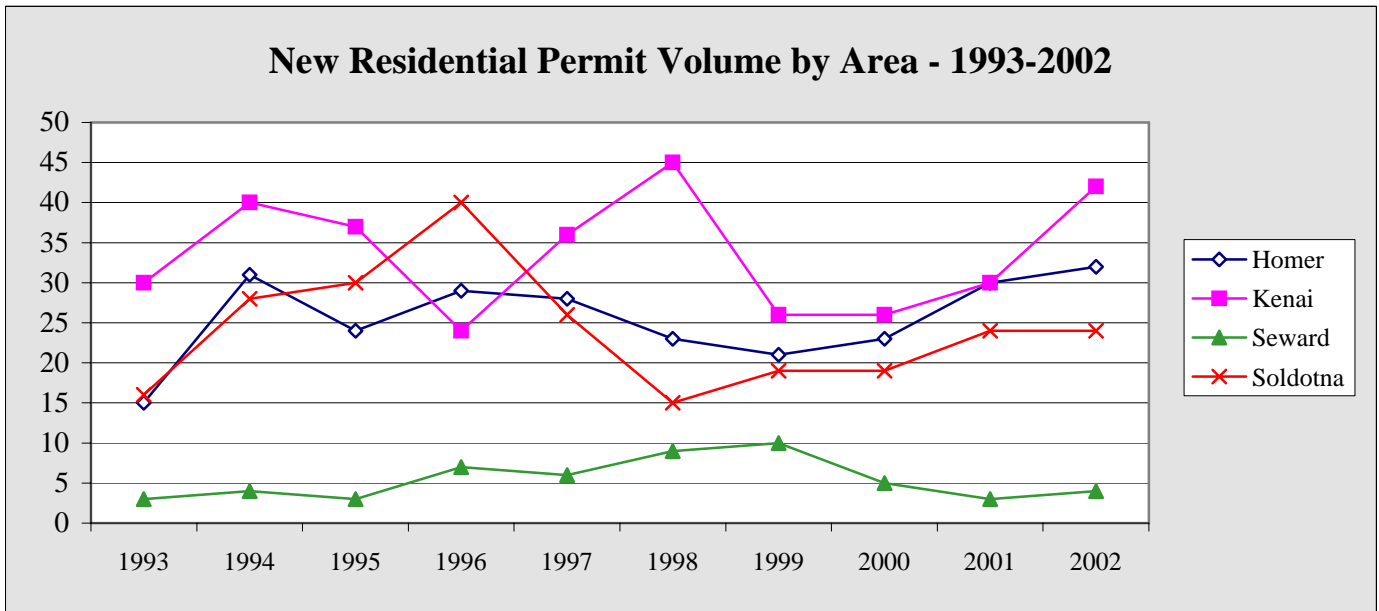


Chart 6.4

Average Values - 1993-2002				Average Values - 2002			One Year Ago
	Average Annual Total Value	Average Annual Total Volume	10 - Year Average Value		2002 Total Value	2002 Total Volume	2002 Average Value
Homer	\$3,131,401	26	\$122,320	Homer	\$4,226,720	32	\$132,085
Kenai	\$4,371,158	34	\$130,094	Kenai	\$5,917,000	42	\$140,881
Seward	\$742,145	5	\$137,434	Seward	\$725,000	4	\$181,250
Soldotna	\$3,109,705	24	\$129,033	Soldotna	\$3,181,344	24	\$132,556
							2001 Average Value
							\$134,926
							\$166,167
							\$150,000
							\$161,411

Table 6.1

KPB Housing and Property

Residential Construction

KPB New Residential Values by Area - 1993-2002 - in \$

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Homer	1,143,500	3,620,820	2,692,200	3,238,800	3,236,400	2,850,750	3,646,000	2,611,040	4,047,780	4,226,720
Kenai	3,308,982	4,307,500	4,675,000	3,235,100	4,428,500	6,033,500	3,324,000	3,497,000	4,985,000	5,917,000
Seward	486,000	568,000	200,000	900,300	706,750	1,145,000	1,217,400	1,023,000	450,000	725,000
Soldotna	1,871,000	3,332,500	3,385,400	3,858,720	3,489,756	2,347,000	3,048,462	2,709,018	3,873,853	3,181,344
TOTAL	6,809,482	11,828,820	10,952,600	11,232,920	11,861,406	12,376,250	11,235,862	9,840,058	13,356,633	14,050,064

Table 6.2

KPB Residential Alteration/Addition Values by Area - 1993-2002 - in \$

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Homer	66,000	98,000	298,500	133,000	518,865	539,600	367,000	230,060	609,160	536,620
Kenai	544,668	507,000	479,940	455,200	625,000	730,700	798,000	888,400	675,100	723,500
Seward	121,100	303,250	148,950	151,900	332,292	240,543	256,600	446,000	344,214	242,008
Soldotna	314,350	316,900	112,000	174,000	241,900	237,060	377,228	365,239	357,495	755,187
TOTAL	1,046,118	1,225,150	1,039,390	914,100	1,718,057	1,747,903	1,798,828	1,929,699	1,985,969	2,257,315

Table 6.3

KPB New Residential Volume by Area - 1993-2002

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Homer	15	31	24	29	28	23	21	23	30	32
Kenai	30	40	37	24	36	45	26	26	30	42
Seward	3	4	3	7	6	9	10	5	3	4
Soldotna	16	28	30	40	26	15	19	19	24	24
TOTAL	64	103	94	100	96	92	76	73	87	102

Table 6.4

KPB Residential Alteration/Addition Volume by Area - 1993-2002

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Homer	4	6	9	9	15	11	17	8	19	20
Kenai	31	33	31	28	32	33	41	45	31	45
Seward	16	22	18	22	26	18	15	19	18	25
Soldotna	18	15	4	8	10	16	16	19	23	20
TOTAL	69	76	62	67	83	78	89	91	91	110

Table 6.5

KPB Housing and Property

Single Family Resident Construction

The KPB Assessing Department provides data for Single Residences constructed across the borough, both inside and outside the incorporated cities. The numbers below include Single Family Dwellings either reported to or noted by the KPB assessors. Prior year numbers are subject to change as homes are located and added to tax rolls.

Single Family Residence Construction

	Volume
1972	145
1973	144
1974	203
1975	355
1976	508
1977	538
1978	660
1979	384
1980	489
1981	367
1982	673
1983	792
1984	807
1985	686
1986	424
1987	281
1988	257
1989	209
1990	217
1991	244
1992	249
1993	285
1994	392
1995	449
1996	458
1997	454
1998	638
1999	481
2000	382
2001	413
2002	500
2003	44

Table 6.6

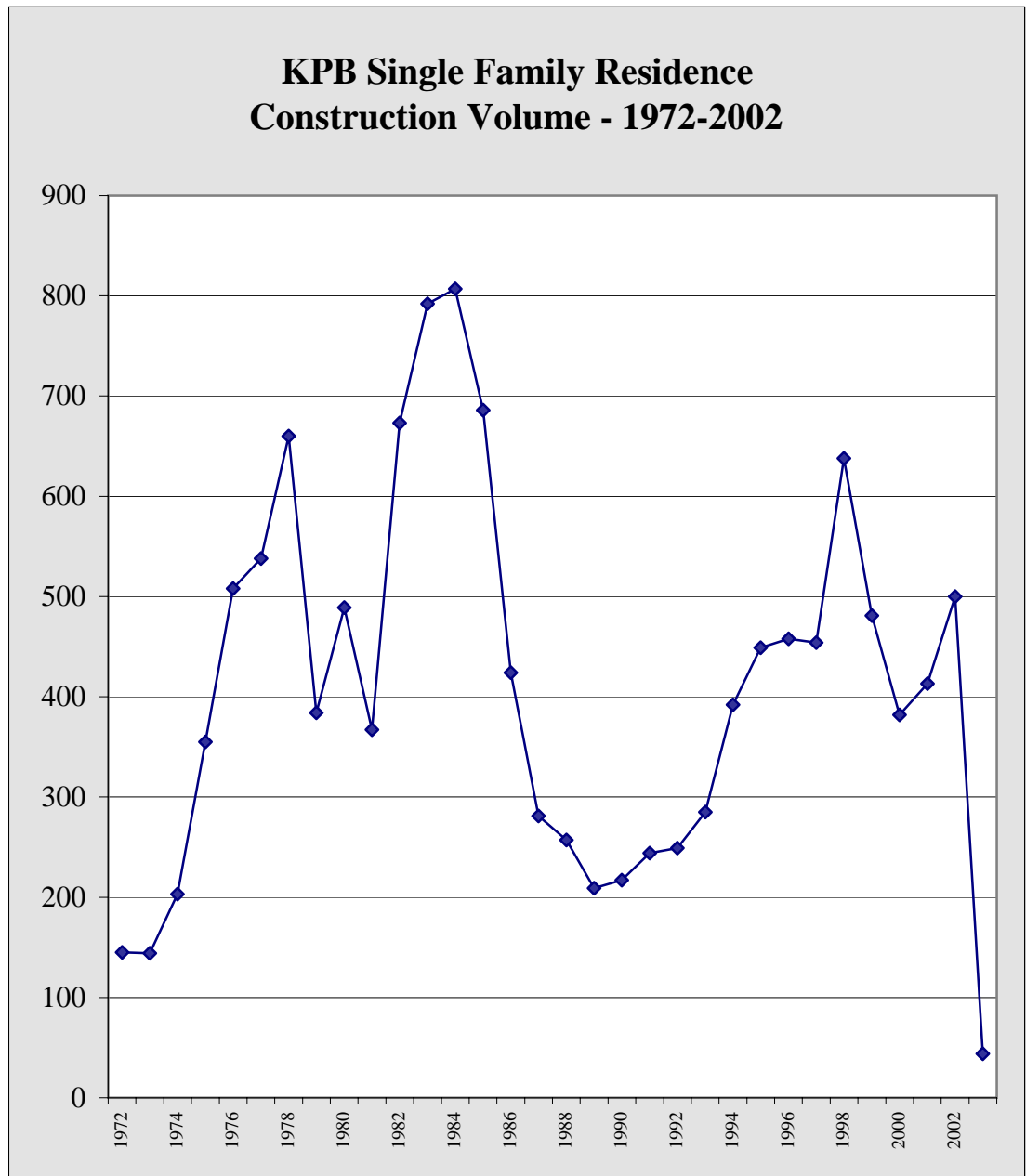


Chart 6.5

KPB Housing and Property

Single Family Residences Built During 2002

This report includes structures that are still under construction, resulting in skewed values in the lower price ranges, especially in the \$0-\$50,000 range because these homes are assessed at values lower than the value of the home after completion. Two new value ranges have been added this year due to increasing values of new construction. Prior year values are updated each year to reflect work completed on dwellings.

Comparison of Single Family Residences Built in 2001, 2002

Value Range	Volume		Total Value		% of Volume		Average Value	
	2001	2002	2001	2002	2001	2002	2001	2002
\$0-\$50,000	109	172	2,887,000	4,222,700	28.2	35.4	26,486	24,551
\$50,000-\$90,000	99	96	7,156,400	6,540,700	25.6	19.8	72,287	68,132
\$90,000-\$105,000	37	27	3,574,400	2,644,800	9.6	5.6	96,605	97,956
\$105,000-\$120,000	35	33	3,922,200	3,686,600	9	6.8	112,063	111,715
\$120,000-\$150,000	40	59	5,338,700	8,028,400	10.3	12.1	133,468	136,075
\$150,000-\$200,000*	67	70	13,394,400	12,043,400	17.3	14.4	199,916	172,049
\$200,000-\$250,000		21		4,602,700		4.3		219,176
\$250,000 Plus		8		2,280,900		1.6		285,113
Total	387	486	36,273,100	44,050,200	100	100	93,729	90,638

* - During 2001, this category includes homes valued from \$150,000 and greater.

Table 6.7

Volume and values of New Single Family Residence construction within the KPB during the past three years are listed in the table below. Some figures may have changed since last year's report. This is due in part to the re-appraisal of areas of the borough since last year's data was provided.

New Construction Value Range

Value Range	1999		2000		2001		2002	
	Volume	Percent of Total	Volume	Percent of Total	Volume	Percent of Total	Volume	Percent of Total
\$0-\$50,000	159	36.7	151	41.4	109	28.2	172	35.4
\$50,000-\$90,000	120	27.7	82	22.5	99	25.6	96	19.8
\$90,000-\$105,000	31	7.2	26	7.1	37	9.6	27	5.6
\$105,000-\$120,000	35	8.1	31	8.5	35	9.0	33	638.0
\$120,000-\$150,000	35	8.1	28	7.7	40	10.3	59	12.1
\$150,000-\$200,000	53	12.2	47	12.9	67	17.3	70	14.4
\$200,000-\$250,000							21	4.3
\$250,000 Plus							8	1.6
TOTAL	433		365		387		486	

Table 6.8

According to Census 2000, 73.7% of KPB households own their own home. Alaska's home ownership rate is substantially lower, at 62.5% while the rate within the total United States is 66.2%.

KPB Housing and Property

KPB Housing Market

This representation is based in whole or in part on data supplied by, and to the subscribers of Multiple Listing Service, Inc. MLS does not guarantee nor is it in any way responsible for its accuracy. Data is maintained for its own use and may not reflect all real estate activity in the market.

Central Peninsula MLS Listings - Housing Market and Time							
KENAI	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of Sales	48	52	65	52	68	78	68
Average List Price	\$113,514	\$138,645	\$124,623	\$110,571	\$115,814	\$129,660	\$134,269
Average Sales Price	\$109,825	\$136,698	\$120,577	\$107,644	\$111,138	\$125,768	\$130,035
Average Market Time (days)	172	150	123	137	161	165	138
K BEACH	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of Sales	28	22	39	40	32	54	42
Average List Price	\$125,156	\$126,781	\$132,317	\$150,062	\$123,796	\$126,157	\$165,521
Average Sales Price	\$123,625	\$122,731	\$128,146	\$145,100	\$121,306	\$122,491	\$150,625
Average Market Time (days)	144	121	123	146	128	103	139
NORTH KENAI	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of Sales	23	37	36	41	34	39	37
Average List Price	\$112,623	\$96,931	\$133,123	\$117,771	\$123,814	\$115,181	\$157,121
Average Sales Price	\$110,553	\$92,231	\$126,656	\$114,832	\$118,464	\$109,040	\$150,030
Average Market Time (days)	122	163	129	161	106	214	193
SOLDOTNA	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of Sales	20	32	36	46	43	57	42
Average List Price	\$116,750	\$108,925	\$139,038	\$122,380	\$117,299	\$140,545	\$144,209
Average Sales Price	\$115,970	\$105,850	\$136,955	\$119,101	\$113,076	\$137,450	\$139,990
Average Market Time (days)	117	152	138	109	166	103	150
RIDGEWAY	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of Sales	11	17	23	13	20	32	19
Average List Price	\$110,454	\$133,494	\$126,139	\$171,907	\$146,355	\$171,939	\$118,142
Average Sales Price	\$111,345	\$129,911	\$122,413	\$150,934	\$143,050	\$166,221	\$112,947
Average Market Time (days)	247	117	135	168	92	121	138
HOMER	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of Sales	26	34	29	32	39	30	35
Average List Price	\$107,096	\$123,064	\$117,427	\$138,789	\$131,789	\$131,500	\$125,891
Average Sales Price	\$105,990	\$118,641	\$113,813	\$134,773	\$125,223	\$129,827	\$122,564
Average Market Time (days)	137	116	135	162	148	154	127
SEWARD, COOPER LANDING, MOOSE PASS	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Number of Sales	11	6	10	7	16	21	22
Average List Price	\$134,363	\$105,750	\$135,750	\$119,136	\$182,368	\$149,878	\$139,818
Average Sales Price	\$110,513	\$99,066	\$131,083	\$114,486	\$175,968	\$148,330	\$133,477
Average Market Time (days)	80	243	124	147	133	104	125

Table 6.9

According to the U.S. Census Bureau, during 2000 there were 18,438 occupied housing units within the Kenai Peninsula Borough. The average household size of owner occupied units is 2.74 persons while the average household size of renter-occupied units is 2.30.

The median value of homes on the Peninsula was \$118,000 while the median value of homes in Alaska was \$144,200. The national median value was at \$120,467.

KPB Housing and Property

KPB Single-Family Residential Listings and Sales

Active Listings				Sales Closed					
Qtr/Yr	YTD	Number	Sales-as-% Listings	YTD	Number	Volume (\$)	Avg. Price (\$)	Sale/List Price (%)	Avg. Days on Market
4Q2002	2,336	423	25.5	424	108	\$13,790,897	\$127,693	96	131
3Q2002	1,913	487	24.2	316	118	\$16,919,597	\$143,386	96	152
2Q2002	1,426	448	24.6	198	110	\$14,373,901	\$130,672	78	166
1Q2002	978	978	9.0	88	88	\$11,028,826	\$125,328	79	198
4Q2001	4,748	1201	7.8	401	94	\$12,155,750	\$129,316	83	97
3Q2001	3,547	1236	11.0	307	155	\$19,554,797	\$128,650	84	170
2Q2001	2,311	1236	12.3	152	152	\$9,113,736	\$121,516	79	205
1Q2001	1,075	1075	7.0	75	75	\$9,113,736	\$121,516	79	205
4Q2000	1,782	405	25.7	372	104	\$12,407,847	\$119,306	97	208
3Q2000	1,377	509	22.2	268	113	\$13,494,251	\$119,418	NA	182
2Q2000	868	473	18.8	155	89	\$10,196,375	\$114,566	NA	192
1Q2000	395	395	16.7	66	66	\$8,094,830	\$122,649	NA	219
2Q, 3Q, 4Q 1999		See Note							
1Q1999	394	394	13.2	52	52	\$5,444,557	\$104,703	NA	216
4Q1998	1,040	253	26.5	202	67	\$8,020,151	\$119,704	NA	126
3Q1998	787	304	18.4	135	56	\$7,152,300	\$127,720	NA	119
2Q1998	483	286	16.1	79	46	\$5,651,892	\$122,867	NA	158
1Q1998	197	197	16.8	33	33	\$4,030,937	\$122,150	NA	197
4Q1997	961	189	24.9	220	47	\$6,933,237	\$147,516	NA	170
3Q1997	772	246	34.1	173	84	\$11,021,404	\$131,207	98.79	165
2Q1997	526	278	17.3	89	48	\$5,014,750	\$104,474	96.37	159
1Q1997	248	248	16.5	41	41	\$4,050,279	\$98,787	95.82	166
4Q1996	1,111	198	29.8	285	59	\$5,988,609	\$101,502	NA	121
3Q1996	913	313	27.2	226	85	\$8,503,029	\$100,036	96.1	169
2Q1996	600	331	25.7	141	85	\$8,861,408	\$104,252	97.11	169
1Q1996	269	269	20.8	56	56	\$5,581,755	\$99,674	93.43	177
4Q1995	1,090	280	35	333	98	\$9,784,317	\$99,840	96.12	173
3Q1995	810	298	33.2	235	99	\$8,547,032	\$86,334	96.29	149
2Q1995	512	276	32.2	136	89	\$9,022,900	\$101,381	97.29	182
1Q1995	236	236	19.9	47	47	\$4,777,700	\$101,653	95.29	198
4Q1994	1,106	255	30.6	364	78	\$6,999,688	\$89,740	96.08	173
3Q1994	851	313	31.3	286	98	\$9,570,665	\$97,660	96.48	144
2Q1994	538	305	31.8	188	97	\$9,487,241	\$97,807	97.1	142
1Q1994	233	233	39.1	91	91	\$8,398,078	\$92,287	96.25	177
4Q1993	1,136	230	40.9	392	94	\$8,303,894	\$88,339	96.77	178
3Q1993	906	320	37.8	298	121	\$12,141,290	\$100,341	97.93	153
2Q1993	586	317	31.5	177	100	\$8,647,725	\$86,477	88.4	153
1Q1993	269	269	28.6	77	77	\$6,460,025	\$83,896	96.41	179
4Q1992	1,128	240	24.2	262	58	\$4,900,345	\$84,489	96.95	161
3Q1992	888	341	27.3	204	93	\$7,754,755	\$83,384	96.66	134
2Q1992	547	324	17.6	111	57	\$4,263,800	\$74,804	95.15	131
1Q1992	223	223	24.2	54	54	\$4,271,420	\$79,100	95.52	161

Table 6.10

Notes: Quarterly data not available. Summary data for 1999: # sold-363; \$ volume-\$42,225,855; avg price-\$116,325; sales price as % list - 95.0; average days on market-168.

Data prior to 1999 for Upper Kenai Peninsula only.

KPB Housing and Property

Rental Market

2002 AHFC Alaska Rental Market Survey Results

Survey Area		Bedrooms	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	Garb.	Sewer
Kenai Peninsula Borough	Homer City	1	15	76	475	558	65.8	48.7	65.8	68.7	98.7	97.4
		2	17	216	600	676	74.1	59.3	71.3	94.4	94.9	94.4
		3	7	23	750	800	69.6	65.2	69.6	87	73.9	82.6
	Kenai City	1	-	73	500	500	78.1	67.1	100	100	100	100
		2	2	155	600	619	92.3	41.3	97.4	98.7	91.6	98.1
		3	3	38	650	674	86.8	39.5	86.8	89.5	86.8	89.5
	Seward City	1	2	46	550	550	100	73.9	73.9	91.3	91.3	91.3
		2	5	65	675	764	75.4	43.1	49.2	75.4	73.8	75.4
		3	7	15	800	850	100	33.3	53.3	100	100	100
	Soldotna City	1	5	72	550	562	100	40.3	100	100	100	100
		2	1	148	599	639	91.2	25.7	93.2	95.9	89.9	97.3
		3	3	26	685	712	88.5	42.3	73.1	76.9	73.1	92.3

Table 6.11

Survey Area		Bedrooms	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	Garb.	Sewer.
Kenai Peninsula Borough	Homer City	1	14	14	450	488	57.1	50	50	57.31	50	57.1
		2	4	27	650	800	33.3	33.3	33.3	37	33.3	37
		3	19	27	825	1,052	33.3	29.6	29.6	33.3	29.6	33.3
	Kenai City	1	-	-	*	*	*	*	*	*	*	*
		2	-	9	575	685	33.3	22.2	33.3	66.7	11.1	66.7
		3	-	17	850	872	58.8	52.9	58.8	100	58.8	100
	Seward City	1	10	10	475	704	20	10	10	10	-	10
		2	9	22	700	864	31.8	18.2	18.2	36.4	31.8	36.4
		3	17	12	725	1026	16.7	16.7	16.7	25	25	33.3
	Soldotna City	1	-	6	700	700	66.7	66.7	66.7	83.3	83.3	83.3
		2	-	7	630	740	-	-	-	42.9	-	42.9
		3	-	19	850	982	36.8	31.6	31.6	68.4	31.6	68.4

Table 6.12

KPB Housing and Property

Rental Market

2001 AHFC Alaska Rental Market Survey Results

Survey Area		Bedrooms	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	Garb.	Sewer
Kenai Peninsula Borough	Homer City	1	22.6	62	435	435	53	10	63	98	94	98
		2	5.4	184	600	601	52	5	44	93	80	92
		3	19.2	26	751	773	77	12	62	89	35	89
	Kenai City	1	13.3	98	478	478	87	4	100	100	90	100
		2	13.8	289	535	535	82	5	84	100	89	99
		3	8.5	59	620	620	100	3	100	100	95	100
	Seward City	1		49	550	550	84	41	84	100	98	100
		2	5.3	75	725	725	71	23	67	79	77	84
		3	18.8	16	800	800	81	50	75	81	94	100
	Soldotna City	1	8.1	37	550	550	100	19	100	100	65	100
		2	14	222	550	560	95	8	85	98	91	96
		3	2.6	39	750	750	49	13	59	85	80	85

Table 6.13

Survey Area		Bedrooms	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	Garb.	Sewer.
Kenai Peninsula Borough	Homer City	1	8.3	12	438	514	8.3	*	*	50.0	*	41.7
		2	3.7	27	677	700	7.4	7.4	11.1	22.2	3.7	22.2
		3	*	25	877	900	4.0	*	*	16.0	*	8.0
	Kenai City	1	*	*	*	*	*	*	*	*	*	*
		2	15.4	13	650	650	23.1	7.7	23.1	61.5	7.1	61.5
		3	10.7	28	838	850	10.7	7.1	10.7	67.9		67.9
	Seward City	1	*	9	450	450	*	*	*	22.2	11.1	22.2
		2	4.3	23	650	696	34.8	17.4	21.7	39.1	34.8	34.8
		3	*	11	800	825	9.1	9.1	9.1	18.2	9.1	18.2
	Soldotna City	1	28.6	7	560	560	71.4	57.1	57.1	57.1	85.7	85.7
		2	*	8	618	618	12.5	12.5	12.5	75.0	50.0	37.5
		3	10	30	825	838	13.3	10.0	16.7	70.0	23.3	73.3

Table 6.14

KPB Housing and Property

Construction Costs

Average Price for Construction Materials - in \$

Alaska Suppliers							
2002							
Market Basket Items	Quantity	Units	Size	Length	Kenai	Anchorage	Kodiak
BCI 60 Series	768	ft	14"		2,493	2,061	2,496
2-4-1 T&G FF Underlay 4X8	62	pcs	1 1/8		2,333	2,250	2,510
T-111 8" Center Groove 4'X10' Siding	74	pcs	1/2"		2,598	2,498	2,443
CDX 4X8 53#	106	pcs	5/8"		1,983	1,878	2,086
Studs #2 & btr kiln-dried	164	pcs	2X4"	92 5/8"	407	472	447
Studs #2 & btr 14# kiln-dried	263	pcs	2X6"	92 5/8"	935	1,079	1,033
4X12 Plain Sheetrock 84#	95	pcs	1/2"		1,156	1,033	1,161
4X12 Type X Sheetrock 109#	68	pcs	5/8"		951	852	960
3 Tab Shingles Brown	102	bundles			1,530	1,174	1,886
Fiberglass Bat of Insulation (2,560 sq ft)	27	bags	R-38X24	96 sq ft	2,124	1,996	2,191
Fiberglass Bat of Insulation (2,034 sq ft)	35	bags	R-21X15	58 sq ft	1,255	1,041	1,294
NMB Electric Wire	3	boxes	35035	250'	69	103	78
Single Breaker	15	pcs	15 Amp		101	78	74
Copper Pipe Type "M"	150	ft	3/4"		135	106	189
ABS Pipe	100	ft	3"		108	102	183
Total (Without Concrete & Rebar)					18,178	16,725	19,031
Concrete	30	yds			2,991	2,746	4,374
#4 Rebar	93	yds	1/2"	20'	396	444	529
Total (With Concrete & Rebar)					21,566	19,915	23,934



Average Price for Doors and Windows in \$

Market Basket Items	Quantity	Size	Kenai	Anchorage	Kodiak
R7 Metal Insulated Doors with 6" Jamb	2 pcs	3'	328	313	374
Low E Argon Windows with R > 2.8 Vinyl Casements	3 pcs	2.6' X 3'	557	546	810
Low E Argon Windows with R > 2.8 Vinyl Casements 5.7 E-Gress	6 pcs	2.6' X 4'	1,166	1,269	1,812
Low E Argon Windows with R > 2.8 Vinyl Casements 5.7 E-Gress	2 pcs	8.0' X 4'	792	894	1,498
Total Cost of Windows & Doors			2,843	3,021	4,494

Table 6.15

KPB Housing and Property

Property Values

Borough Certified Taxable and Assessed Values - in \$

	Taxable Real Property	Taxable Oil Related Property	Taxable Personal Property	Total Taxable Property	Total Exempt Properties	Total Value Including Exemptions
June 1988	2,277,229,227	487,144,680	260,066,922	3,024,440,829	1,419,966,110	4,444,406,939
June 1989	2,164,753,545	519,285,850	199,797,882	2,883,837,277	1,364,764,747	4,248,602,024
June 1990	2,160,722,591	641,923,550	219,130,033	3,021,776,174	1,358,006,037	4,379,782,211
June 1991	2,172,233,125	675,983,390	263,574,623	3,111,791,138	2,098,732,352	5,210,523,490
June 1992	2,221,408,762	574,284,280	260,993,329	3,056,686,371	2,156,175,949	5,212,862,320
June 1993	2,185,510,233	521,919,840	271,282,568	2,978,712,641	1,954,735,499	4,933,448,140
June 1994	2,292,861,788	506,342,880	291,612,624	3,090,817,292	2,393,578,479	5,484,395,771
June 1995	2,375,738,417	505,183,080	308,395,956	3,189,317,453	2,470,442,957	5,659,760,410
June 1996	2,402,010,557	507,535,270	298,195,126	3,207,740,953	2,760,449,669	5,968,190,622
June 1997	2,447,973,674	590,418,930	313,966,303	3,352,358,907	2,823,518,553	6,175,877,460
June 1998	2,540,676,847	512,562,050	238,828,387	3,292,063,560	2,853,149,371	6,145,216,655
June 1999	2,682,358,784	452,600,420	169,893,536	3,304,852,740	3,003,241,919	6,308,094,659
June 2000	2,847,696,197	462,171,190	193,996,087	3,503,863,474	5,151,508,009	8,655,371,483
June 2001	2,874,720,297	601,141,730	196,910,792	3,672,772,819	5,556,700,009	9,229,472,828
June 2002	3,124,037,329	662,906,860	203,619,413	3,990,563,602	5,643,166,024	9,633,729,626
June 2003	3,436,018,329	638,617,190	183,220,748	4,257,856,267	5,764,965,569	10,022,821,836

Table 6.16

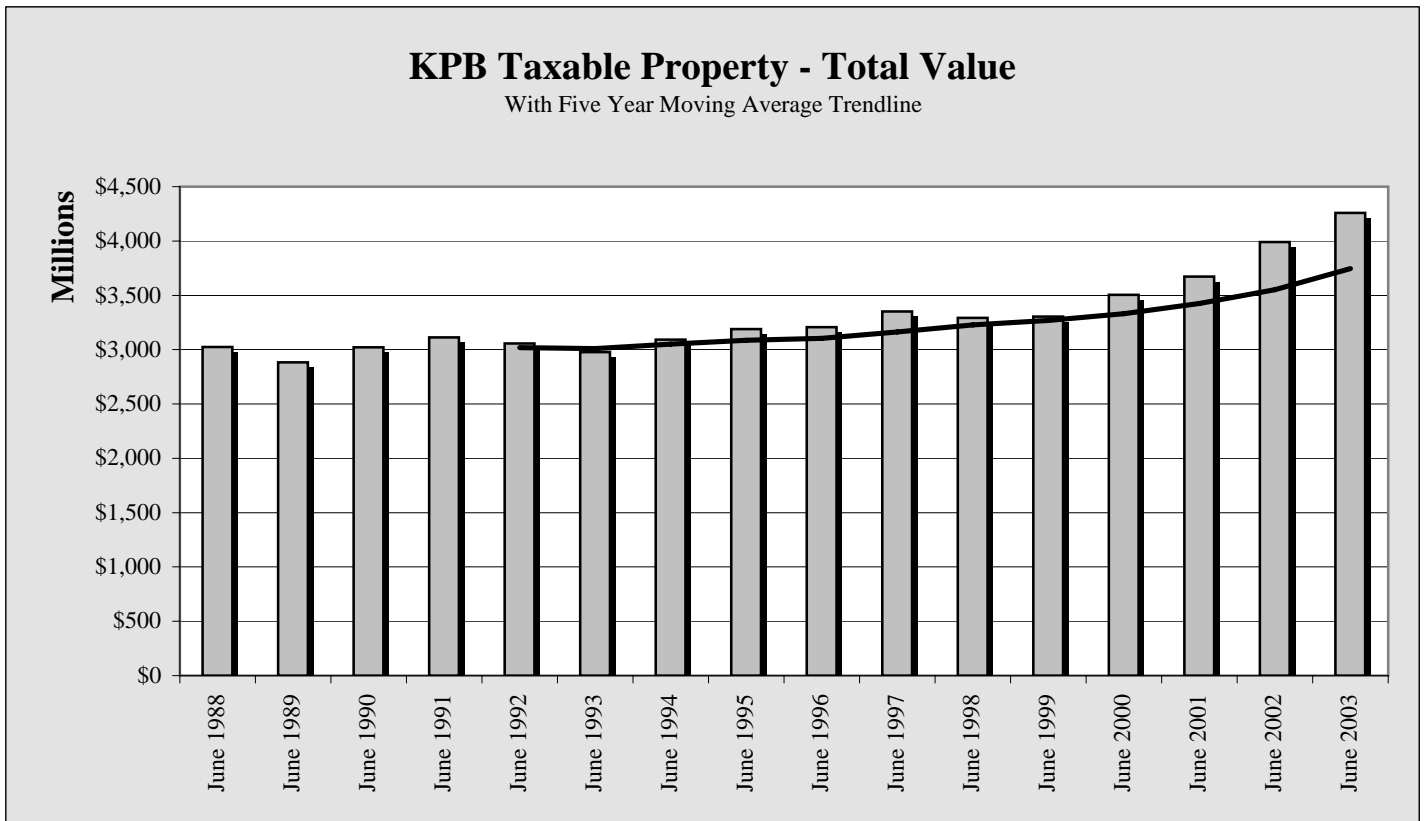


Chart 6.6

KPB Housing and Property

Assessed Value - KPB Property - in \$

	2001	2002	2003	Percent Change
Taxable Real Property	2,874,720,297	3,124,037,329	3,436,018,329	10.0%
Taxable Personal Property	196,910,792	203,619,413	183,220,748	-10.0%
Taxable Gas & Oil	601,141,730	662,906,860	638,617,190	-3.7%
Government Exempt Property	4,498,568,200	4,526,126,100	4,605,246,200	1.7%
Native Exempt Property	560,922,800	557,655,900	553,264,700	-0.8%
Other State & Borough Exemptions	497,209,009	559,384,024	606,454,669	8.4%
TOTAL KPB PROPERTY	9,229,472,828	9,633,729,626	10,022,821,836	4.0%

Table 6.17

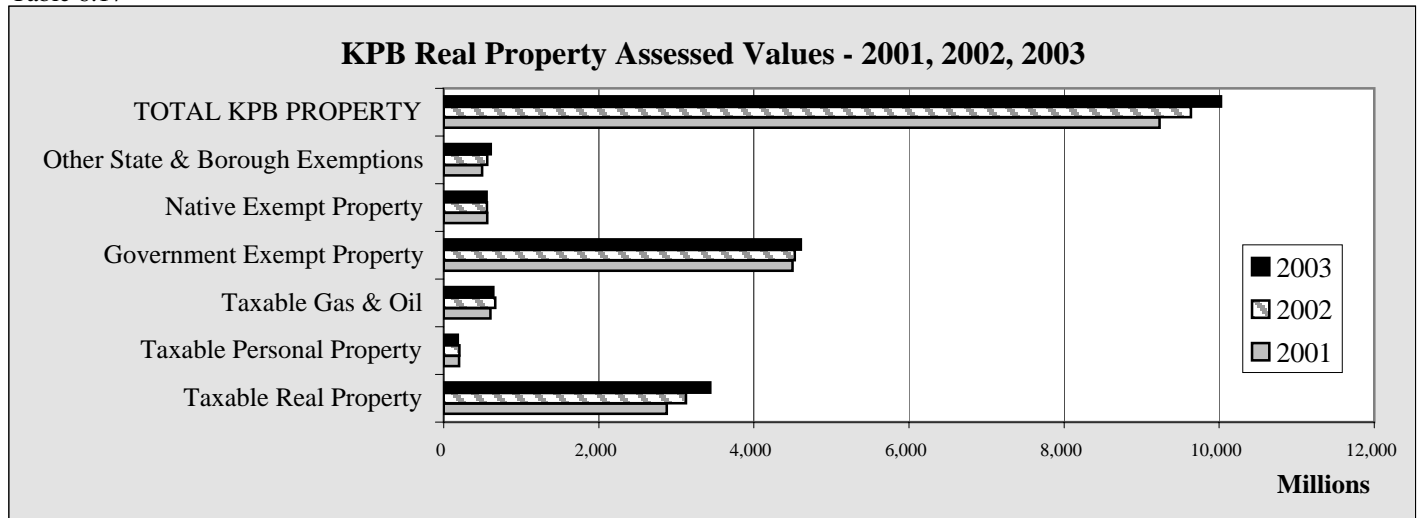


Chart 6.7

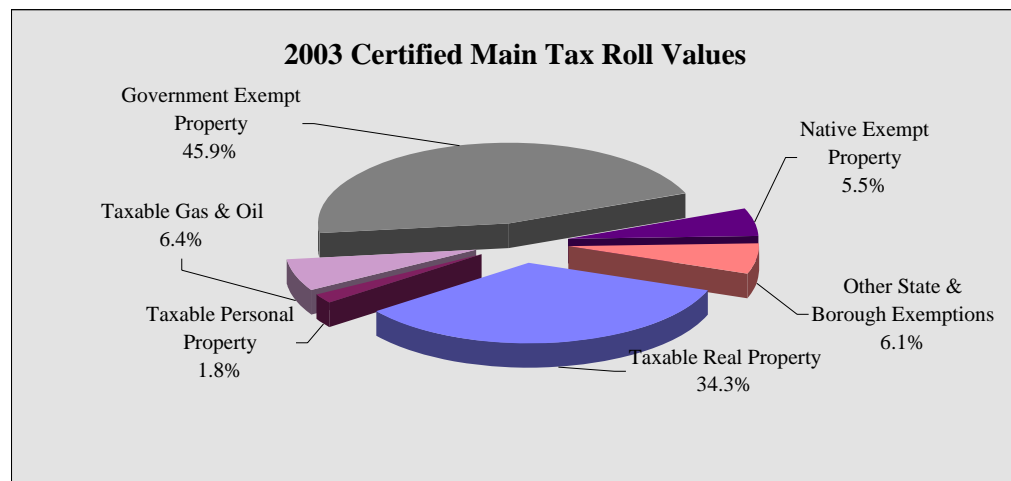


Chart 6.8

Certain real properties are exempt from taxation, as mandated by state law.

Those properties are:

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

Table 6.18

KPB Housing and Property

Land Ownership

Kenai Peninsula Borough Land Ownership

	Square Miles	Percent of Total
University of Alaska	25.9	0.1%
Cities	26.9	0.1%
Mental Health Trust	27.7	0.1%
KPB	107.3	0.4%
Private	401.7	1.6%
Native	1,593.6	6.4%
State	3,426.6	13.9%
Federal	10,610.9	42.9%
Total Upland	16,220.6	65.5%

The KPB encompasses 24,737 square miles, but 34.5% of the area is under water.

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

Table 6.19

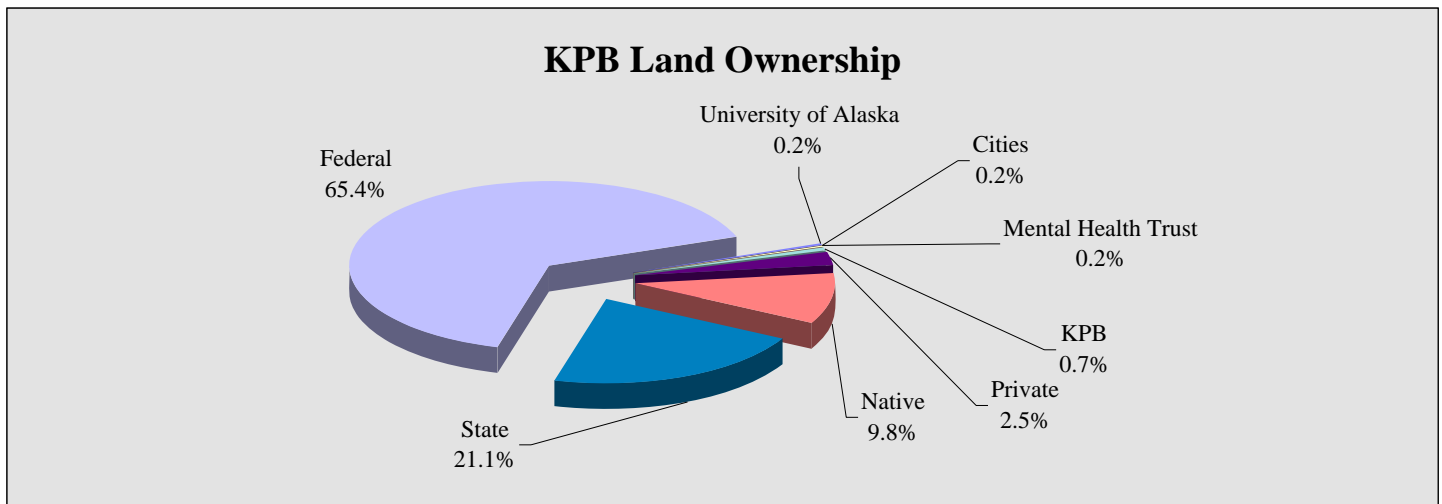


Chart 6.9

BOROUGH	TOTAL AREA	LAND	WATER	% WATER
Aleutians East Borough	14,116.5	4,396.8	9,719.7	68.9%
Anchorage	1,961.1	1,697.2	263.9	13.5%
Bristol Bay Borough	887.7	504.9	382.8	43.1%
Denali Borough	12,774.6	12,749.7	24.9	0.2%
Fairbanks North Star Borough	7,444.0	7,366.2	77.8	1.0%
Haines Borough	2,725.8	2,343.7	382.1	14.0%
Juneau	3,255.0	2,716.7	538.3	16.5%
Kenai Peninsula Borough	24,754.6	16,013.3	8,741.3	35.3%
Ketchikan Gateway Borough	1,754.0	1,233.2	520.8	29.7%
Kodiak Island Borough	12,023.6	6,559.8	5,463.8	45.4%
Lake & Peninsula Borough	30,907.0	23,782.0	7,125.0	23.1%
Matanuska-Susitna Borough	25,259.8	24,681.5	578.3	2.3%
North Slope Borough	94,762.5	88,817.0	5,945.5	6.3%
Northwest Arctic Borough	40,762.0	35,898.3	4,863.7	11.9%
Sitka	4,811.5	2,874.0	1,937.5	40.3%
Yakutat	9,458.5	7,650.5	1,808.0	19.1%

The table to the left defines land and water areas of Alaska boroughs and borough equivalents in square miles.

The KPB is the 5th largest borough in the State of Alaska in total area and contains the 5th largest percentage of water.

Table 6.20

KPB Housing and Property

Mill Rate* for Borough Cities

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003
<u>Homer</u>	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5.5	5	5
Borough	8.55	8.59	8.59	8.3	8.3	8	8	7.5	7	6.5	6.5
South Peninsula Hospital	2	2	2	2	2	2	2	2	1.75	1.75	1.75
Kenai Peninsula College		0.03	0.03	0.04	0.08	0.08	0.1	0.1	0.1	0.1	0.1
TOTAL	16.05	16.12	16.12	15.84	15.88	15.58	15.6	15.1	14.35	13.35	13.35
<u>Kachemak</u>	2	2	2	1	1	1	1	1	1.75	1.75	1.00
Borough	8.55	8.59	8.59	8.3	8.3	8	8	7.5	7	6.5	6.5
South Peninsula Hospital	2	2	2	2	2	2	2	2	1.75	1.75	1.75
Road Maintenance	0.45	0.45							1	1.5	
Kenai Peninsula College		0.03	0.03	0.04	0.08	0.08	0.1	0.1	0.1	0.1	0.1
TOTAL	13	13.07	12.62	11.34	11.38	11.08	11.1	10.6	11.6	11.6	9.35
<u>Kenai</u>	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	3.5	5
Borough	8.55	8.59	8.59	8.3	8.3	8	8	7.5	7	6.5	6.5
Central Peninsula Hospital	0.56	0.7	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Kenai Peninsula College		0.03	0.03	0.04	0.08	0.08	0.1	0.1	0.1	0.1	0.1
TOTAL	12.61	12.82	12.62	12.34	12.28	11.98	12	11.5	11	10.5	12.1
<u>Seldovia</u>	7.75	7.5	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25	7.25
Borough	8.55	8.59	8.59	8.3	8.3	8	8	7.5	7	6.5	6.5
Kenai Peninsula College		0.03	0.03	0.04	0.08	0.08	0.1	0.1	0.1	0.1	0.1
TOTAL	16.3	16.12	15.87	15.59	15.63	15.33	15.35	14.85	14.35	13.85	13.85
<u>Seward</u>	3	3	3	3	3.12	3.12	3.12	3.12	3.12	3.12	3.12
Borough	8.55	8.59	8.59	8.3	8.3	8	8	7.5	7	6.5	6.5
Kenai Peninsula College		0.03	0.03	0.04	0.08	0.08	0.1	0.1	0.1	0.1	0.1
TOTAL	11.55	11.62	11.62	11.34	11.5	11.2	11.22	10.72	10.22	9.72	9.72
<u>Soldotna</u>	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65	1.65
Borough	8.55	8.59	8.59	8.3	8.3	8	8	7.5	7	6.5	6.5
Central Emergency Service	2.85	2.85	2.85	2.85	2.75	2.75	2.75	2.75	2.6	2.6	2.6
Central Peninsula Hospital	0.56	0.7	0.5	0.5	0.4	0.4	0.4	0.4	0.4	0.4	0.5
Kenai Peninsula College		0.03	0.03	0.04	0.08	0.08	0.1	0.1	0.1	0.1	0.1
TOTAL	13.61	13.82	13.62	13.34	13.18	12.88	12.9	12.4	11.75	11.25	11.35

Table 6.21

*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)

KPB Housing and Property

Top Taxpayers by Taxable Assessed Values

Top Twenty Taxpayers - 2002 - in \$

Rank	Taxpayer	Real Property	Personal Property	Oil Property	Total
1	UNOCAL	1,536,400	9,650	399,963,380	401,509,430
2	AGRIUM US INC	172,816,000	17,524,291		190,340,291
3	PHILLIPS PETROLEUM	67,518,300	914,832	72,644,640	141,077,772
4	TESORO ALASKA PETROLEUM CO	95,951,500	537,562		96,489,062
5	ACS	2,300	78,679,298		78,681,598
6	BP EXPLORATION	74,238,000	3,545,465		77,783,465
7	MARATHON & PARTNERS	3,918,400		56,015,210	59,933,610
8	XTO ENERGY INC	533,800		49,164,960	49,698,760
9	FOREST OIL CORPORATION	749,900		28,701,690	29,451,590
10	COOK INLET PIPELINE CO	1,145,700		21,769,640	22,915,340
11	ALASKA PIPELINE COMPANY	571,000	17,695,977	30,800	18,297,777
12	FRED MEYER OF ALASKA INC	12,417,700	2,443,374		14,861,074
13	ENSTAR NATURAL GAS CO		11,807,143		11,807,143
14	ERA		10,520,589		10,520,589
15	NABORS ALASKA DRILLING		10,520,589		10,520,589
16	KMART CORPORATION	8,521,800	916,112		9,437,912
17	KENAI PLAZA/CARRS-SAFEWAY LLC	9,106,300			9,106,300
18	ALASCOM INC	918,100	7,038,580		7,956,680
19	ALASKA HERITAGE TOURS	7,127,500			7,127,500
20	ALASKA HOTEL PROPERTIES INC	6,239,900			6,239,900

Table 6.22

Top Twenty Taxpayers - 2001 - in \$

	Taxpayer	Real Property	Personal Property	Oil Property	Total
1	UNION OIL COMPANY OF CALIFORNIA	390,700		370,176,820	370,567,520
2	KENAI FERTILIZER COMPANY LLC	178,700,000			178,700,000
3	PHILLIPS PETROLEUM	69,858,900	3,676,467	72,280,150	145,815,517
4	TESORO	90,416,300	510,028		90,926,328
5	ACS		72,105,318		72,105,318
6	MARATHON	47,954,680		4,407,000	52,361,680
7	CROSS TIMBERS	533,800		38,774,200	39,308,000
8	AGRIUM US INC	52,900	22,888,726		22,941,626
9	COOK INLET PIPELINE	1,145,700		20,603,300	21,749,000
10	FOREST OIL CORP			20,653,930	20,653,930
11	FRED MEYER OF ALASKA INC	12,417,700	2,342,910		14,760,610
12	ENSTAR NATURAL GAS CO		11,847,717		11,847,717
13	KMART CORPORATION	8,521,800	1,076,168		9,597,968
14	ALASCOM INC	918,100	7,713,952		8,632,052
15	KENAI PLAZA /CARR'S-SAFEWAY L.L.C.	8,052,700			8,052,700
16	SEWARD TERMINAL INC	2,925,000	4,302,721		7,227,721
17	ERA		7,084,682		7,084,682
18	NABORS ALASKA DRILLING			6,264,340	6,264,340
19	ALASKA HOTEL PROPERTIES INC	6,239,900			6,239,900
20	TELALASKA		4,884,678		4,884,678

Table 6.23

This page intentionally left blank.

KPB Services, Health, Utilities

Emergency Services - Fire

As any local economy develops, provision of public 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.

Fire Service Responses

	CES		Kenai		Nikiski		Homer		Seldovia		Seward		Total
	I	O	I	O	I	O	I	O	I	O	I	O	
1990	166	8	151	27	129	45	55	29	12	13	170	1	818
1991	149	6	168	25	93	22	49	27	9	12	185	7	NA
1992	207	1	143	28	86	42	55	28	6	11	158	1	NA
1993	204	3	174	24	77	38	69	25	NA	NA	160	2	792
1994	235	0	161	26	85	39	66	17	6	6	148	9	803
1995	228	0	164	22	121	4	67	29	3	1	NA	NA	674
1996	282	2	207	30	80	43	71	29	5	0	143	8	907
1997	261	1	170	45	87	47	63	22	3	0	132	6	848
1998	264	7	168	37	152	37	67	12	3	0	164	0	930
1999	321	13	155	50	232		59	39	1	4	NA	NA	874
2000	238	9	152	40	146	27	45	55	2	2	NA	NA	716
2001	276	8	182	58	131	29	93	45	NA	NA	216	2	1,040
2002	250	3	200	36	125		77	36	NA	NA	74	36	837

Table 7.1

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

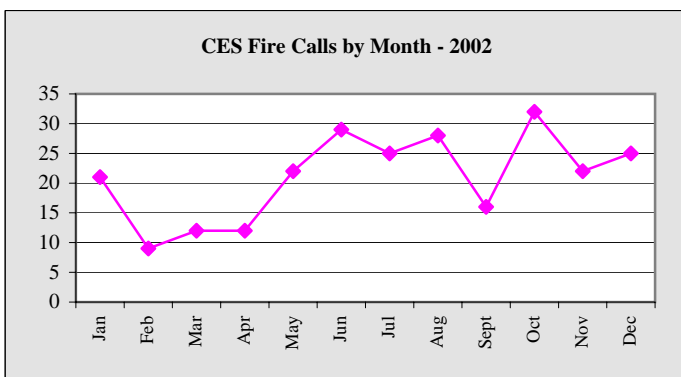


Chart 7.1

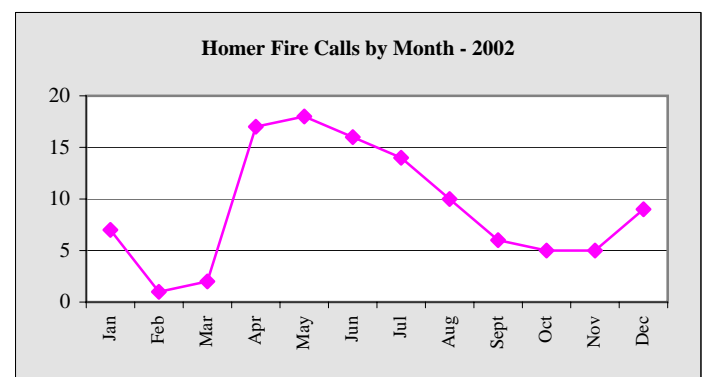


Chart 7.2

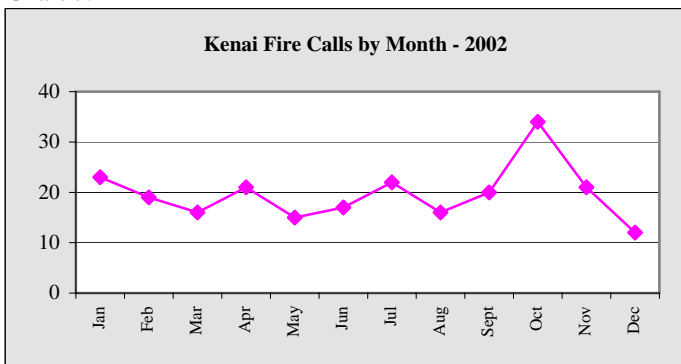


Chart 7.3

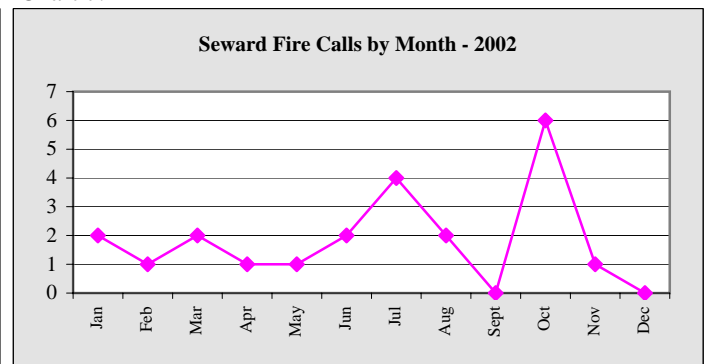


Chart 7.4

KPB Services, Health, Utilities

Emergency Services - Medical

Emergency Medical Treatment Responses

	CES		Kenai		Nikiski		Homer		Seldovia		Seward		Total
	I	O	I	O	I	O	I	O	I	O	I	O	
1990	1,084	70	424	2	482	15	214	43	57	3	304	0	2,729
1991	842	43	478	2	489	3	197	44	48	7	309	0	2,504
1992	806	70	494	1	320	113	223	50	58	8	273	0	2,456
1993	722	32	629	4	430	12	213	62	NA	NA	284	0	2,404
1994	820	15	595	3	404	12	225	47	29	9	275	0	2,459
1995	763	13	559	7	464	3	225	53	24	5	312	0	2,504
1996	849	18	567	33	444	6	269	52	33	5	394	4	2,713
1997	878	14	539	4	436	2	267	63	24	3	444	2	2,728
1998	888	17	541	1	489	0	322	12	26	2	NA	NA	2,298
1999	958	29	506	31	495		276	62	25	3	NA	NA	2,385
2000	1,078	23	563	39	437	173	243	68	13	0	NA	NA	2,637
2001	1,120	31	566	NA	493	NA	281	78	NA	NA	NA	NA	2,569
2002	1,154	31	607	79	503	NA	307	62	35	0	307	62	3,147

Table 7.2

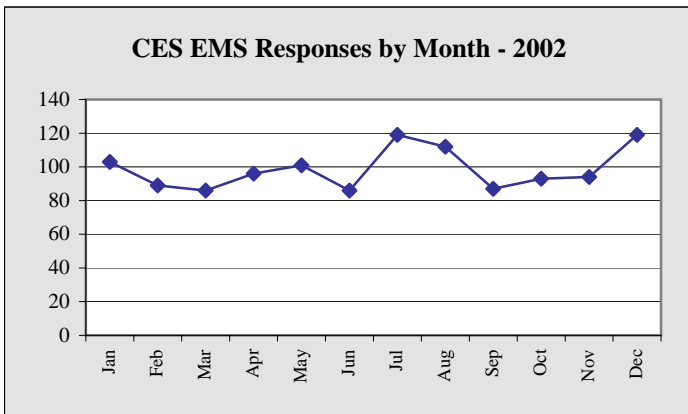


Chart 7.5

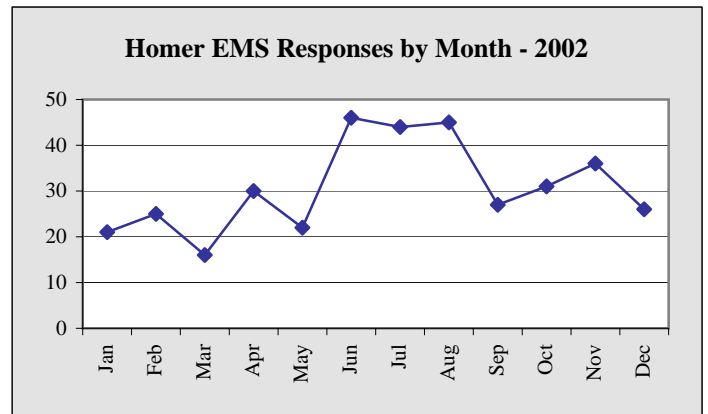


Chart 7.6

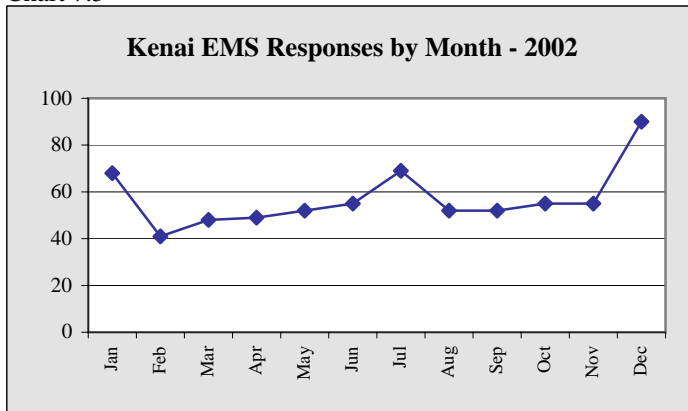


Chart 7.7

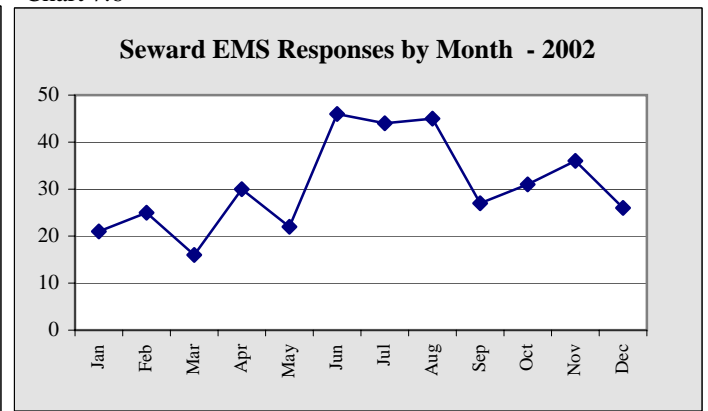


Chart 7.8

KPB Services, Health, Utilities

Property Crimes

Each city tracks incidents of crime through a standardized 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.

The City of Kenai implemented new management software, effective 2001. The increase does not reflect an increase in crime, but rather more accurately defined activity.

KPB Property Crimes Reported by City

	Homer	Kenai	Seldovia	Seward	Soldotna
1990	512	458	na	na	484
1991	575	451	na	na	579
1992	634	504	na	na	515
1993	587	498	na	na	475
1994	644	476	na	na	547
1995	565	489	na	na	588
1996	602	472	na	na	438
1997	387	484	na	na	486
1998	418	399	na	na	445
1999	287	339	na	227	289
2000	340	478	42	419**	261
2001	436	787*	21	397**	360
2002	477	851	na	226	323

* - New management software, not actual increase in crime, just more definitive reporting.

** - Includes property and violent crimes reported

Table 7.3

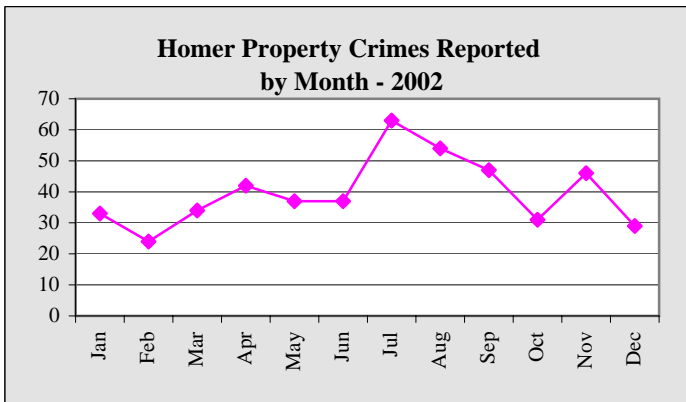


Chart 7.9

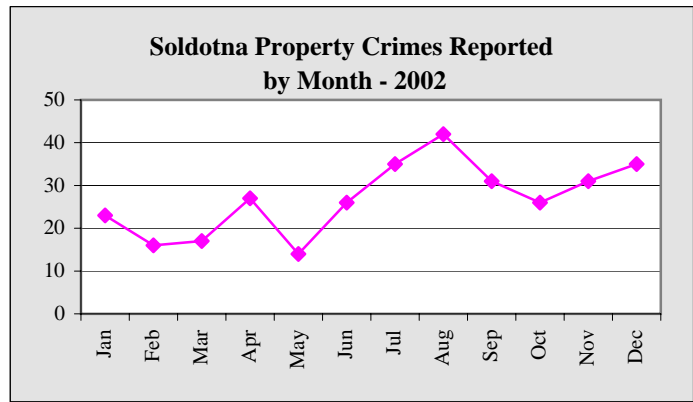


Chart 7.10

KPB Services, Health, Utilities

Violent Crimes Reported

The City of Kenai implemented new management software, effective 2001. The increase does not reflect an increase in crime, but rather more accurately defined activity.

	Homer	Kenai	Seldovia	Seward	Soldotna
1987	75	132	na	na	51
1988	82	194	na	na	83
1989	113	171	na	na	93
1990	110	156	na	na	152
1991	85	212	na	na	147
1992	157	196	na	na	174
1993	173	204	na	na	193
1994	183	240	na	na	150
1995	122	267	na	na	200
1996	122	249	na	na	126
1997	91	288	na	na	128
1998	95	211	na	na	84
1999	72	218	na	97	112
2000	84	197	na	Included in	108
2001	83	378*	4	Property**	147
2002	73	337	na	84	116

* - New management software, not actual increase in crime, just more definitive reporting.

** - Includes property and violent crimes reported

Table 7.4

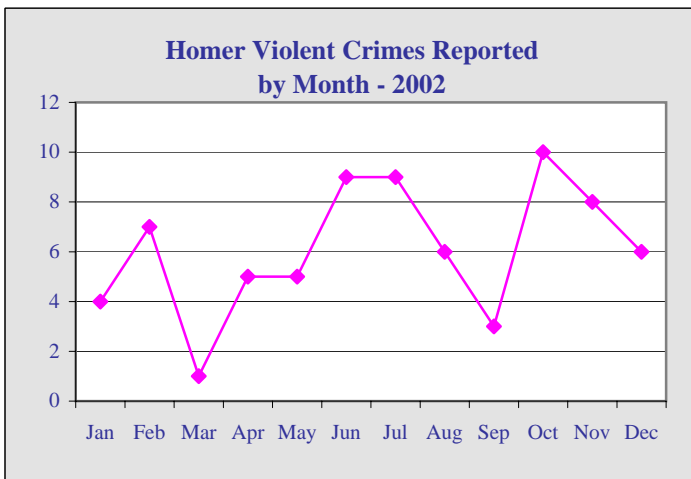


Chart 7.11

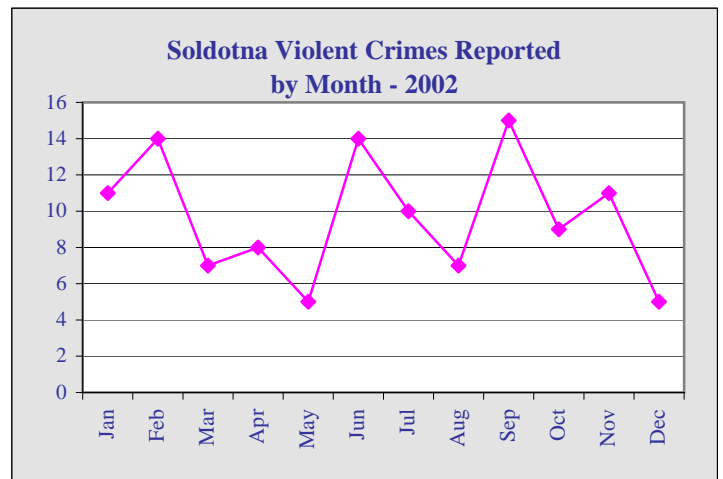


Chart 7.12

According to the U.S. Census Bureau, the 1990 violent crime rate per 100,000 in Alaska was 525, placing Alaska in 25th place among states with a national rate of 732 crimes per 100,000. During 1997, the Alaskan rate had moved up to 701 per 100,000, ranking 10th in the nation, which had an average of 611 violent crimes per 100,000 population. Alaska had 477 federal and state prisoners per 100,000 during 1990, increasing to 692 by 2000. The U.S. average was 311, increasing to 465 with Alaska 3rd in the national ranking for both years.

KPB Services, Health, Utilities

Classification of Criminal Offenses

Offenses Known to Law Enforcement - 2000, 2001								
	Homer		Kenai		Seward		Soldotna	
	2000	2001	2000	2001	2000	2001	2000	2001
Homicide	0	0	0	0	0	0	0	0
Rape	1	0	1	6	0	0	4	5
Robbery	1	0	0	5	0	2	3	0
Assault	75	86	192	217	72	105	104	117
Burglary	44	39	65	47	23	24	42	25
Larceny-Theft	143	186	336	348	172	193	207	193
Motor Vehicle Theft	25	36	40	39	15	15	17	10
Total	289	347	634	662	282	339	377	350
Value Property Stolen by Classification - 2000, 2001 - in \$								
	Homer		Kenai		Seward		Soldotna	
	2000	2001	2000	2001	2000	2001	2000	2001
Robbery	0	0	0	305	0	0	2,020	0
Burglary	50,898	5,107	13,216	11,717	70	0	8,137	8,428
Larceny-Theft	73,869	114,056	60,037	85,318	29,345	5,185	85,466	70,187
Motor Vehicle Theft	245,767	120,000	59,900	196,300	3,500	0	104,345	105,200
Total	370,534	239,163	133,153	293,640	32,915	5,185	199,968	183,815
Property Value Recovered by Type - 2000, 2001 - in \$								
	Homer		Kenai		Seward		Soldotna	
	2000	2001	2000	2001	2000	2001	2000	2001
Currency, Notes	2,745	697	280	90	7	1,196	6,286	590
Jewelry & Precious Metals	0	100	49	74	0	0	81	427
Clothing and Furs	369	125	172	162	0	0	1,283	1,772
Locally Stolen Motor Vehicle	425,500	111,000	13,000	223,300	3,500	0	84,305	104,500
Office Equipment	0	0	160	0	0	0	350	0
TV, Radios, Cameras, Etc	6,000	0	829	710	0	0	4,782	30
Firearms	0	350	200	200	500	0	100	0
Household Goods	260	945	125	0	0	0	18	386
Consumable Goods	22	0	430	793	9	0	103	407
Livestock	0	0	0	0	0	0	0	8
Miscellaneous	5,620	8,524	16,818	7,522	7,341	1,300	8,263	3,977
Total	440,516	121,741	32,063	232,851	11,357	2,496	105,571	112,097
Person Arrested, Age, Race - 2000, 2001								
	Homer		Kenai		Seward		Soldotna	
	2000	2001	2000	2001	2000	2001	2000	2001
Over 18	273	348	375	664	292	416	297	335
Under 18	97	145	103	139	26	32	65	76
White	363	479	412	708	235	352	344	384
Black			3	13	9	22	5	5
Indian	7	13	60	80	73	66	10	21
Asian		1	3	2	1	8	3	2
Total	370	493	478	803	318	448	362	412
Arson Cases	0	3	3	1	3	1	0	1
Officer Assaulted or Killed	0	0	0	0	0	0	2	0

Table 7.5

KPB Services, Health, Utilities

Medical Services

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		820	46	41
1993	2,135		873	45	43
1994	2,135		NA	50	43
1995	2,035		872	49	45
1996	2,258	New Entity	1,099	43	45
1997	2,763		1,049	38	44
1998	2,884	98	959	33	44
1999	2,550	48	1,041	32	45
2000	2,562	158	1,066	62	46
2001	2,634	194	1,153	58	100
2002	2,531	122	1,080	47	99

Table 7.6

Provision of Outpatient Care by Institution

	Central Peninsula General Hospital	Providence Seward Medical Center	South Peninsula General Hospital	Heritage Place
1988	23,134		8,868	
1989	20,892		9,832	
1990	23,461		10,868	
1991	29,425		9,724	
1992	30,213		11,316	
1993	29,966		11,927	
1994	30,981		NA	
1995	31,333		15,232	
1996	31,958		5,912	
1997	33,617	New Entity	12,128	
1998	41,311		14,013	
1999	47,089	15,413	14,454	
2000	49,422	14,135	17,183	New Entity
2001	53,688	13,714	17,266	
2002	52,844	12,119	17,113	11

Table 7.7

KPB Services, Health, Utilities

Landfill Activities

Central Peninsula Baling Facility (CPBF) Recycling Tonnages

	Aluminum	Metals	Newspaper	Cardboard	Glass	Vehicles	Tin Cans	Office Pack	Plastic	Phone Books
92/93	46.88	532.41	223.93	217.49	105.94	0				
93/94	35.26	477.89	182.60	324.99	141.44	0				
94/95	25.83	418.18	231.41	207.63	113.99	0				
95/96	25.99	465.12	221.79	130.41	35.44	352.02				
96/97	107.67	483.21	277.14	196.47	108.78	97.22				
97/98	54.06	703.88	212.73	146.64	119.50	240.88				
98/99	16.38	109.58	213.44	116.43	NA	166.81				
99/00	28.68	0	234.66	134.66	284.39	247.64				
00/01	27.88	245.60	233.17	128.04	0	315.48	New Categories			
01/02	14.70	113.75	296.70	197.91	467.60	79.68		12.32		7.45
02/03	18.11	35.93	262.46	213.03	314.00	239.91	14.75	6.73	1.68	2.11

Table 7.8

CPBF Solid Waste Tonnages

FY 92/93	42,473
FY 93/94	39,887
FY 94/95	40,927
FY 95/96	43,336
FY 96/97	54,229
FY 97/98	44,165
FY 98/99	44,085
FY 99/00	46,553
FY 00/01	49,030
FY 01/02	51,318
FY 02/03	51,788
Less Recycle Tonnages	

Table 7.9

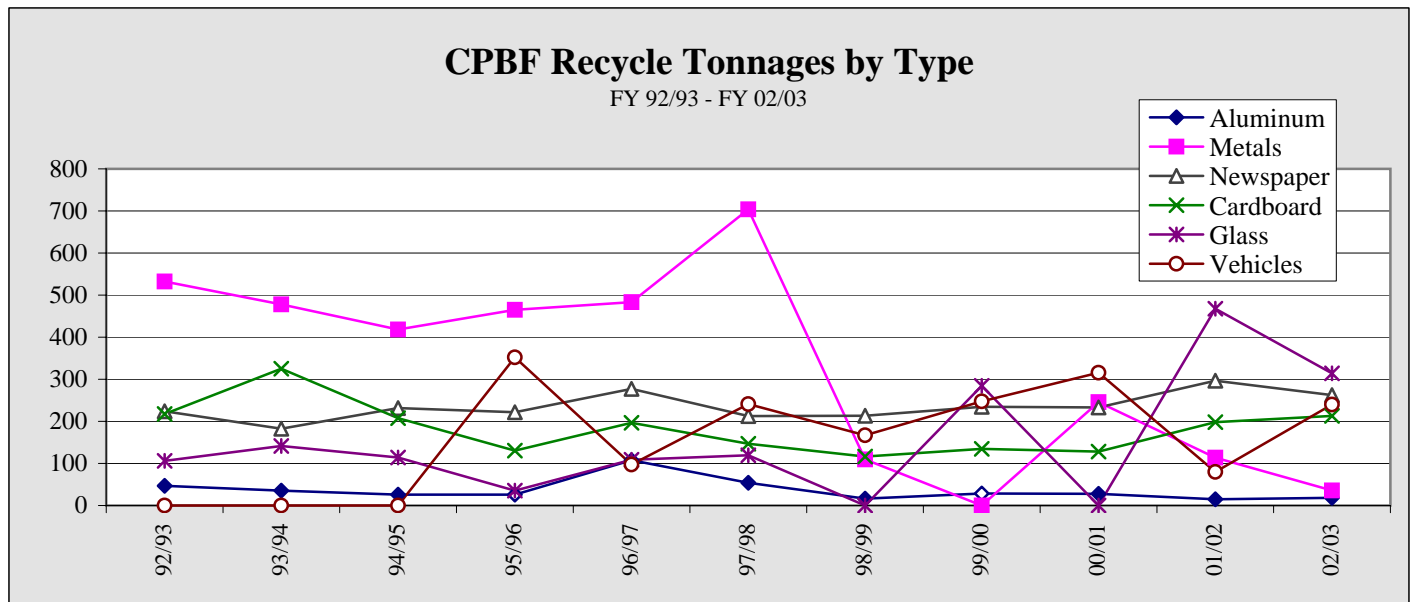


Chart 7.13

KPB Services, Health, Utilities

United States Postal Services

POST OFFICE BOXES AND ROUTES

Community	Capacity					Boxes Utilized					Star Route				
	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002	1998	1999	2000	2001	2002
Anchor Point	NA	NA	NA	NA		NA	NA	NA	NA		NA	NA	NA	NA	
Clam Gulch	382	382	382	382	382	169	165	170	171	170	14	12	10	10	22
Cooper Landing	254	254	254	254	256	254	254	254	254	256	4	2	4	2	5
Halibut Cove	58	58	58	58		NA	NA	52	NA		NA	NA	NA	NA	
Homer	3,777	3,777	NA	NA	NA	NA	2,942	NA	NA	2,846	NA	391	NA	NA	453
Hope	128	128	128	128		122	NA	118	NA		7	NA	6		
Kasilof	1,176	1,176	1,176	1,176		921	916	941	947		41	40	66	54	
Kenai	3,416	3,416	NA	2,309	2,309	2,290	2,290	NA	3,608	2,276	591	410	NA	NA	674
Moose Pass	158	158	158	158	158	128	125	129	129	126	22	9	7	7	8
Nanwalek	NA	NA	NA	NA		NA	NA	NA	NA		NA	NA	NA	NA	
Nikiski	1,321	1,321	1,321	1,321	1,321	1,015	1,003	1,027	1,130	927	NA	NA	NA	NA	NA
Ninilchik	764	NA	NA	NA		700*	NA	NA	NA		25	NA	NA	NA	
Port Graham	NA	NA	NA	NA	NA	NA	NA	72	72	72	0	0	0	0	0
Seldovia	260	260	260	260	260	NA	NA	250	260	20	0	0	0	0	0
Seward	2,980	2,980	2,980	2,980	2,980	2,375	2,405	2,360	2,364	2,308	60	58	62	62	56
Soldotna	3,754	3,754	4,031	4,031	4,031	3,230	3,275	3,329	3,335	3,166	679	601	711	769	886
Sterling	1,266	1,266	1,266	1,266	1,266	1,206	1,226	1,245	1,265	1,260	101	97	99	95	135
Tyonek	NA	NA	NA	NA		NA	94	NA	97	98	NA	0	0	0	98

* Estimate

Table 7.10

Communications

The KPB has two new players in the communications industry this year. PTI sold out to ACS to provide service in the central and southern peninsula and TelAlaska began providing service to Seward, Moose Pass and Cooper Landing after years of service from GTE. ACS has declined sharing of data.

Tel Alaska Monthly Average Accounts

	<u>2000</u>	<u>2001</u>	<u>2002</u>
Seward	3,265	3,372	3,319
Moose Pass	220	242	242
Cooper Landing	333	343	318
TOTAL	3,818	3,957	3,879

Table 7.11

KPB Services, Health, Utilities

Utilities

Enstar

Enstar provides natural gas service to the communities of Kenai, Nikiski, Soldotna, and Sterling. Enstar is unique because it does not install service lines until customers request them. There is no speculative determination of future need but rather a response to requests for service.

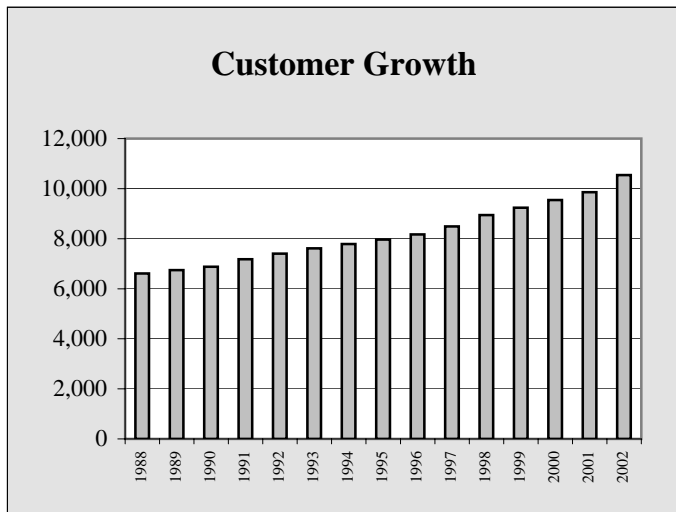


Chart 7.14

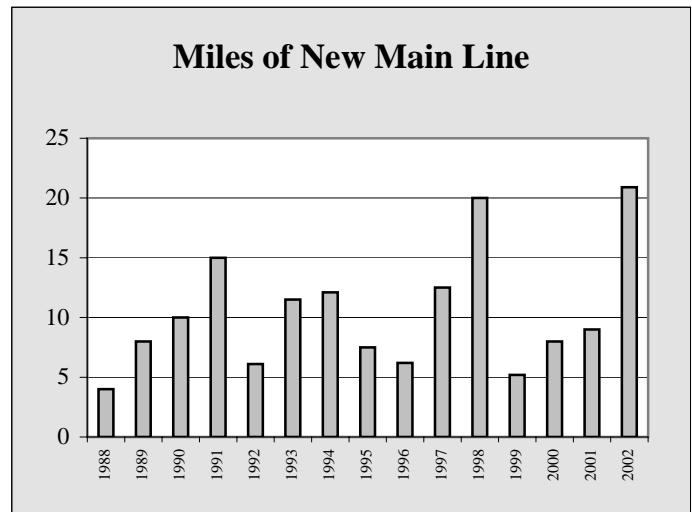


Chart 7.15

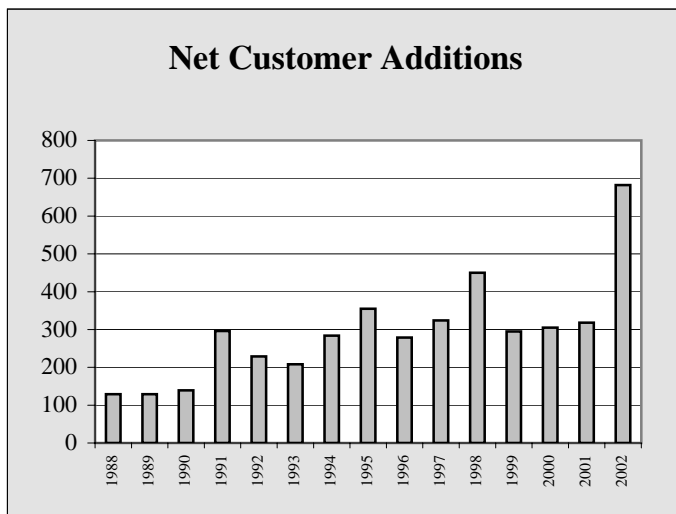


Chart 7.16

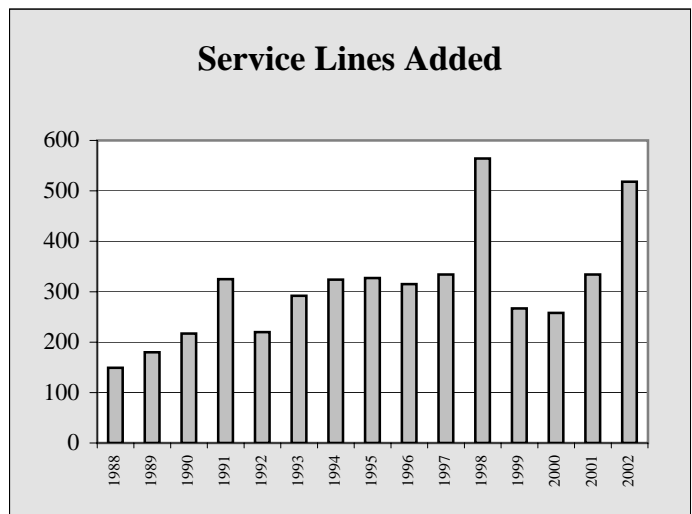


Chart 7.17

KPB Services, Health, Utilities

Utilities

HEA

HEA Accounts by Month - 2002

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Avg
Residential	20,759	20,709	20,739	20,796	21,099	21,133	21,231	21,410	21,505	21,447	21,210	21,257	21,108
Small Commercial	3,210	3,198	3,201	3,015	3,498	3,291	3,303	3,312	3,366	3,341	3,105	3,470	3,276
Large Commercial	30	26	26	25	27	26	27	25	26	26	23	29	26
Public St/Hwy	85	84	84	41	127	84	84	84	84	84	77	92	84
Total	24,084	24,017	24,050	23,877	24,751	24,534	24,645	24,831	24,981	24,898	24,415	24,848	24,494

Table 7.12

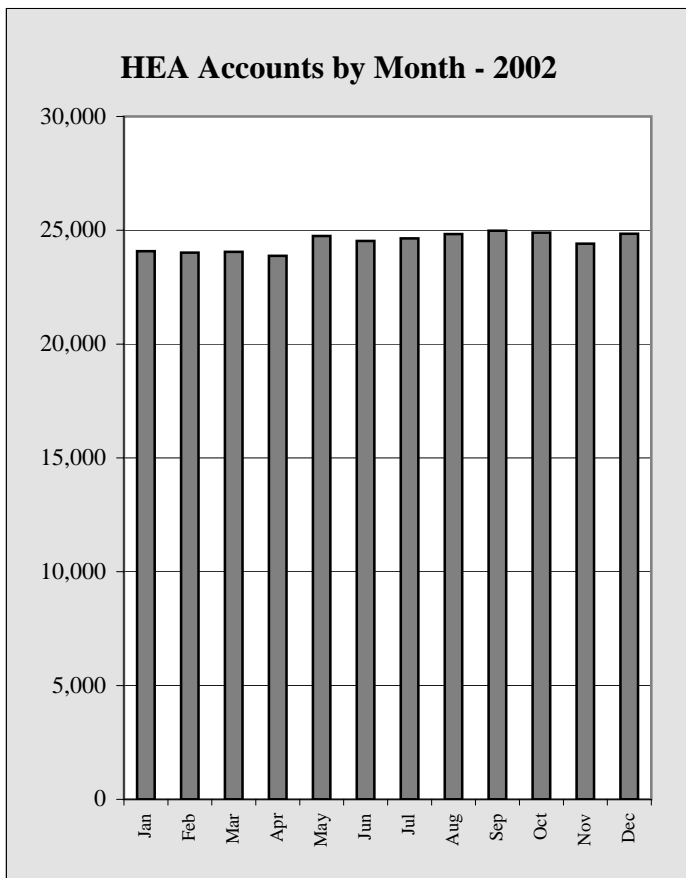


Chart 7.18

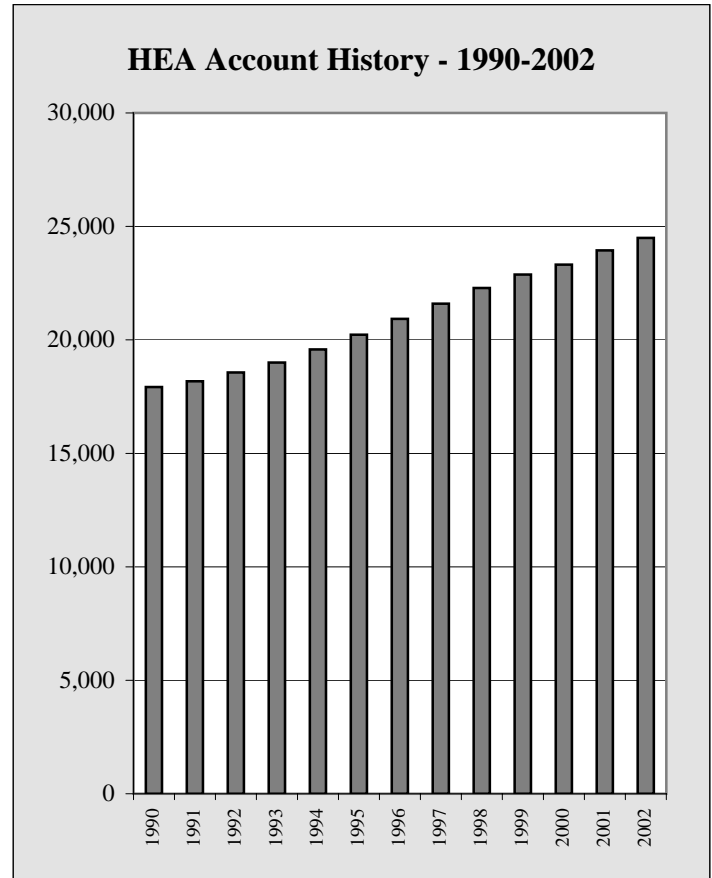


Chart 7.19

Average Annual Utility Access Accounts

	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Residential	15,242	15,467	15,820	16,199	16,701	17,314	17,956	18,544	19,178	19,724	20,098	20,624	21,108
Small Commercial	2,611	2,640	2,684	2,746	2,809	2,843	2,888	2,941	2,993	3,043	3,102	3,191	3,276
Large Commercial	26	24	25	23	23	23	24	25	25	24	24	24	26
Public St/Hwy	42	42	37	35	45	49	61	84	89	91	89	87	84
Total	17,921	18,173	18,565	19,002	19,579	20,229	20,928	21,594	22,285	22,882	23,314	23,942	24,494

Table 7.13

Commercial Fishing Industry

Industry Overview

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



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 KPB waters. Management of fisheries was under federal jurisdiction from the time Alaska was purchased until statehood occurred. Federal management was weak so the state took over and 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. As of October 1999, the federal government regained management authority in response to perceived issues of management inequities.

Harvesting. The customary salmon harvest methods are gill netting-either set or drift, and purse seining. Allocation conflicts occur within these commercial fishery sub-groups as well. Purse seiners, generally 30' to 40' long, play a net into the water while traveling in a circle around a school of fish. When the circle is complete, the bottom of the net is closed to capture the fish. Gillnetters set nets along the coastline, catching fish as they migrate to spawning beds. Individual nets are 30 to 40 feet long.



Shrimp and other bottom fish may be harvested by pots placed in likely locations at depths greater than 100 feet, and by trawlers, where vessels in the Cook Inlet which may be 80 to 100 feet in length tow large cone-shaped, weighted nets near the bottom of the body of water. Finally, longliners are those vessels that set a line that may be up to a mile long, harvesting halibut, blackcod, lingcod and rockfish. Vessels used in this fishery are generally 50 to 100 feet long.

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.

Management issues include 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.

KPB Commercial Fishing Industry

Industry Overview - continued

Management issues include 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.

Salmon. Of all fisheries, the salmon fishery has the greatest impact on the KPB economy due to its size in relation to other fisheries. 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 along with equipment and maintenance costs. The price per pound of fish decreases as competition from the farmed salmon market pushes prices downward.

Cook Inlet commercial fisheries are impacted by conditions elsewhere in the state and globally. Salmon farming has raised controversial issues as foreign governments subsidize their salmon farms. Those salmon can enter the market at prices below those of Alaska and Cook Inlet salmon, yet provide a profit for subsidized farmers. Influenced by governmental subsidies, global market prices are declining. Research is under way to determine nutritional value of farmed salmon as opposed to the wild salmon harvested in Kenai Peninsula Borough waters. In addition, concerns exist regarding antibiotics and colorants added to farmed salmon feed and sanitary conditions under and around the pens of farmed salmon. Salmon farming is prohibited in Alaska.

The Kenai Wild salmon branding project has successfully completed two years of activity and has adopted the Kenai Wild Alaska Quality Seafood handling practices and grading standards required of fishers and processors for participation. More participants took part than expected and more pounds of fish were processed into value-added products ready for consumer than had been set as a goal. Marketing of the high quality fish is necessary to improve revenue flows, which should improve the outlook of local fishers.

Several taxes are paid within the industry for development and maintenance of the fishery with various intents. A 1% tax is imposed on permit holders by the State for operations of the Alaska Seafood Marketing Institute. This tax is based upon the ex-vessel value paid by processors to commercial fishermen. A 2% Salmon Enhancement Tax is also assessed on the ex-vessel value paid to the fishers. Finally, the 3% Raw Fish Tax is paid by the processor, based upon the ex-vessel value of all fish processed in the facility. This tax is refunded to local governments as revenue sharing.

Halibut. Halibut farms are in experimental stages in Norway and other countries in this global economy and may be a factor affecting the Kenai Peninsula Borough commercial halibut industry in the not-to-distant future. Framed halibut are provided shelving because they like to rest on the floor of the ocean. Shelving provides an abundance of space for each fish while not requiring the full extent of ocean floor that would normally be required for the same number of fish in the wild. Homer and Seward are two of the top landing ports in pounds of halibut. Homer received nearly 13.5 million pounds during 2001, the top landing port, while Seward received nearly 6.3 million pounds, fourth highest following Kodiak with 8.6 million pounds and Akutan and Dutch Harbor with near 6.9 million pounds.



KPB Commercial Fishing Industry

Employment

The AK DOLWD provides employment detail within the industry for employees covered by employment regulations. The fishing industry includes family business employees that are not reported to the state due to reporting exemptions so these employees are enumerated by crewmember licenses sold.

Crewmember counts and employment in "food and kindred products," the sector that includes fish processing, are presented. Sector employment as a percent of KPB employment has declined from 14.7% during 1980 to 1.7% during 2002. Employment has not decreased as much as the drop indicates. Rather, industrial sectors other than the commercial fishing and processing have experienced greater employment growth. All 2002 data is preliminary.

Permit Holders & Crew Members All Species - 2000, 2001, 2002						
Community	Permit Holders			Crew Members		
	2000	2001	2002	2000	2001	2002
Anchor Point	80	80	64	110		65
Beluga River	1			0		0
Clam Gulch	29	29	35	31		16
Cooper Landing	4	3	4	3		3
Fritz Creek	13	11	12	20		10
Halibut Cove	8	9	9	1		3
Homer	539	525	497	660		462
Hope	2	1	1	1		0
Kasilof	155	158	152	129		76
Kenai	234	235	234	251		189
Moose Pass	2	2	2	2		2
Nanwalek/English Bay	7	6	6	9		2
Nikiski/Nikishka	56	57	57	88		55
Nikolaevsk	17	20	20	36		12
Ninilchik	48	53	51	51		36
Port Graham	12	11	10	10		6
Seldovia	57	59	49	42		23
Seward	80	77	72	172		103
Soldotna	173	168	156	238		145
Sterling	16	18	20	41		32
Tyonek	20	20	20	5		6
Total	1,553	1,542	1,471	1,900	NA	1,246

Table 8.1

Totals 1999-2001

1999	1,535	2,017
2000	1,554	1,900
2001	1,542	NA
2002	1,471	1,246

Table 8.3

Source - ST AK DOL,

http://www.cfec.state.ak.us/menus/mnur_STN.htm;

<http://www.cfec.state.ak.us/GPBYCEN/2002/147121.HTM>

Commercial Fishing Industry Average Monthly Employment

Year	Processing	KPB	Processing as % of Whole
1980	1,235	8,398	14.71%
1981	1,118	9,116	12.26%
1982	1,090	9,854	11.06%
1983	888	10,400	8.54%
1984	735	11,403	6.45%
1985	826	12,214	6.76%
1986	730	11,436	6.38%
1987	783	10,804	7.25%
1988	948	11,089	8.55%
1989	1,034	13,063	7.92%
1990	1,161	13,891	8.36%
1991	1,284	14,376	8.93%
1992	1,137	14,474	7.86%
1993	1,024	15,451	6.63%
1994	989	15,816	6.25%
1995	967	16,107	6.00%
1996	1,097	16,110	6.81%
1997	1,076	16,328	6.59%
1998	808	16,586	4.87%
1999	641	16,340	3.92%
2000	658	16,984	3.87%
2001	474	17,367	2.73%
2002	328	17,614	1.86%

Table 8.2

Public Intents to Transfer - 3/2/2003
Cook Inlet Salmon, Purse Seine - 3
Cook Inlet Salmon - Set Gill Net - 21
Cook Inlet Salmon - Drift Gill Net - 30

KPB Commercial Fishing Industry

Permit Values

Estimated Average Permit Value

	Cook Inlet Salmon Purse Seine	Cook Inlet Salmon Drift Gill Net	Cook Inlet Salmon Set Gill Net	Cook Inlet Herring Purse Seine
1985	58,375	62,605	16,312	16,700
1986	60,000	64,962	18,191	31,058
1987	60,455	86,944	26,837	111,364
1988	66,089	138,725	43,766	206,250
1989	90,000	176,844	61,511	241,667
1990	186,667	202,058	98,514	228,333
1991	163,000	177,500	71,900	128,000
1992	134,500	88,800	43,000	80,600
1993	134,500	89,800	35,500	80,600
1994	134,500	65,000	28,400	67,000
1995	90,800	85,500	30,300	74,600
1996	37,400	75,100	37,100	104,800
1997	32,000	75,800	24,700	108,000
1998	24,100	42,000	20,600	108,000
1999	17,200	25,200	13,200	55,000
2000	15,800	32,300	12,200	24,400
2001	15,800	22,300	10,600	23,000
2002	11,500	11,700	8,000	23,000

Table 8.4

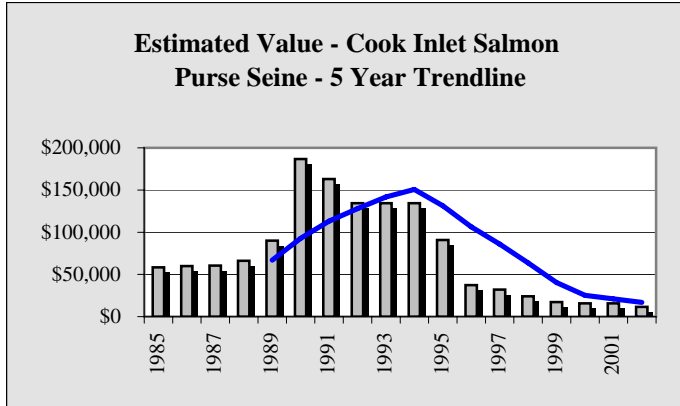


Chart 8.1

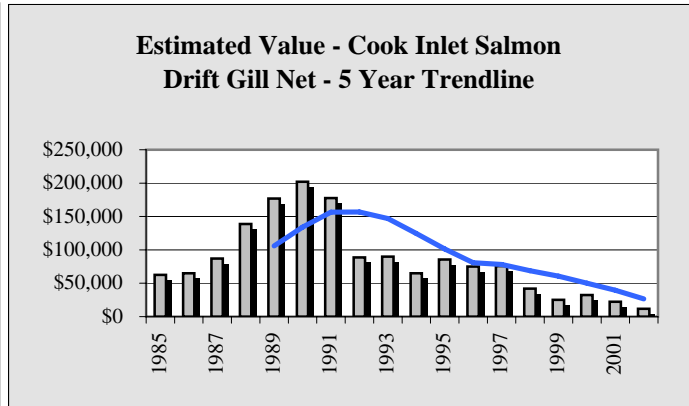


Chart 8.2

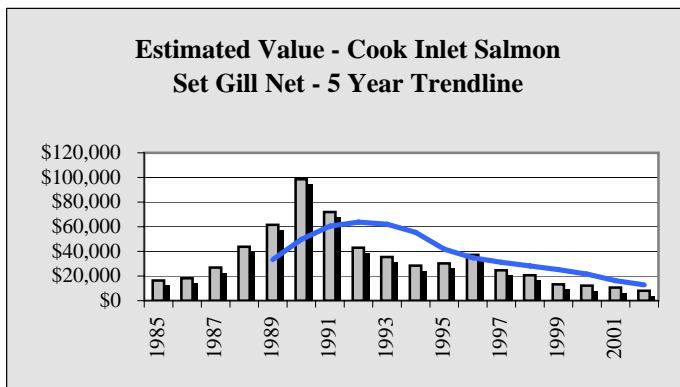


Chart 8.3

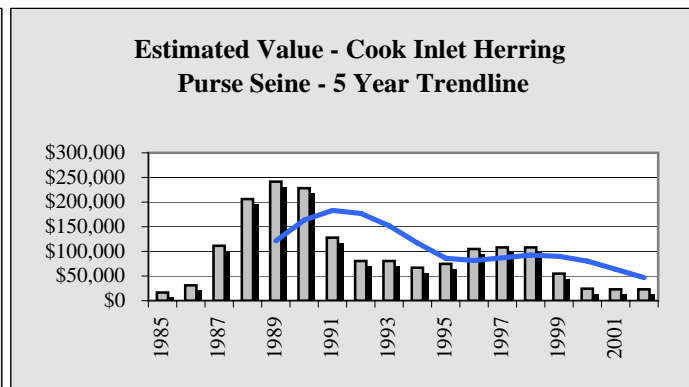


Chart 8.4

KPB Commercial Fishing Industry

Salmon Permitting Activity

Salmon Permits and Fishing Activity by Area of Residence - 2002

	Number of Permit Holders	Number of Permits Fished	Total Pounds Landed	Estimated Gross Earnings in \$
Anchor Point	41	25	1,515,281	477,183
Clam Gulch	29	25	X	X
Cooper Landing	4	3	X	X
Fritz Creek	5	5	227,402	88,071
Halibut Cove	6	4	156,256	77,543
Homer	327	207	30,295,357	7,003,100
Hope	1	0	0	0
Kasilof	142	108	5,382,585	1,773,527
Kenai	216	159	5,583,887	2,926,169
Moose Pass	2	1	X	X
Nanwalek	6	5	62,161	41,271
Nikiski	51	44	1,525,835	593,401
Nikolaevsk	12	10	357,786	148,881
Ninilchik	47	33	1,170,647	600,431
Port Graham	10	0	0	0
Seldovia	33	17	922,114	512,792
Seward	39	20	4,245,088	866,076
Soldotna	134	92	3,837,979	1,548,072
Sterling	15	8	X	X
Tyonek	20	7	6,038	6,681
Kenai Peninsula Borough	1,140	773	55,288,416	18,065,964

Table 8.5

Confidentiality - When 3 or less permits are fished in a fishery, data is masked with an 'X' and is not included in totals.

Totals may not agree due to masking for confidentiality in certain areas.

Data is preliminary.

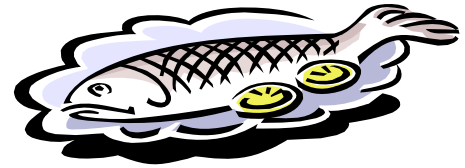
Kenai Peninsula Borough	Number of Permit Holders	Number of Permits Fished	Total Pounds Landed	Estimated Gross Earnings in \$
1999	1,149	945	56,808,070	38,095,724
2000	1,156	938	54,289,724	24,090,722
2001	1,160	876	53,451,920	18,065,964
2002	1,140	773	56,630,543	17,346,556

Table 8.6

Source - <http://www.cfec.state.ak.us>
GPBYCEN/2001/14.htm

KPB Commercial Fishing Industry

Cook Inlet Commercial Salmon



Weight

Average Weight in Pounds – 1994-2002

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Chinook	30.61	31.62	22.00	26.38	21.63	25.00	25.28	17.86	16.29
Sockeye	5.64	5.90	6.20	6.44	5.31	6.10	6.75	5.63	6.26
Coho	7.18	6.46	6.50	6.43	6.97	5.10	7.20	6.52	7.49
Pink	3.22	3.10	2.83	3.09	3.30	2.90	2.51	3.10	3.30
Chum	6.89	7.00	10.00	7.33	7.27	7.00	8.10	7.53	9.22

Table 8.7

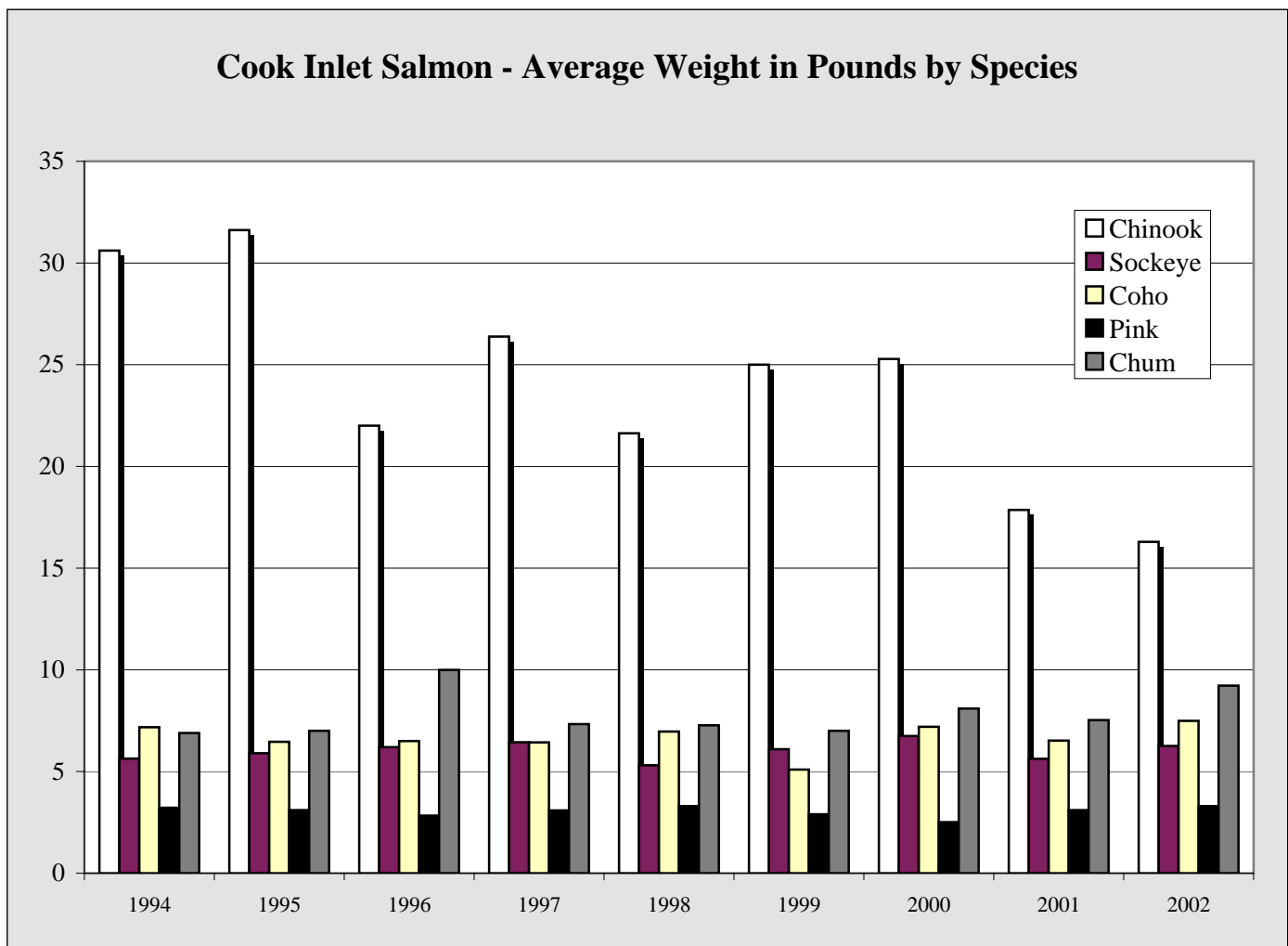


Chart 8.5

KPB Commercial Fishing Industry

Cook Inlet Commercial Salmon

Price Per Pound



Average Price Per Pound – 1994-2002 - in \$

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Chinook	0.93	1.00	1.15	0.98	1.25	1.10	1.21	1.02	0.98
Sockeye	1.45	1.15	1.15	1.15	1.35	1.39	0.85	0.65	0.69
Coho	0.67	0.45	0.50	0.40	0.55	0.40	0.40	0.30	0.12
Pink	0.15	0.15	0.07	0.14	0.12	0.15	0.14	0.14	0.06
Chum	0.29	0.27	0.12	0.21	0.15	0.20	0.18	0.20	0.18

Table 8.8

Cook Inlet Salmon - Average Price Per Pound by Species

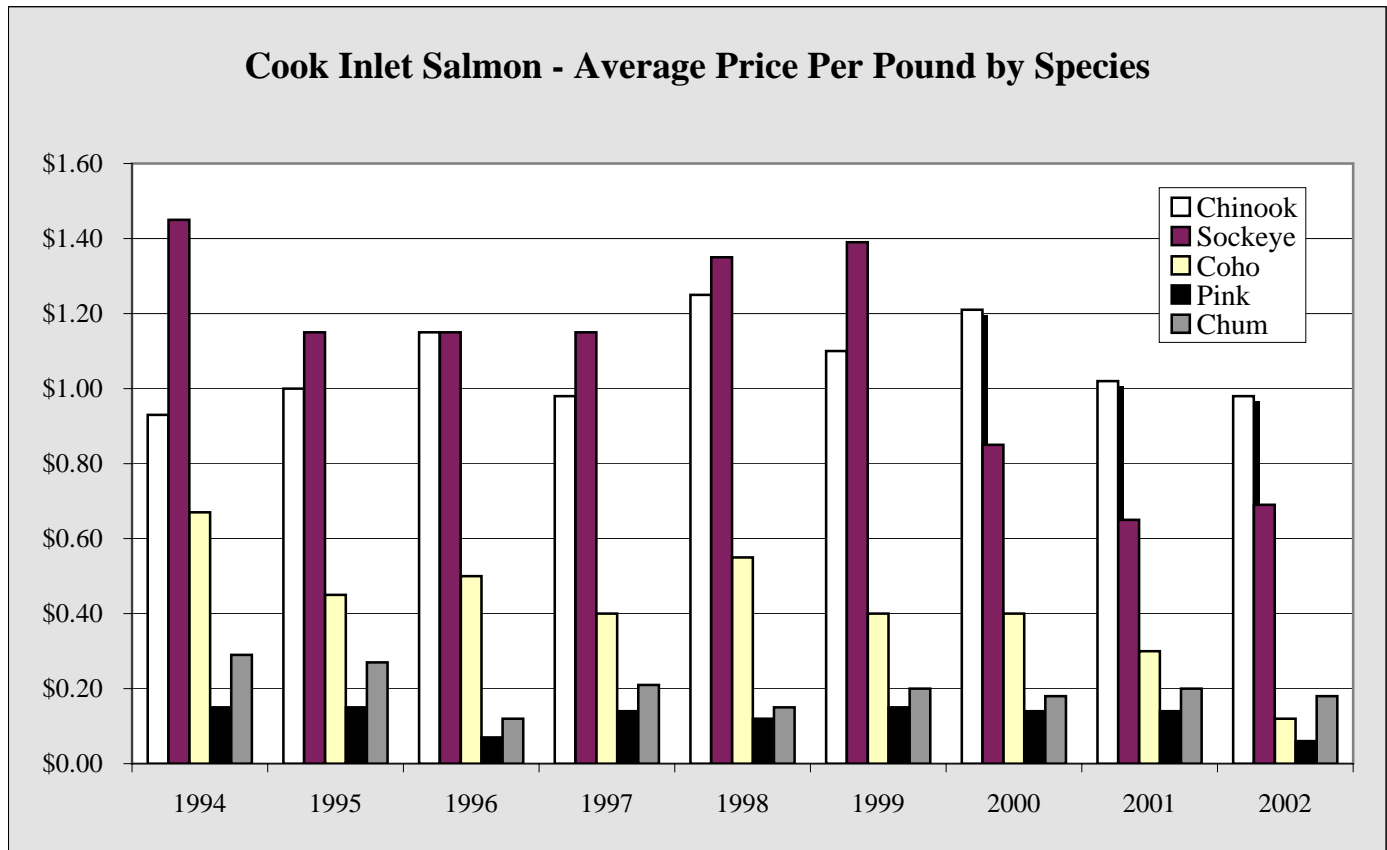
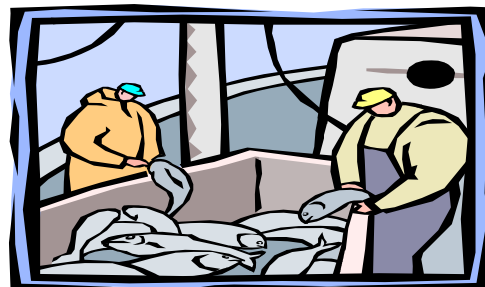


Chart 8.6

KPB Commercial Fishing Industry

Cook Inlet Commercial Salmon

Harvested



Number of Fish Harvested – 1994-2002 (In thousands)

	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>
Chinook	20	20	20	13	10	20	10	10	16
Sockeye	3,710	3,170	4,050	4,450	1,510	3,120	1,570	2,140	3,471
Coho	600	430	330	160	180	130	250	120	240
Pink	2,170	2,980	670	2,890	2,010	1,140	1,540	670	2,395
Chum	330	540	160	110	100	180	200	170	270
Total	6,830	7,140	5,230	7,623	3,810	4,590	3,570	3,110	6,392

Table 8.9

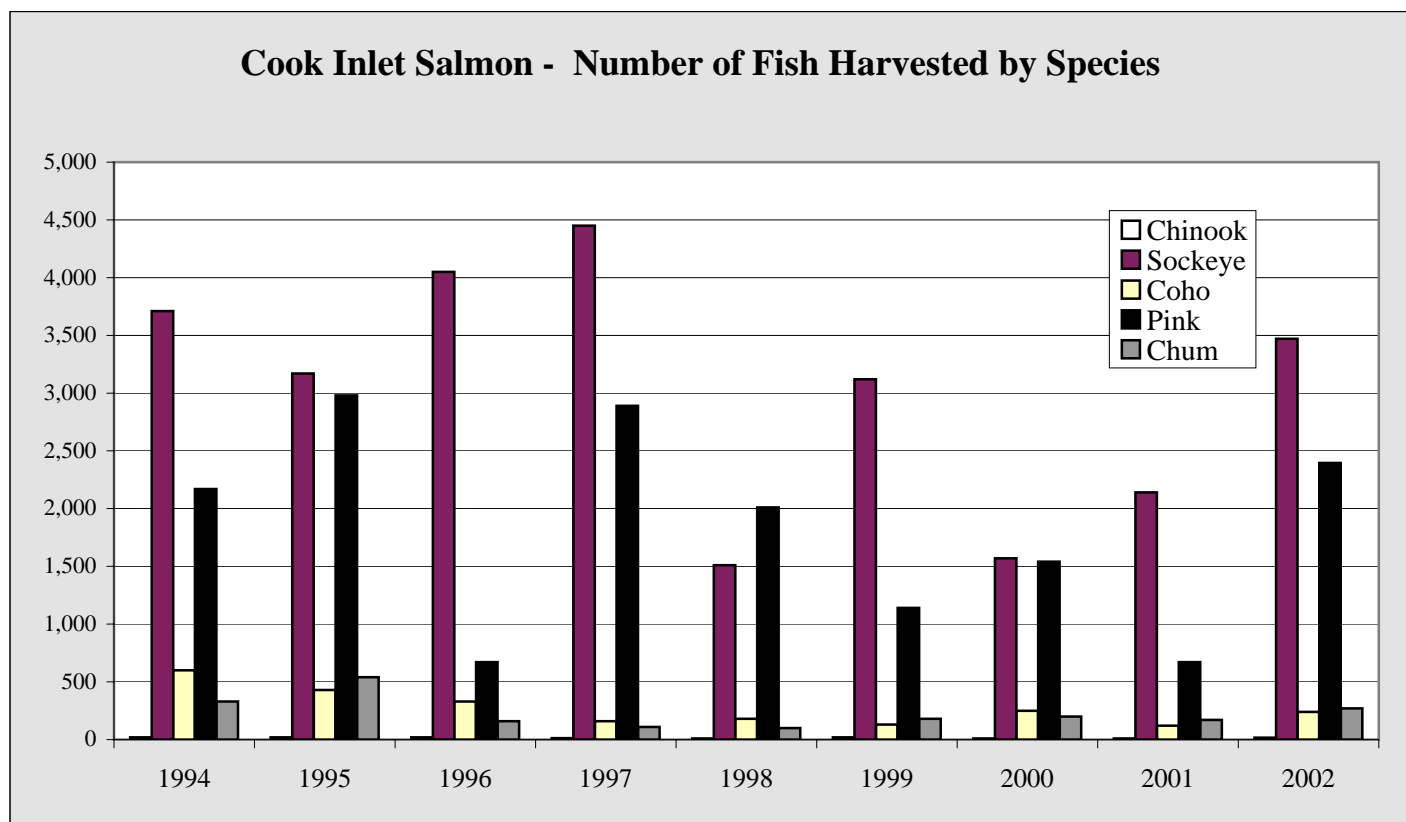


Chart 8.7

KPB Commercial Fishing Industry

Cook Inlet Commercial Salmon

Pounds of Fish

Number of Pounds of Fish Harvested - 1994-2002 (In Thousands)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Chinook	650	600	360	380	200	400	210	180	282
Sockeye	20,900	18,720	25,130	28,640	8,030	19,010	10,590	12,030	20,826
Coho	4,300	2,790	2,120	1,050	1,260	670	1,790	750	1,799
Pink	6,990	9,230	1,910	8,910	6,630	3,310	3,850	2,070	8,383
Chum	2,300	3,760	1,610	810	740	1,290	1,620	1,310	2,210
Total	35,130	35,110	31,120	39,800	16,860	24,670	18,060	16,350	33,500

Table 8.10

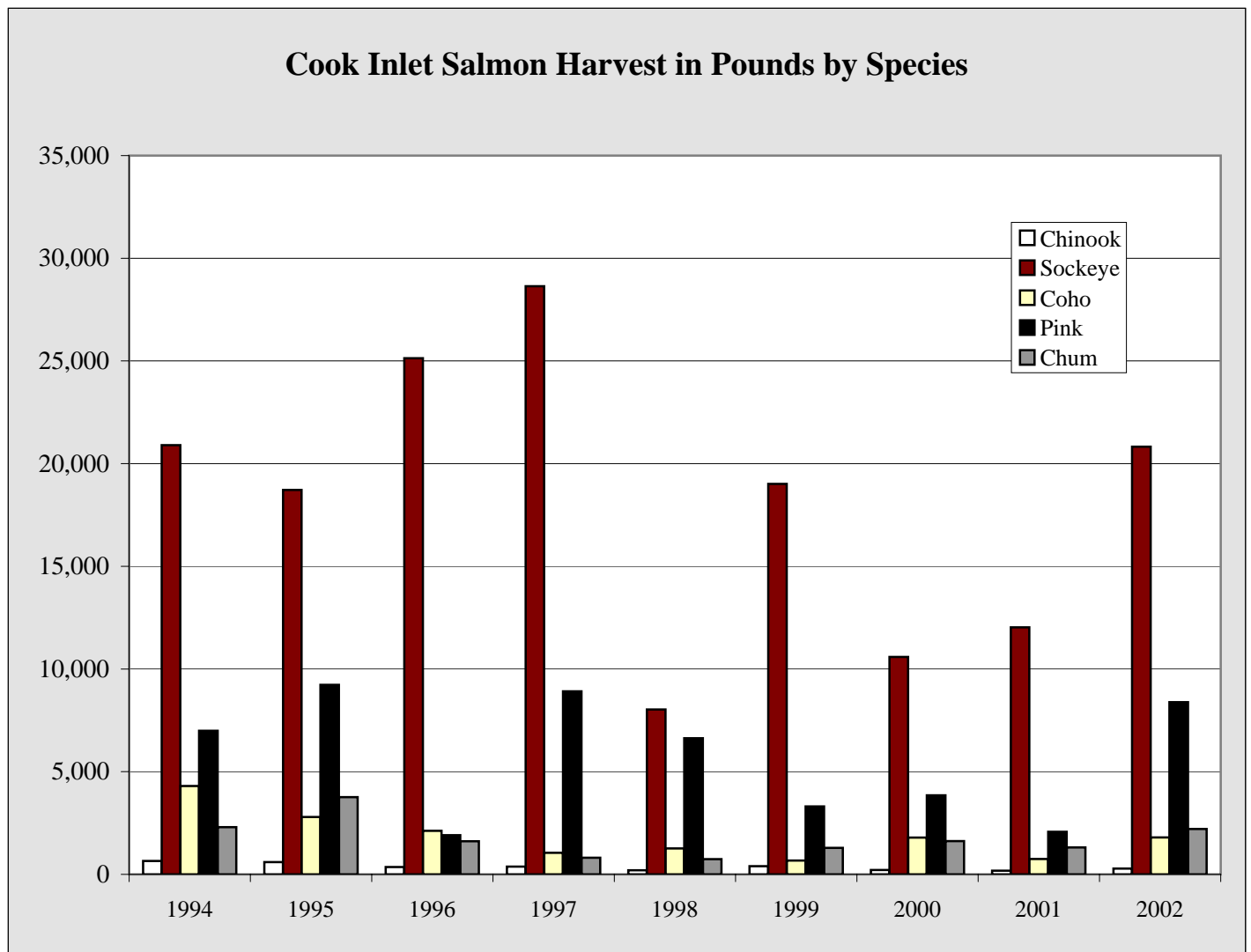


Chart 8.8

KPB Commercial Fishing Industry

Cook Inlet Commercial Salmon

Exvessel Value

Estimated Salmon Exvessel Value History - 1994-2002 - in \$

(in Thousands)

	1994	1995	1996	1997	1998	1999	2000	2001	2002
Chinook	600	600	410	380	250	440	260	190	316
Sockeye	30,300	21,530	28,890	32,940	10,840	26,420	9,000	7,810	11,663
Coho	2,880	1,260	1,060	420	690	270	720	230	450
Pink	1,050	1,390	130	1,250	800	500	420	290	419
Chum	670	1,010	190	170	110	260	300	260	287
All Species	35,500	25,790	30,690	35,150	12,690	27,880	10,700	8,780	13,135

Table 8.11

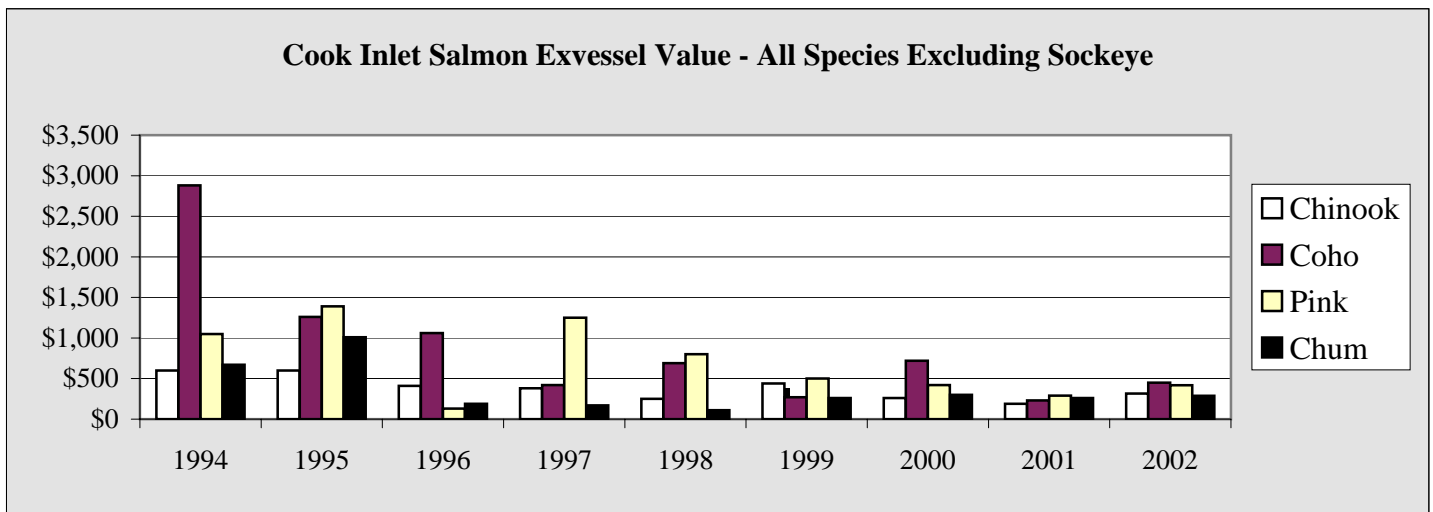


Chart 8.9

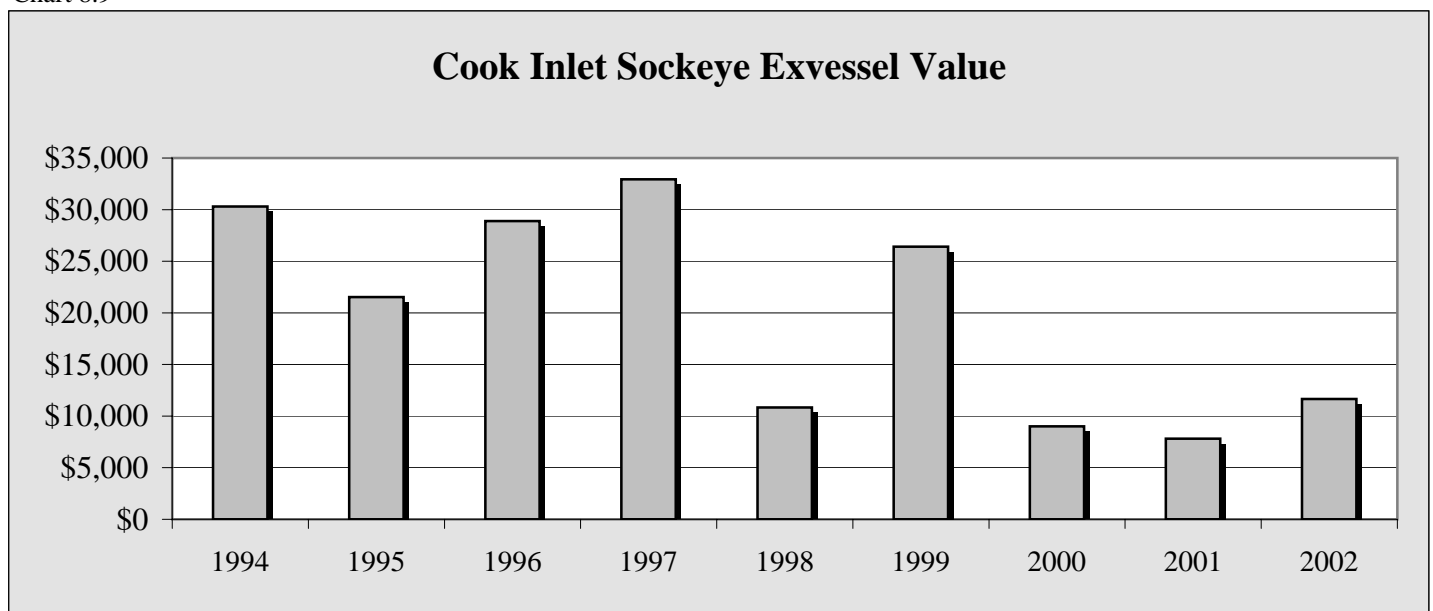


Chart 8.10

KPB Commercial Fishing Industry

Upper Cook Inlet - Crescent, Kasilof, Kenai and Yentna Rivers Number of Harvested Salmon – 1960-2002

	Chinook	Sockeye	Coho	Pink	Chum	Total
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
2000	7,288	1,327,287	239,100	148,882	126,610	1,849,167
2001	9,348	1,814,290	96,480	72,355	77,182	2,069,655
2002	12,069	2,761,886	244,014	436,380	225,446	3,679,795

49 Year Average	19,188	2,363,808	306,775	665,044	536,393	3,891,208
Last 10 Year Avg	13,475	2,913,474	269,085	228,992	191,956	3,616,983

Table 8.12

Source - <http://www.cf.adfg.state.ak.us/region2/finfish/salmon/uci/ucihar.pdf>

KPB Commercial Fishing Industry

Upper Cook Inlet Sockeye and Chinook

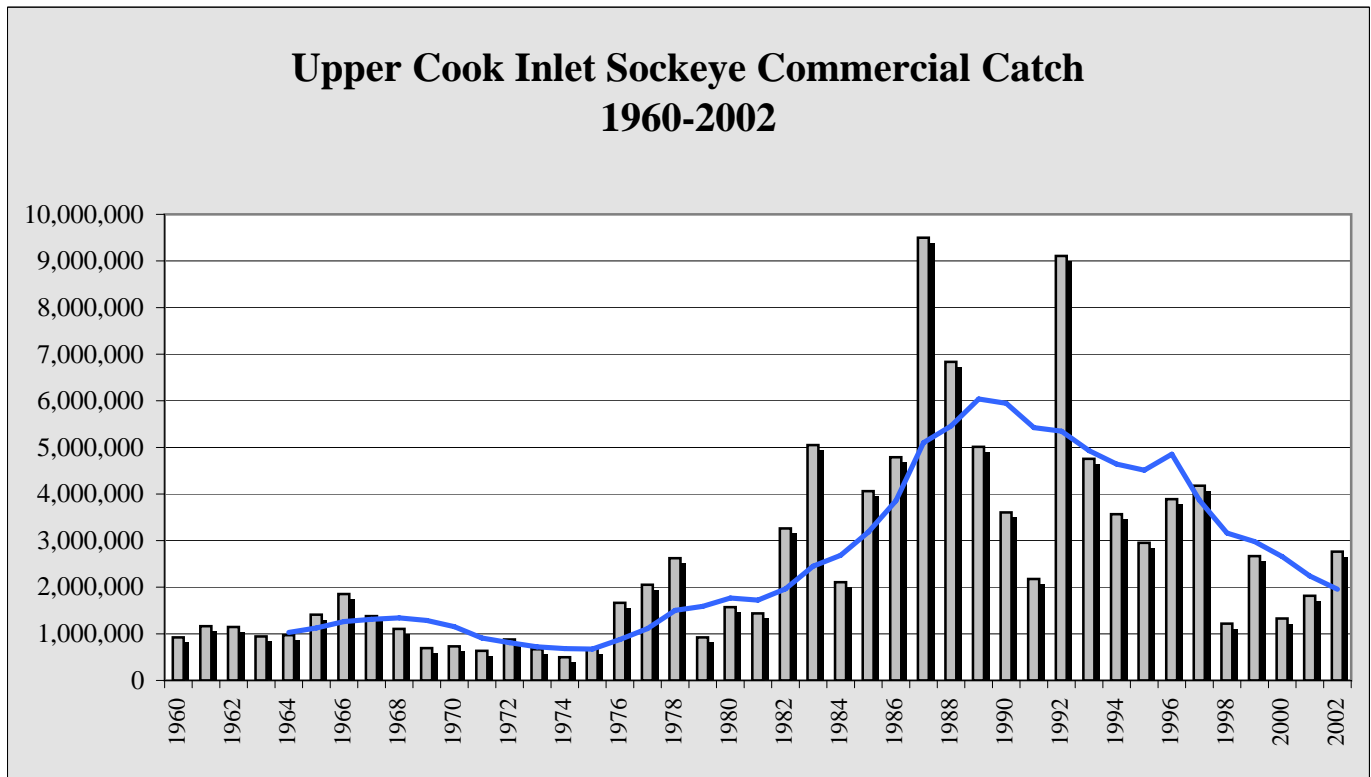


Chart 8.11

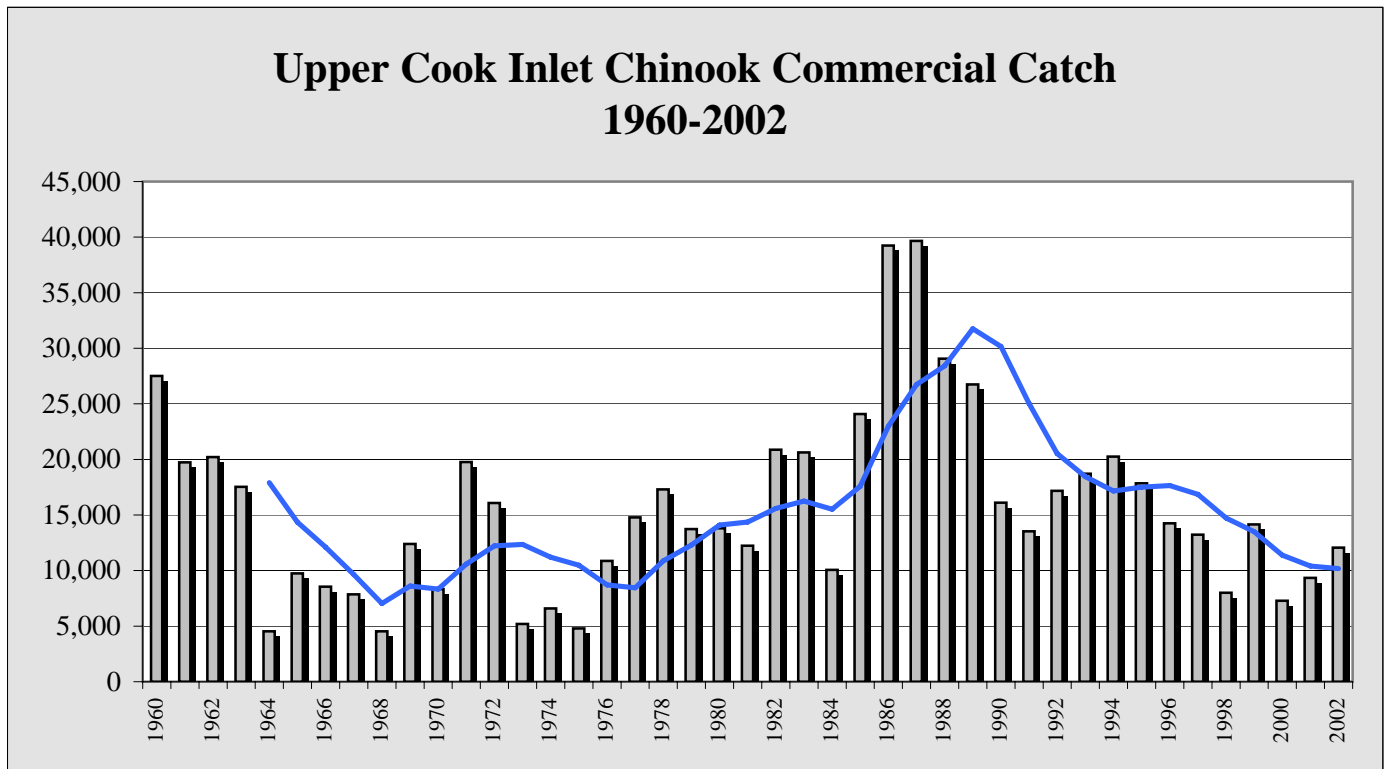


Chart 8.12

KPB Commercial Fishing Industry

Commercial Halibut

Halibut landed at ports within the KPB may or may not be harvested within Statistical Area 261 which is part of the broader Management Area 3A that includes Cook Inlet.

	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	695		48		25		12	437
2000	750		56	0	25		15	471
2001	977		31		20		10	418
2002	917	1	35		14			446

Table 8.13

	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
2000	3,839,245		153,560		87,785		2,042	3,904,536
2001	13,361,782		181,942		120,614		1,815	6,121,758
2002	13,633,196	1,377	187,892		76,657			7,558,291

Table 8.14

	<u>Area 3A</u>
1990	28,848,000
1991	22,858,000
1992	26,782,000
1993	22,738,000
1994	24,844,000
1995	18,342,000
1996	19,696,000
1997	24,628,000
1998	25,703,000
1999	24,670,000
2000	18,066,096
2001	21,071,467
2002	22,560,168

Table 8.15

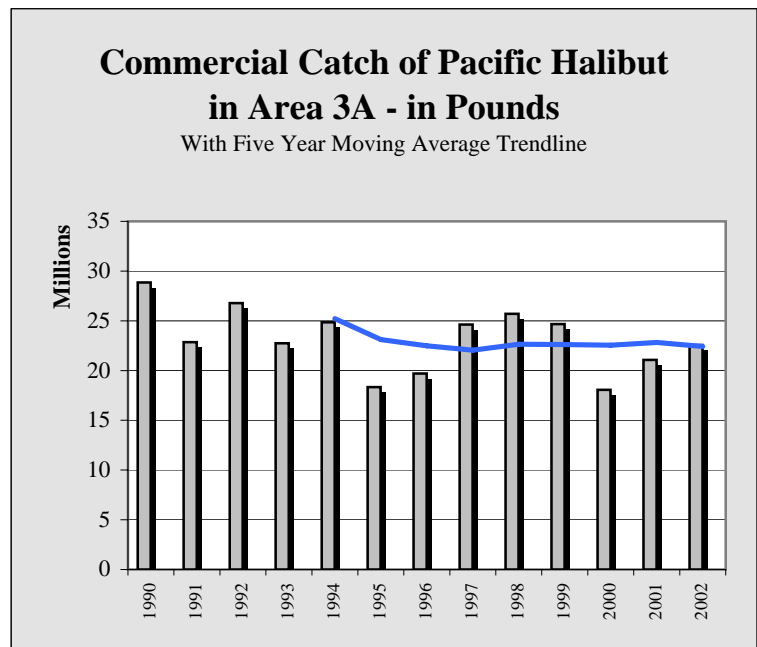


Chart 8.13

KPB Commercial Fishing Industry

Halibut Permit Activity

Permit and Fishing Activity by Area - 2000, 2001, 2002

	Number of Permit Holders			Number of Permits Fished			Total Pounds Landed			Estimated Gross Earnings in \$		
	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002
Anchor Point	33	28	25	24	23	11	477,732	276,399	10,128	1,208,495	537,489	3,449
Clam Gulch	7	7	7	6	4	1	X	60,161	X	X	121,751	X
Fritz Creek	5	4	4	3	4	2	X	38,087	X	X	76,490	X
Halibut Cove	3	3	5	2	3	4	X	X	3,214	X	X	931
Homer	197	205	197	167	173	60	4,042,329	4,551,938	98,260	9,869,479	8,788,833	83,605
Hope	1	0	0	0	0	0	0	X	0	0	0	0
Kasilof	20	19	19	12	12	4	102,403	105,112	9,367	258,805	209,027	2,766
Kenai	49	44	39	33	35	11	206,577	250,461	10,537	524,037	465,671	4,628
Nikiski	9	8	6	6	5	2	25,604	35,836	X	65,942	68,908	X
Nikolaevsk	10	11	9	8	11	3	150,623	124,135	X	381,059	241,903	X
Ninilchik	9	8	9	8	6	6	64,853	76,177	3,854	158,792	140,576	786
Port Graham	1	1	0	1	1	0	X	X	0	X	X	0
Seldovia	18	18	15	16	12	4	390,630	166,346	5,893	989,216	325,143	1,667
Seward	29	31	29	26	25	9	742,834	888,948	8,582	1,872,125	1,772,728	4,620
Soldotna	39	40	35	27	28	16	208,162	145,949	8,858	526,056	286,296	3,469
Sterling	6	6	5	6	5	2	38,042	37,162	X	94,096	72,630	X
KPB	435	433	404	346	350	135	6,596,089	7,202,498	177,706	16,326,751	13,982,657	114,649

Table 8.16

Confidentiality - When 3 or less permits are fished in a fishery, data is masked with an 'X' and is not included in totals. 2002 data is preliminary.

Halibut Harvest by Port of Landing - 2000, 2001, 2002

	Vessel Landings		
	2000	2001	2002
Homer	750	977	917
Kasilof			1
Kenai	56	31	35
Ninilchik	25	20	14
Seldovia	15	10	0
Seward	471	418	446
Total	1,317	1,456	1,413

	Total Catch in Pounds		
	2000	2001	2002
Homer	3,839,245	13,361,782	13,633,196
Kasilof			1,377
Kenai	153,560	181,942	187,892
Ninilchik	87,785	120,614	76,657
Seldovia	2,042	1,815	0
Seward	3,904,536	6,121,758	7,558,291
Total	7,987,168	19,787,911	21,457,413

Table 8.17

2002	Regulatory Area	Vessel Landings	Total Catch in -Pounds
Homer	2C	2	2,247
	3A	605	5,724,236
	3B	280	6,795,733
	4A	22	799,781
	4B	3	102,271
	4D	5	208,928
Homer Total		917	13,633,196
Kasilof	3A	1	1,377
Kenai	3A	35	187,892
Ninilchik	3A	14	76,657
Seward	2C	4	30,051
	3A	376	5,681,337
	3B	63	1,723,295
	4A	2	57,240
	4D	1	66,368
Seward Total		446	7,558,291
KPB Total		1,413	21,457,413

Table 8.18

Data listed in the tables above and to the right represent fishing activity in various harvest areas but brought to port within the city or community listed.

KPB Commercial Fishing Industry

Insert Halibut Fisheries Map

The above map indicates the massive region regulated by the International Pacific Halibut Commission. Cook Inlet halibut are part of Regulatory Area 3A, but halibut brought to port within the KPB may be harvested in any of the areas.

KPB Commercial Fishing Industry

KPB Fishing Permit Activity - All Fisheries

KPB Permit and Fishing Activity By Year – 1990-2002						
All Fisheries, All Areas, All Permits - 2002 data is preliminary						
	Number of Permit Holders	Number of Permits Issued	Number of Fishermen Fishing	Number of Permits Fished	Total Pounds Landed	Estimated Gross Earnings in \$
	Permit Activity		Fishing Activity			
1990	2,127	4,323	1,649	2,545	101,211,771	96,986,209
1991	2,014	4,214	1,560	2,630	102,788,836	68,161,766
1992	1,905	4,072	1,510	2,634	148,608,061	130,078,721
1993	1,743	3,649	1,386	2,281	105,517,307	71,709,248
1994	1,705	3,524	1,339	2,282	105,429,540	79,584,861
1995	1,596	3,097	1,291	1,986	110,934,063	75,031,849
1996	1,563	2,942	1,271	1,954	96,030,218	73,551,425
1997	1,568	3,010	1,268	1,951	102,781,311	69,150,212
1998	1,548	2,885	1,193	1,748	94,509,732	49,511,063
1999	1,535	2,712	1,193	1,684	107,199,357	78,774,257
2000	1,551	2,661	1,183	1,692	101,454,080	62,474,135
2001	1,539	2,546	1,106	1,576	97,748,804	47,667,673
2002	1,471	2,327	938	1,195	94,425,208	34,897,482

Table 8.19

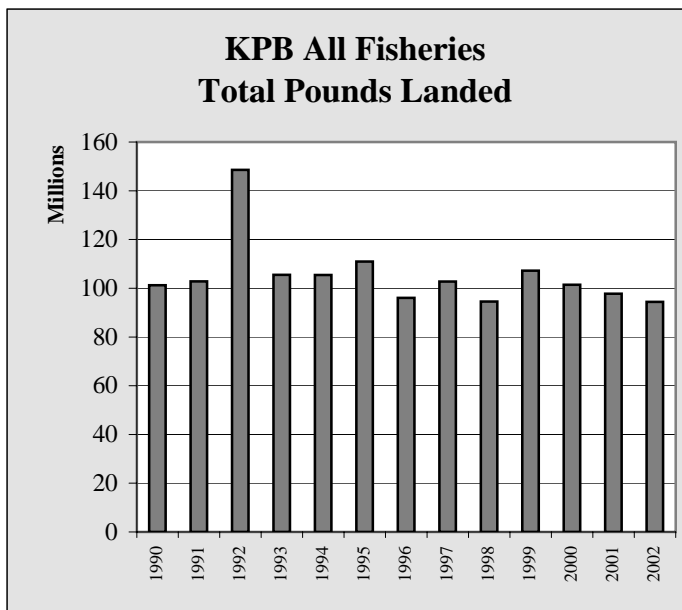


Chart 8.14

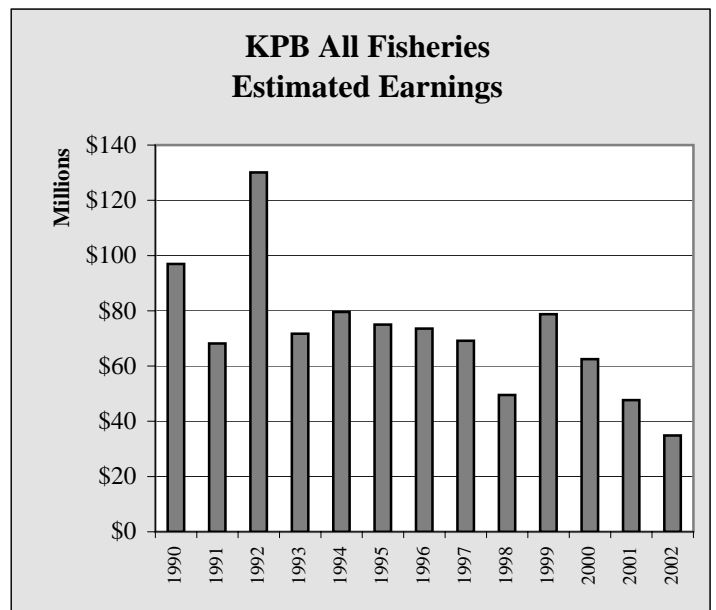


Chart 8.15

Commercial Fishing Industry

Permit and Fishing Activity by Census Area/City 2000, 2001, 2002 All Fisheries Combined

	Number of Permit Issued			Number of Permits Fished			Total Pounds Landed			Estimated Gross Earnings in \$		
	2000	2001	2002	2000	2001	2002	2000	2001	2002	2000	2001	2002
Anchor Point	168	156	113	107	83	55	4,223,447	3,039,109	2,159,507	3,192,900	1,681,264	803,269
Clam Gulch	46	45	51	29	31	29	419,606	762,810	837,825	418,570	528,806	434,213
Cooper Landing	4	3	4	2	2	3		X	X	X	X	X
Nanwalek	7	6	6	3	0	5	X	0	62,161	X	0	41,271
Fritz Creek	26	22	21	18	12	10	454,488	580,442	502,622	339,916	441,829	320,693
Halibut Cove	11	11	11	7	8	8	198,044	212,238	159,470	348,835	307,917	78,474
Homer	1,150	1,078	965	708	661	453	62,341,558	58,503,424	56,930,884	36,939,987	27,160,841	18,666,362
Hope	2	1	1	0	0	0	0	0	0	0	0	0
Kasilof	208	207	211	137	134	127	3,663,094	5,894,079	6,493,047	1,790,015	2,110,833	2,192,682
Kenai	317	317	310	209	212	184	4,415,956	5,068,901	6,114,684	3,323,759	2,816,014	3,186,891
Moose Pass	2	2	2	2	1	1	X	X	X	X	X	X
Nikiski	71	71	63	51	47	47	965,734	924,166	1,529,201	616,932	475,144	598,155
Nikolaevsk	31	38	36	27	32	20	913,334	604,599	1,066,353	933,053	517,565	381,936
Ninilchik	68	69	69	47	46	41	898,597	915,235	1,193,717	576,833	631,551	607,078
Port Graham	15	14	10	5	3	0	139,346	X	0	67,920	X	0
Seldovia	104	102	83	60	57	27	3,839,415	2,895,766	2,005,624	3,311,932	2,625,346	1,412,616
Seward	164	156	133	86	79	52	9,219,602	8,743,698	5,904,428	7,026,422	5,431,753	3,391,049
Soldotna	220	202	192	159	137	113	9,152,363	8,525,974	8,934,570	3,179,233	2,523,560	2,500,832
Sterling	26	26	26	19	18	14	379,724	876,812	434,686	239,523	298,498	235,058
Tyonek	20	20	20	17	13	7	117,748	44,572	6,038	80,038	26,661	6,681
Kenai Peninsula Borough	2,661	2,546	2,327	1,692	1,576	1,195	101,454,080	97,748,804	94,425,208	62,474,135	47,667,673	34,897,482

Table 8.20

2002 data is preliminary.

This page intentionally left blank.

KPB Oil 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 Statehood 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 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 facilities 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.

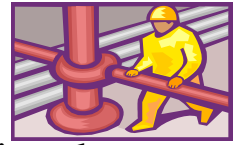
Economic impacts of the industry are positive and varied. The tax revenue base increases as wage earners spend earnings that cycle through the economy. Property values increase as productivity and demand increase. The resultant municipal revenues allow for infrastructure development providing amenities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

Employment in the KPB Oil & 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 occurred in 1980. During 2002, there were 1,739 positions, accounting for 9.9% of KPB total employment.

Industry Taxable Properties are reported near \$640,000,000, a major source of municipal revenues through property taxes. Taxable Sales have a lesser impact on the economy due to exempt status on most industry sales. While Gross Sales account for 12-14% of KPB Gross Sales, industry Taxable Sales account for less than 1% of the KPB Total. Many issues face the oil and gas industry in the coming years. Most producing oil and gas fields in the Cook Inlet basin are mature fields long past their expected peak production volumes. New exploration of smaller prospects will face higher development costs than previously developed fields. Other issues, as identified by the oil and gas industry, include problems with regulatory transparency, taxation issues and reasonable access to the resource for development. These issues will need to be addressed, especially in light of the importance of natural gas to the economy of the Borough.

South-central Alaska depends on Cook Inlet natural gas for almost all power generation and heating for homes and businesses. Equally significant is the need for reliable supplies of reasonably priced natural gas for industrial users such as the Agrium nitrogen plant, the Phillips LNG export plant and the BP Exploration GTL plant, all of which generate significant economic impacts on the Kenai Peninsula Borough.

KPB Oil Gas Industry



KPB Oil and Gas History

Timeline for Oil & 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; 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; First west side oil - Beluga River - Standard Oil; Standard Oil broke ground for first Alaskan refinery- became Chevron.
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	Construction of Collier Chemical plant, then UNOCAL, recently sold to Agrium;
1969	Construction of Phillips/Marathon LNG plant, 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; Steelhead Platform explosion.
1989	March 24 - Exxon Valdez tanker runs aground in Prince William Sound spilling 232,000 barrels of crude.
1991	Sunfish discovery by ARCO; Chevron closed due to marginal profitability and 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; Lease sale by University of Alaska, property south of Soldotna, bids on 4 of 5 tracts, total \$152,198; Stewart Petroleum filed for Chapter 11 Bankruptcy.
1997	Fourth federal lease sale in Lower Cook Inlet; Through 1997, 39 Cook Inlet lease sales to date; 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; Natchiq Inc. ships first truckable modules from its site in Nikiski; Marathon begins production from new gas well in Sterling gas field.
2000	Phillips Petroleum purchases Arco Alaska, British Petroleum prepares for construction of experimental gas-to-liquids plant in Nikiski, Agrium purchases Unocal fertilizer plant
2001	British Petroleum's gas-to-liquids plant takes shape, prepares to begin operations.
2002	Preliminary work begins on Kenai-Kachemak Pipeline; ConocoPhillips completes 1st well at Cosmopolitan prospect.

Table 9.1

KPB Oil and Gas Industry

Production

Year	Net Historical Oil Production* (1,000 Brls)	Annual Percent Change		Net Historical Gas Production** (mcf)	Annual Percent Change
1958	36			6	
1959	187	419.44%		27	350.00%
1960	558	198.40%		0	-100.00%
1961	6,327	1033.87%		1508	#DIV/0!
1962	10,259	62.15%		3297	118.63%
1963	10,740	4.69%		4334	31.45%
1964	11,054	2.92%		6244	44.07%
1965	11,131	0.70%		7,300	16.91%
1966	14,364	29.05%		12,449	70.53%
1967	28,914	101.29%		24,650	98.01%
1968	66,149	128.78%		41,533	68.49%
1969	74,110	12.03%		80,328	93.41%
1970	82,944	11.92%		145,223	80.79%
1971	78,337	-5.55%		155,673	7.20%
1972	73,249	-6.50%		148,515	-4.60%
1973	73,006	-0.33%		137,754	-7.25%
1974	70,868	-2.93%		143,005	3.81%
1975	69,876	-1.40%		154,578	8.09%
1976	63,174	-9.59%		153,282	-0.84%
1977	56,959	-9.84%		161,575	5.41%
1978	50,947	-10.55%		179,101	10.85%
1979	43,681	-14.26%		184,716	3.14%
1980	36,728	-15.92%		179,263	-2.95%
1981	31,613	-13.93%		192,880	7.60%
1982	27,909	-11.72%		196,060	1.65%
1983	25,144	-9.91%		210,665	7.45%
1984	22,344	-11.14%		211,734	0.51%
1985	17,167	-23.17%		216,892	2.44%
1986	17,865	4.07%		191,273	-11.81%
1987	16,418	-8.10%		189,301	-1.03%
1988	15,911	-3.09%		196,613	3.86%
1989	15,389	-3.28%		198,371	0.89%
1990	11,167	-27.44%		205,488	3.59%
1991	15,363	37.57%		203,066	-1.18%
1992	15,197	-1.08%		204,452	0.68%
1993	13,871	-8.73%		200,506	-1.93%
1994	15,584	12.35%		214,011	6.74%
1995	15,530	-0.35%		214,463	0.21%
1996	14,604	-5.96%		222,991	3.98%
1997	12,157	-16.76%		214,739	-3.70%
1998	11,812	-2.84%		214,950	0.10%
1999	10,905	-7.68%		210,703	-1.98%
2000	10,316	-5.40%		218,023	3.47%
2001	11,497	11.45%		193,013	-11.47%
2002	11,284	-1.85%		195,059	1.06%

Table 9.2

* - Crude oil includes natural gas liquids

** - Casinghead gas less injected

KPB Oil Gas Industry

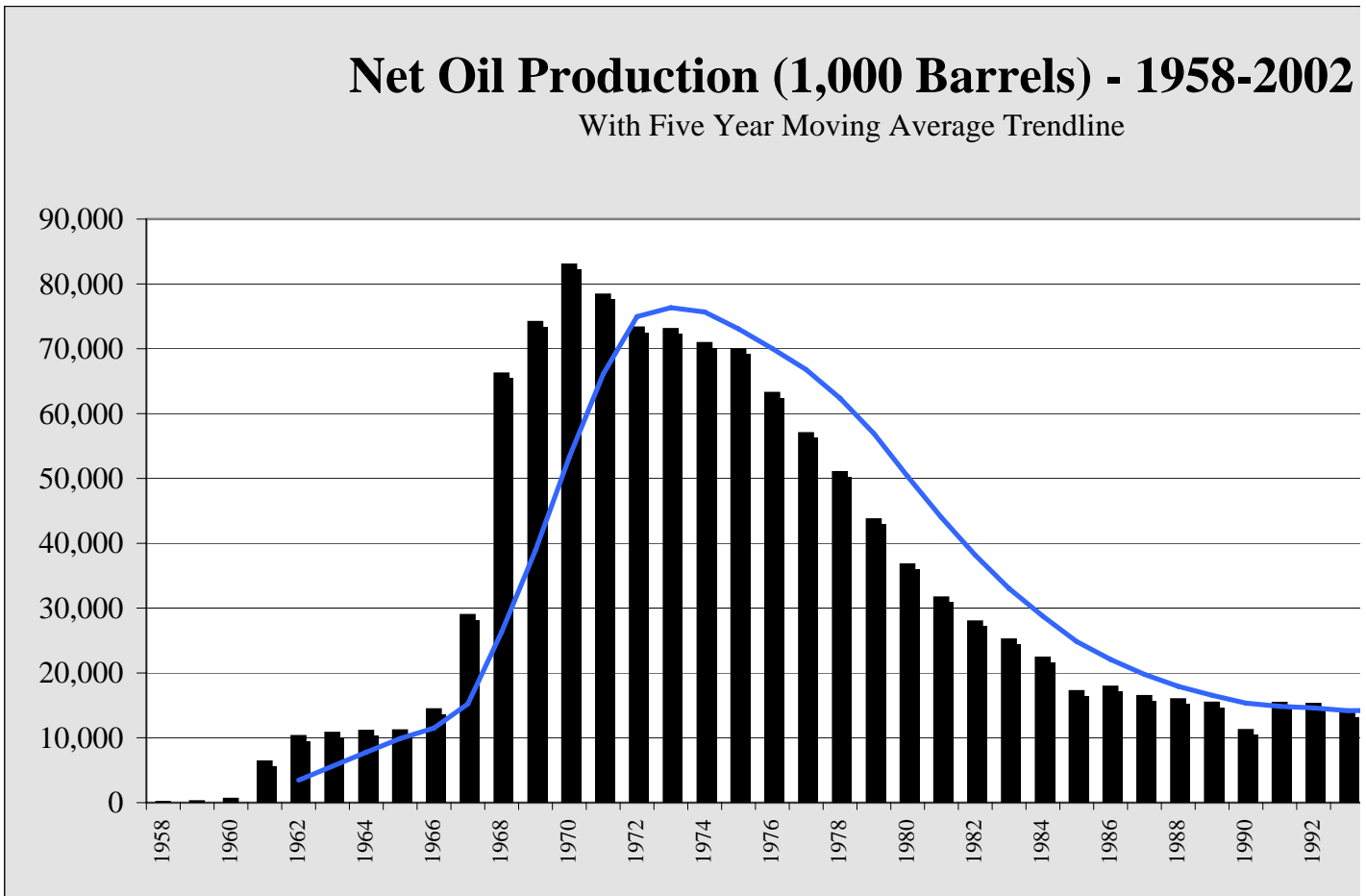


Chart 9.1

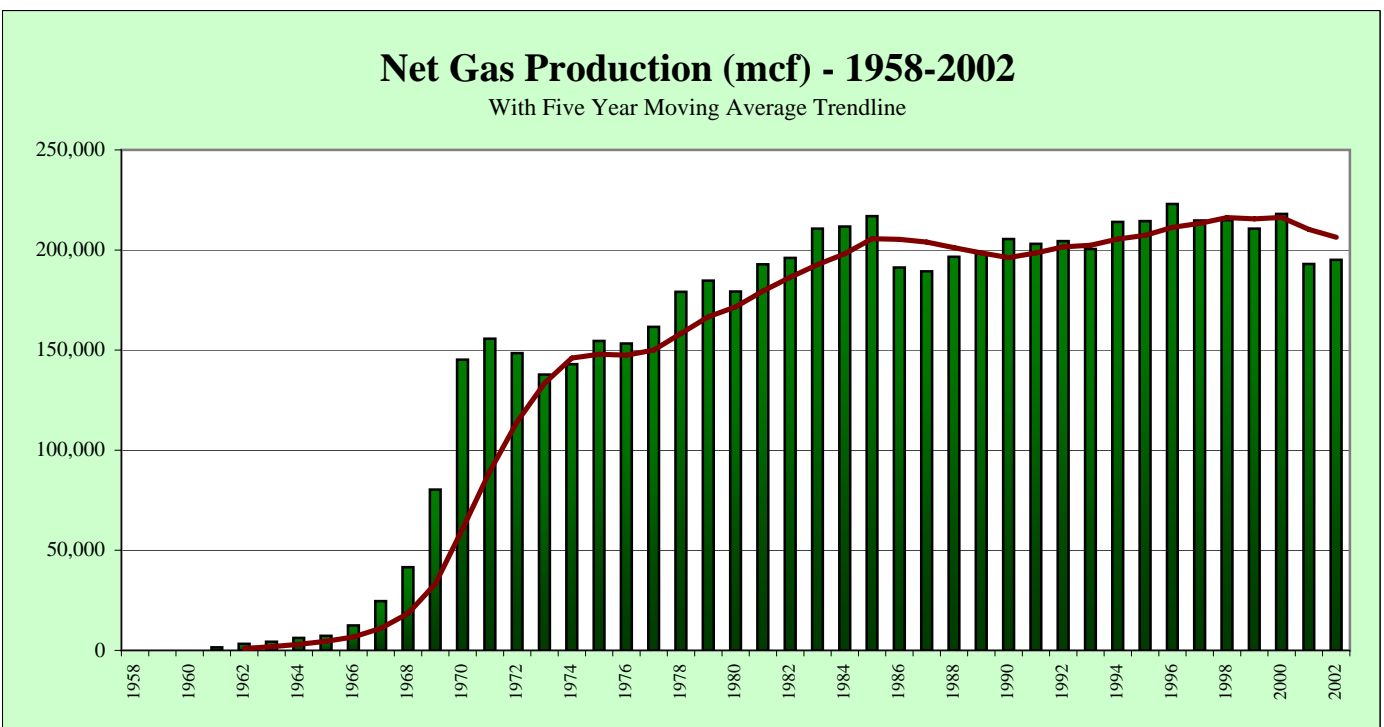


Chart 9.2

KPB Oil and Gas Industry

FIELD NAME	TYPE OF FIELD	LOCATION in COOK INLET	UNIT	Expr1005	OPERATOR	PRODUCTION STATUS	FM OR GP RESERVOIR	DATE DISCOVERED	OPERATOR DISCOVERY
STARICHKOF	OIL	east side, offshore.	Cosmopolitan	4/1/1967	Forest	undeveloped	Tertiary Hemlock Conglomerate	4/1/1967	PENZOIL
BEAVER CREEK	OIL & GAS	east side, onshore.	Beaver Creek	12/17/1972	UNOCAL	prod. began 1973	Tertiary Hemlock, Lower Tyonek and Beluga fms.	12/17/1972	MARATHON
BIRCH HILL	GAS	east side, onshore.	Birch Hill	6/9/1965	Phillips	shut-in 1965	Tertiary Tyonek Formation	6/9/1965	CHEVRON
CANNERY LOOP	GAS	east side, onshore.	Cannery Loop	6/24/1979	Marathon	prod. began 1988	Tertiary Tyonek Formation	6/24/1979	UNOCAL
CANNERY LOOP BELUGA	GAS	east side, onshore.	Cannery Loop	6/24/1979	Marathon	prod. began 1988	Tertiary Beluga Formation.	6/24/1979	UNOCAL
CANNERY LOOP STERLING	GAS	east side, onshore.	Cannery Loop	10/23/2000	Marathon	prod. began 2000	Tertiary Sterling Formation	10/23/2000	Marathon
FALLS CREEK	GAS	east side, onshore.	Falls Creek	4/10/1961	Marathon	shut-in 1961	Tertiary Tyonek Formation	4/10/1961	CHEVRON
KENAI	GAS	east side, onshore.	Kenai	10/11/1959	Marathon	prod. began 1961	Tertiary Beluga Formation	10/11/1959	UNOCAL
KENAI STERLING	GAS	east side, onshore.	Kenai		Marathon		Tertiary Sterling Formation		
NORTH FORK	GAS	east side, onshore.	North Fork	12/20/1965	UNOCAL	shut-in 1965	Tertiary Tyonek Formation	12/20/1965	CHEVRON
STERLING	GAS	east side, onshore.	Sterling	7/11/1961	Marathon	prod. began 1962	Tertiary Sterling Formation	7/11/1961	UNOCAL
STERLING BELUGA	GAS	east side, onshore.	Sterling	1/19/1999	Marathon	prod. began 1999	Tertiary Beluga Formation	1/19/1999	UNOCAL
STERLING TYONEK	GAS	east side, onshore.	Sterling		Marathon		Tertiary Tyonek Formation		
SWANSON RIVER	OIL & GAS	east side, onshore.	Swanson River	7/19/1957	UNOCAL	prod. began 1960	Tertiary Hemlock, Tyonek, Beluga, Sterling fms.	7/19/1957	RICHFIELD
WEST FORK	GAS	east side, onshore.		9/26/1960	CIRI	prod. began 1978	Tertiary Sterling Formation	9/26/1960	HALBOUTY
MIDDLE GROUND SHOAL	OIL	mid channel, offshore.	N & S MGS	6/10/1962	UNOCAL/ Cross Timbers	prod. began 1967	Tertiary Hemlock Conglomerate	6/10/1962	PAN AM
N MID GROUND SH (MGS)	GAS	mid channel, offshore.	N Mid Ground Sh	6/10/1962	UNOCAL	prod. began 1982	Tertiary Tyonek Formation	6/10/1962	PAN AM
N MIDDLE GROUND SHOAL	GAS	mid channel, offshore.		11/15/1964	UNOCAL/ Cross Timbers	undeveloped	Tertiary Tyonek Formation	11/15/1964	PAN AM
NORTH COOK INLET	GAS	mid channel, offshore.	N Cook Inlet	8/21/1962	Phillips	prod. began 1970	Tertiary Tyonek, Beluga and Sterling fms.	8/21/1962	PAN AM
TYONEK DEEP	OIL	mid channel, offshore.	N Cook Inlet	11/5/1991	Phillips	undeveloped	Tertiary Tyonek Fm., Sunfish sand	11/5/1991	ARCO
GRANITE POINT	OIL & GAS	west side, offshore.		5/16/1965	UNOCAL	prod. began 1967	Tertiary Hemlock Conglomerate	5/16/1965	MOBIL
GRANITE POINT TYONEK	GAS	west side, offshore.		8/5/1965	UNOCAL	prod. began 1995	Tertiary Tyonek Formation	8/5/1965	
MCARTHUR RIVER	OIL & GAS	west side, offshore.	Trading Bay	9/29/1965	UNOCAL	prod. began 1967	Tertiary W Foreland, Hemlock, Tyonek fms.	9/29/1965	UNOCAL
MCARTHUR RIVER TYONEK	GAS	west side, offshore.	Trading Bay		UNOCAL		Tertiary Tyonek Formation		
REDOUBT SHOAL	OIL	west side, offshore.	Redoubt Shoal	9/21/1968	Forest	prod. begins in 2001	Tertiary Hemlock Conglomerate	9/21/1968	PAN AM
TRADING BAY	OIL	west side, offshore.	N Trading Bay	6/17/1965	UNOCAL	prod. began 1967	Tertiary Hemlock Conglomerate	6/17/1965	CHEVRON
TRADING BAY TYONEK	GAS	west side, offshore.	N Trading Bay		UNOCAL		Tertiary Tyonek Formation		
ALBERT KALOA	GAS	west side, onshore.		1/4/1968	CIRI	shut-in 1971	Tertiary Tyonek Formation	1/4/1968	PAN AM
BELUGA RIVER	GAS	west side, onshore.	Beluga River	12/1/1962	Phillips	prod. began 1968	Tertiary Beluga Formation	12/1/1962	CHEVRON
IVAN RIVER	GAS	west side, onshore.	Ivan River	10/8/1966	UNOCAL	prod. began 1990	Tertiary Tyonek Formation	10/8/1966	CHEVRON
LEWIS RIVER	GAS	west side, onshore.	Lewis River	10/1/1975	UNOCAL	prod. began 1984	Tertiary Tyonek and Beluga formations	10/1/1975	CITIES
LONE CREEK	GAS	west side, onshore.	Moquawkie	10/12/1998	Anadarko	undeveloped	Tertiary Tyonek Fm.	10/12/1998	ANADARKO
MOQUAWKIE	GAS	west side, onshore.	Moquawkie	11/28/1965	CIRI	shut-in 1979	Tertiary Tyonek Formation	11/28/1965	MOBIL
NICOLAI CREEK	GAS	west side, onshore.	Nicolai Creek	4/28/1966	UNOCAL	shut-in 1977	Tertiary Tyonek and Beluga formations	4/28/1966	TEXACO
PRETTY CREEK	GAS	west side, onshore.	Pretty Creek	2/20/1979	UNOCAL	prod. began 1986	Tertiary Beluga Formation	2/20/1979	CHEVRON
STUMP LAKE	GAS	west side, onshore.	Stump Lake	5/14/1978	UNOCAL	Shut-in 2000, start-up 1990, shut-in 1978	Tertiary Beluga Formation	5/14/1978	CHEVRON
WEST FORELAND	GAS	west side, onshore.		3/29/1962	Phillips	shut-in 1962	Tertiary Tyonek Formation	3/29/1962	AMOCO
WEST MCARTHUR RIVER	OIL & GAS	west side, onshore.	W Mcarthur River	12/2/1991	Forest	prod. began 1994	Tertiary Hemlock Conglomerate	12/2/1991	STEWART
WOLF LAKE	GAS	west side, onshore.		11/12/1983	Marathon	prod. began 2001, Nov.	CONFIDENTIAL	11/12/1983	ARCO/CIRI

KPB Oil and Gas Industry

Beaver Creek Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/ Abandoned	Total Wells
Marathon Oil Co	1972	Marathon Oil Co	2	4	2	3	11
Cumulative Year End 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas				
	5,502,260	46,243	1,973,680				
2002	Crude Oil BBL	Water BBL	Gas - MCF				
January	6,604	361	1,989				
February	5,775	331	1,884				
March	5,981	47	2,067				
April	6,716	75	2,151				
May	6,240	296	1,879				
June	6,591	183	1,808				
July	7,438	464	1,757				
August	7,129	787	1,834				
September	7,136	670	1,708				
October	7,047	821	1,931				
November	6,589	674	2,016				
December	6,235	1,011	2,058				
Annual Total	79,481	5,720	23,082				
Cumulative Total 12/31/2002	5,581,741	51,963	1,996,762				

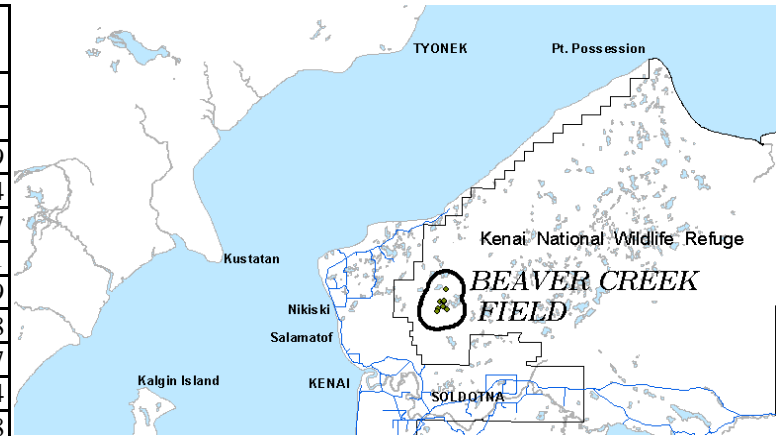
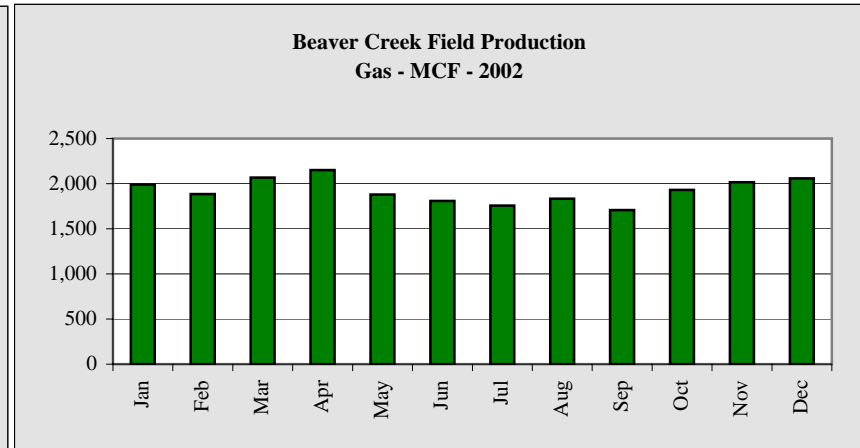
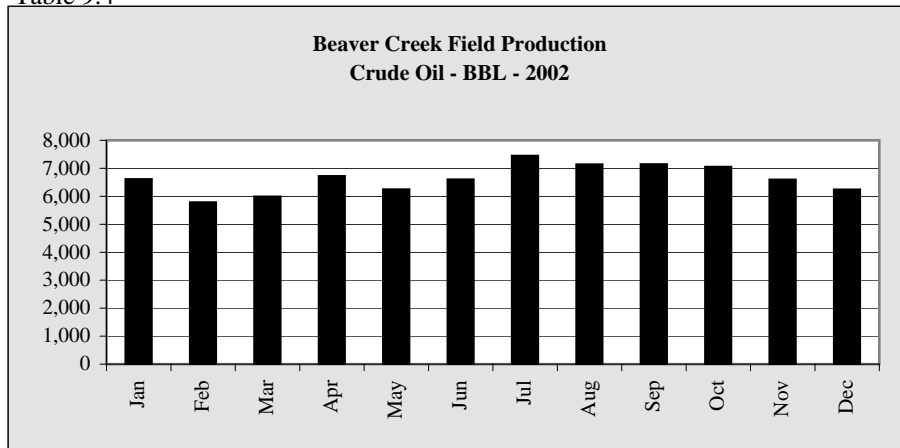


Table 9.4

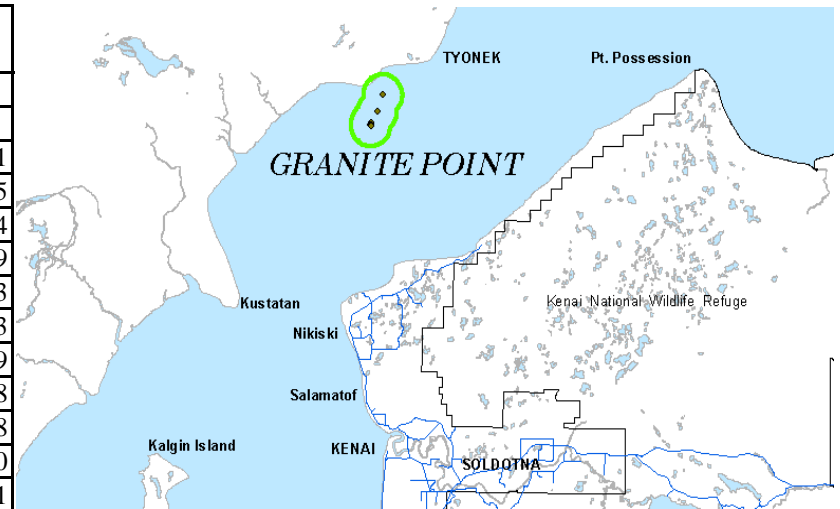


KPB Oil Gas Industry

Granite Point Field

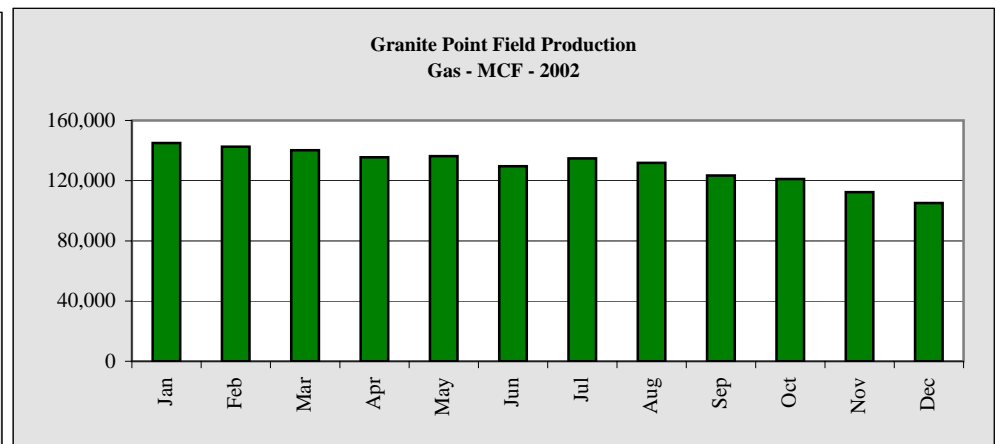
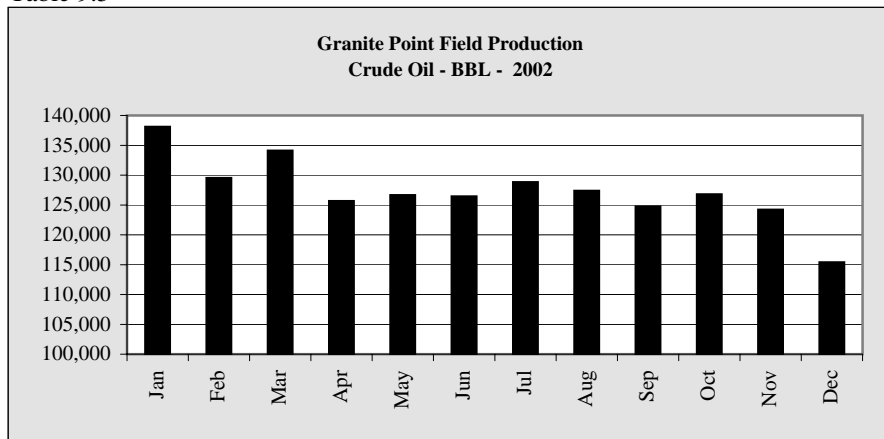
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/ Abandoned	Total Wells
Mobil Oil Corp	1965	Union Oil Co of CA	40	3	19	41	103

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
	137,347,716	15,809,914	122,254,352
2002	Crude Oil BBL	Water BBL	Gas - MCF
	January	138,063	44,841
February	129,485	38,828	142,575
March	134,085	43,491	140,184
April	125,620	43,244	135,579
May	126,614	42,612	136,243
June	126,397	42,814	129,543
July	128,784	43,418	134,769
August	127,354	35,330	131,868
September	124,708	25,461	123,378
October	126,747	37,421	121,100
November	124,180	40,943	112,361
December	115,368	38,017	105,164
Annual Total	1,527,405	476,420	1,557,795
Cumulative Production - 12/31/2002	138,875,121	16,286,334	123,812,147



* - adjusted to cumulative total

Table 9.5

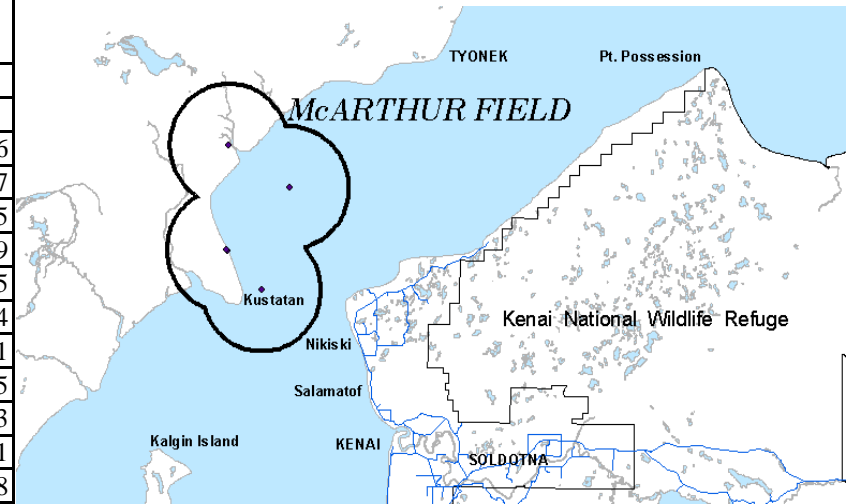


KPB Oil Gas Industry

McArthur Field

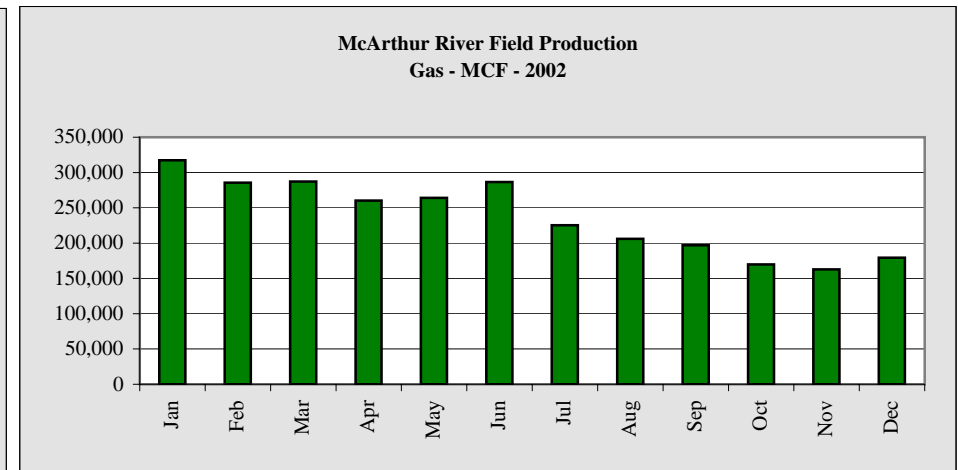
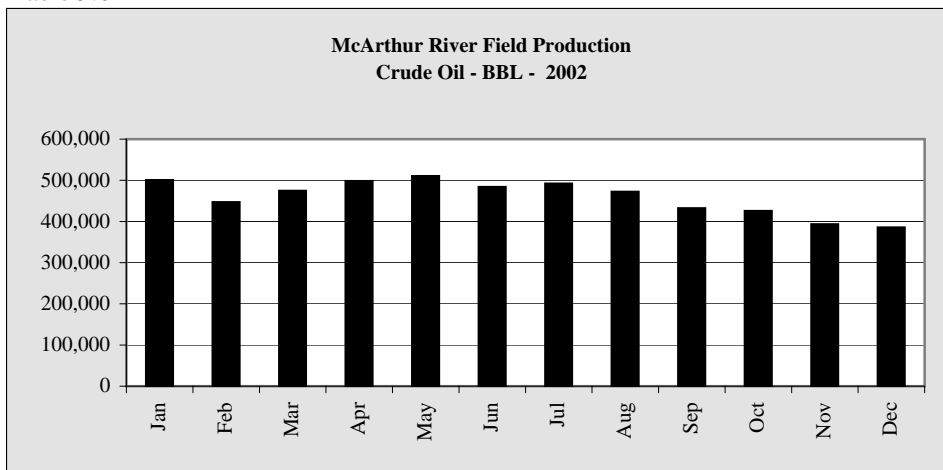
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/ Abandoned	Total Wells
Union Oil Co of CA	1965	Union Oil Co of CA	65	16	29	78	188

	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
Cumulative Production - 12/31/2001	605,894,891	763,431,552	248,983,743
2002	Crude Oil BBL	Water BBL	Gas - MCF
January	499,997	3,559,281	317,256
February	446,464	3,335,172	285,557
March	474,174	3,765,574	287,225
April	497,759	3,701,749	260,159
May	510,012	3,669,414	264,155
June	483,362	3,541,840	286,614
July	491,497	3,492,594	225,371
August	471,619	3,372,722	205,965
September	431,847	3,153,073	196,963
October	425,278	3,382,126	169,691
November	392,914	3,263,474	162,668
December	385,070	3,451,128	179,290
Annual Total	5,509,993	41,688,147	2,840,914
Cumulative Production - 12/31/2002	611,404,884	805,119,699	251,824,657



* - adjusted to cumulative total

Table 9.6



Source - AK DNR

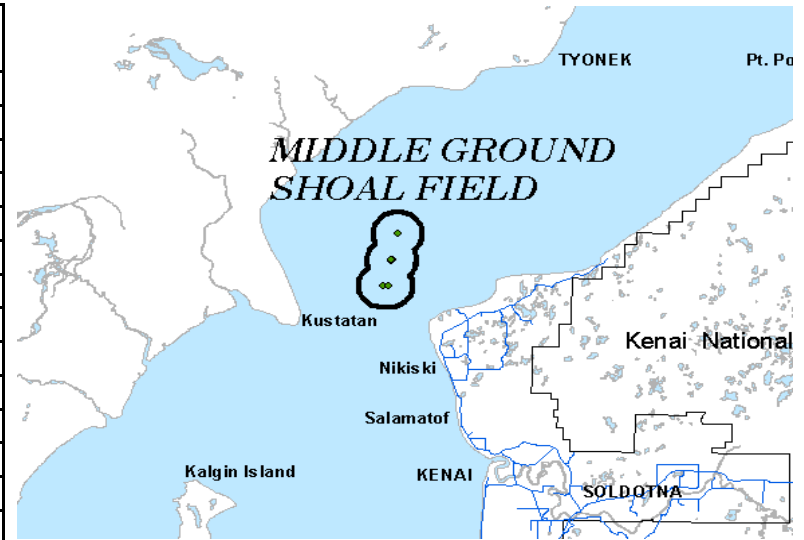
<http://www.state.ak.us/local/akpages/ADMIN/ogc/bul/pindex.htm>

KPB Oil Gas Industry

Middle Ground Shoal Field

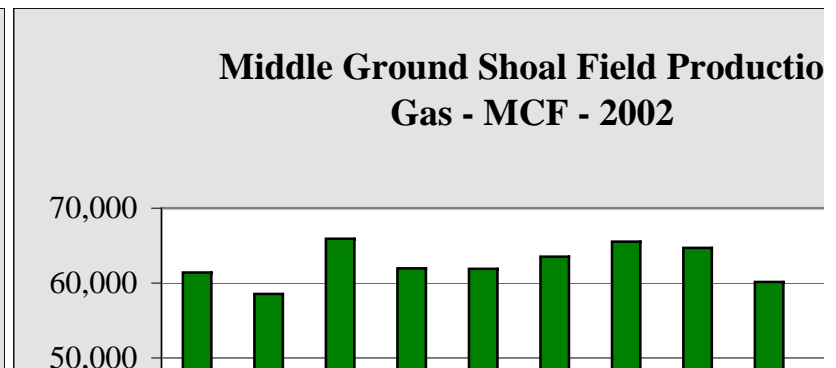
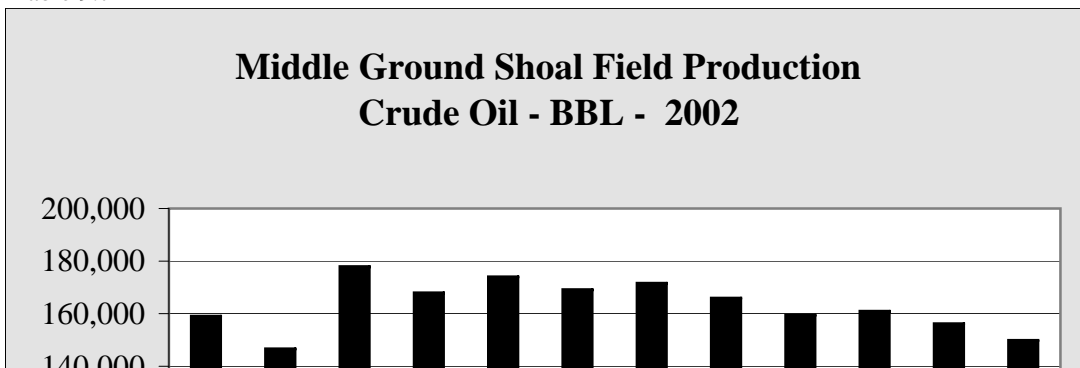
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Pan American Oil Co	1962	Cross Timber/Union Oil	53	3	32	43	131

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
2002	Crude Oil BBL	Water BBL	Gas - MCF
January	159,069	180,005	61,407
February	146,663	165,513	58,539
March	177,974	177,019	65,923
April	167,992	188,120	61,961
May	174,089	204,628	61,908
June	169,205	199,079	63,528
July	171,664	200,818	65,541
August	165,989	201,272	64,705
September	159,549	191,595	60,139
October	160,986	190,311	62,646
November	156,247	173,819	56,801
December	149,938	77,107	48,300
Annual Total	1,959,365	2,149,286	731,398
Cumulative Production - 12/31/2002	188,909,426	106,599,084	91,184,978



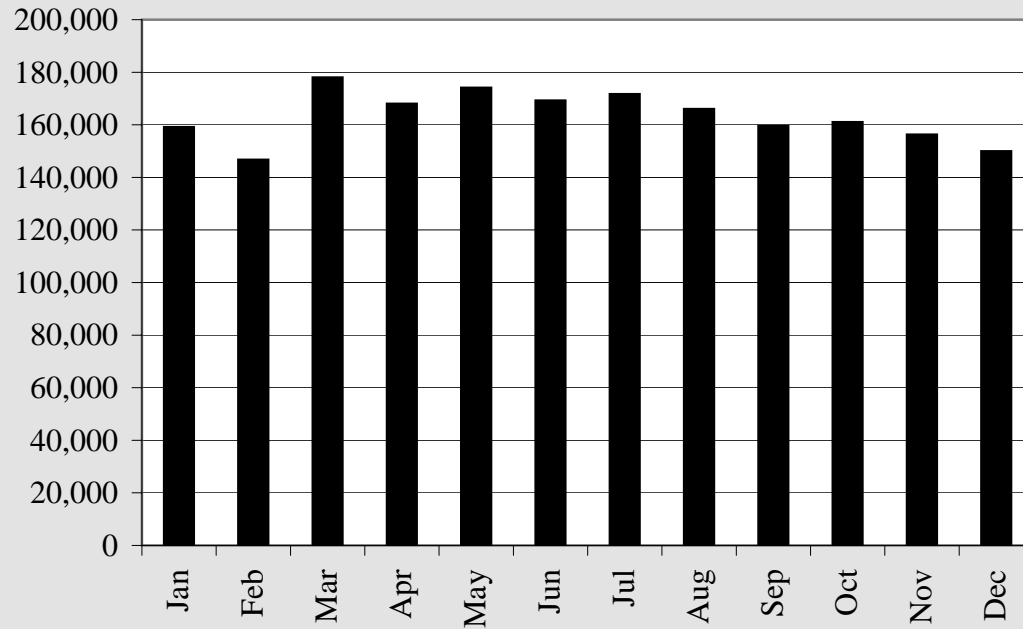
* - adjusted to cumulative total

Table 9.7

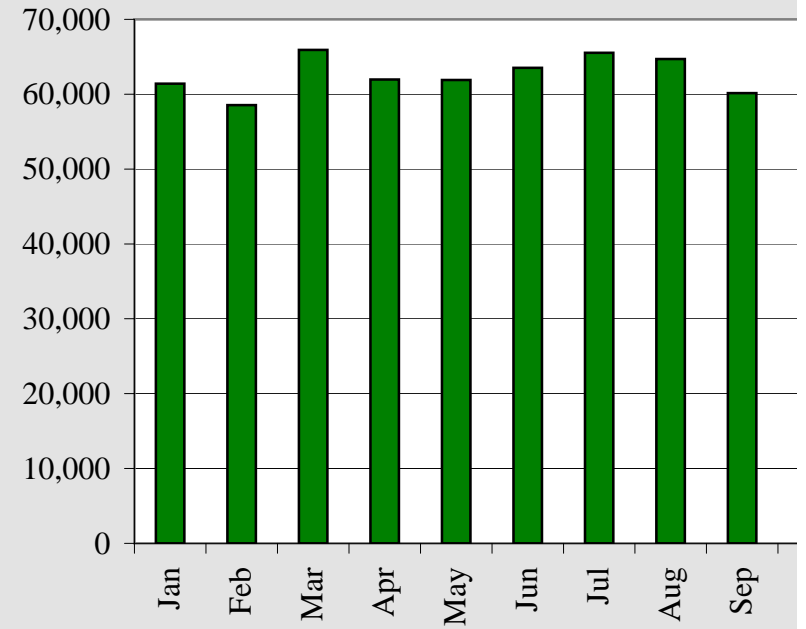


KPB Oil Gas Industry

**Middle Ground Shoal Field Production
Crude Oil - BBL - 2002**



**Middle Ground Shoal Field Production
Gas - MCF - 2002**



KPB Oil and Gas Industry

Swanson River Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Richfield Oil Co	1957	Union Oil Co of CA	51	9	9	64	133

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
	227,448,852	110,191,383	2,837,465,063
2002	Crude Oil BBL	Water BBL	Gas - MCF
January	46,695	206,046	1,520,516
February	40,976	181,844	1,310,695
March	41,166	221,589	1,259,145
April	41,468	217,668	1,242,273
May	41,924	226,554	999,562
June	38,753	212,517	949,572
July	36,082	215,660	838,127
August	34,430	206,498	660,188
September	36,922	213,731	746,325
October	42,560	233,223	905,401
November	37,759	219,120	524,604
December	37,817	218,805	860,386
Annual Total	476,552	2,573,255	11,816,794
Cumulative Production - 12/31/2002	227,925,404	112,764,638	2,849,281,857



* - adjusted to cumulative total

Table 9.9

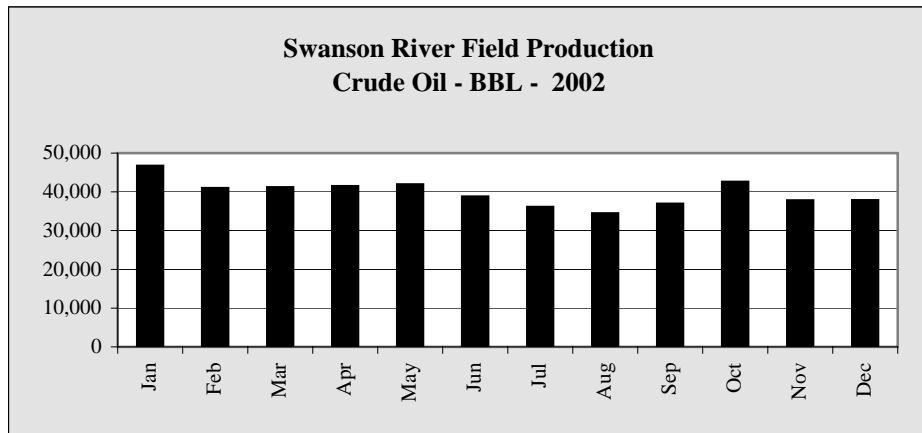


Chart 9.13

Source - AK DNR

<http://www.state.ak.us/local/akpages/ADMIN/ogc/bul/pindex.htm>

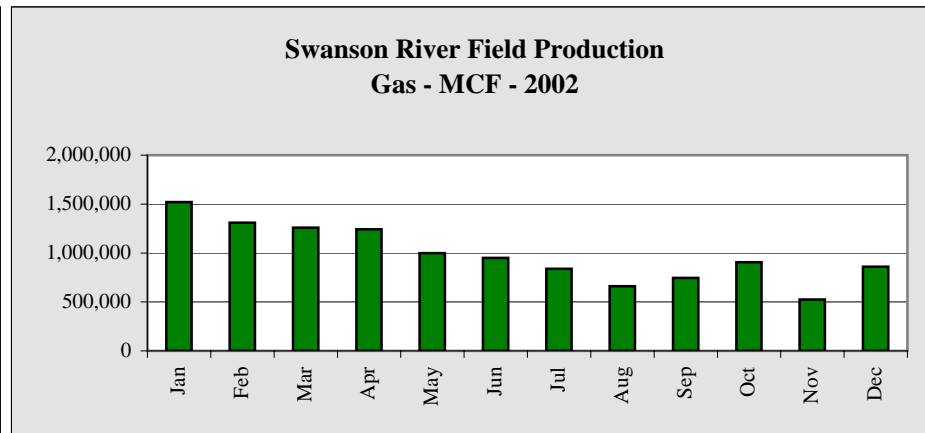


Chart 9.14

KPB Oil and Gas Industry

Trading Bay Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/ Abandoned	Total Wells
Union Oil Co of CA	1965	Union Oil Co of CA	24	1	9	42	76

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
	99,930,929	93,389,538	70,555,807
2002	Crude Oil BBL	Water BBL	Gas - MCF
January	47,666	134,919	33,351
February	47,299	125,823	27,921
March	50,078	140,739	28,672
April	70,751	176,271	44,289
May	68,709	195,605	48,448
June	59,785	187,327	44,273
July	58,873	207,515	43,005
August	53,381	198,754	43,231
September	55,286	191,563	48,600
October	54,626	187,055	35,723
November	46,231	175,156	24,671
December	53,429	179,596	27,265
Annual Total	666,114	2,100,323	449,449
Cumulative Production - 12/31/2002	100,597,043	95,489,861	71,005,256



* - adjusted to cumulative total

Table 9.10

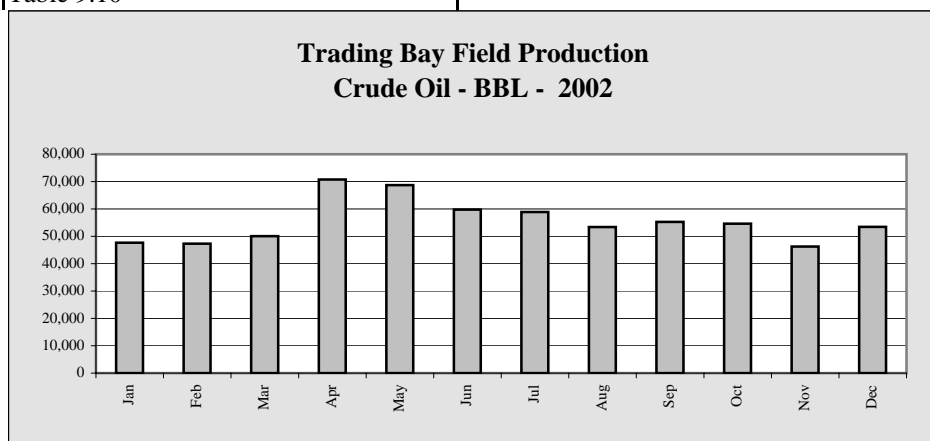


Chart 9.15

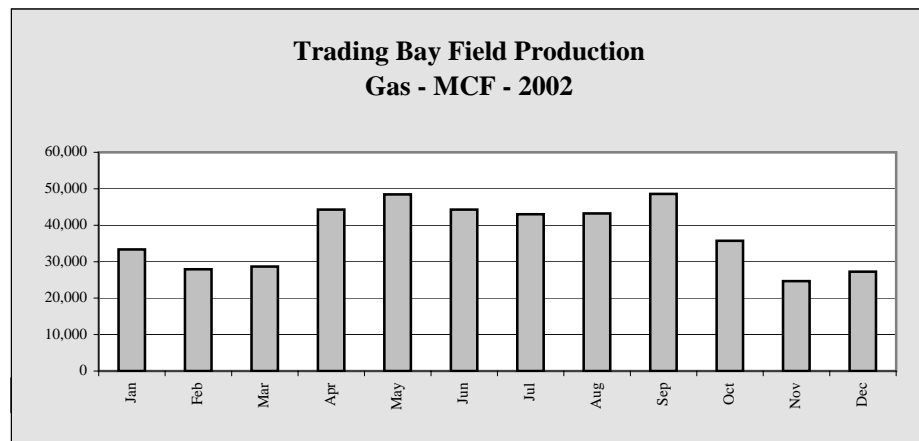


Chart 9.16

Source - AK DNR

<http://www.state.ak.us/local/akpages/ADMIN/ogc/bul/pindex.htm>

KPB Oil and Gas Industry

West McArthur River Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/ Abandoned	Total Wells
Stewart Petroleum Co	1991	Forest Oil Corp	4	0	2	3	9

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
	7,950,910	8,190,363	1,891,943
2002	Crude Oil BBL	Water BBL	Gas - MCF
January	88,570	58,232	20,814
February	77,939	25,486	18,316
March	77,835	27,299	18,291
April	81,795	23,884	19,222
May	81,653	23,381	19,189
June	87,772	28,247	20,626
July	83,910	27,181	19,719
August	83,130	30,639	19,536
September	80,487	33,692	18,915
October	99,031	50,098	23,272
November	88,721	60,847	20,849
December	87,555	64,418	20,575
Annual Total	1,018,398	453,404	239,324
Cumulative Production - 12/31/2002	8,969,308	8,643,767	2,131,267



* - adjusted to cumulative total

Table 9.11

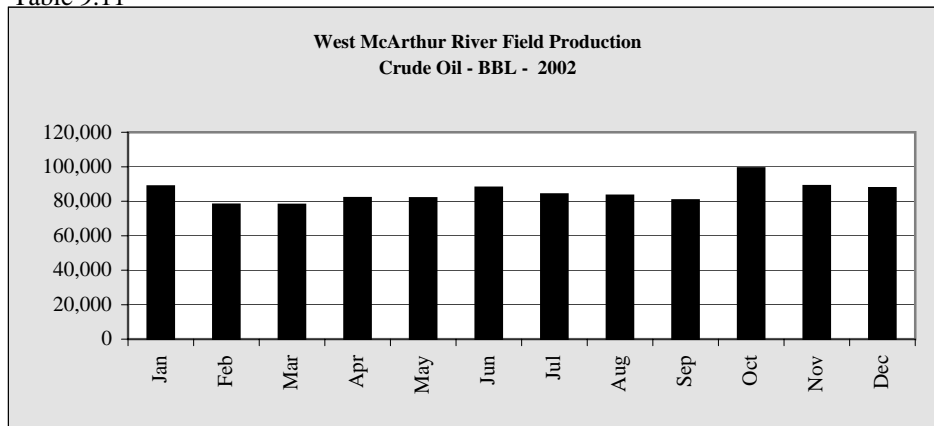


Chart 9.17

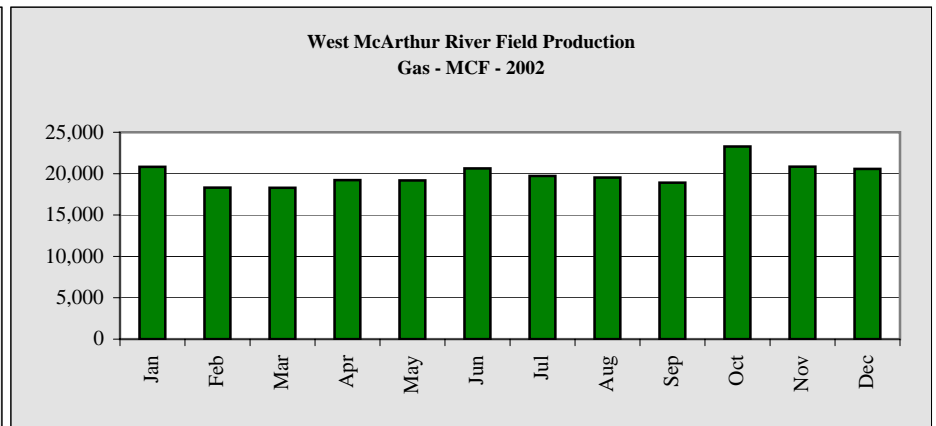


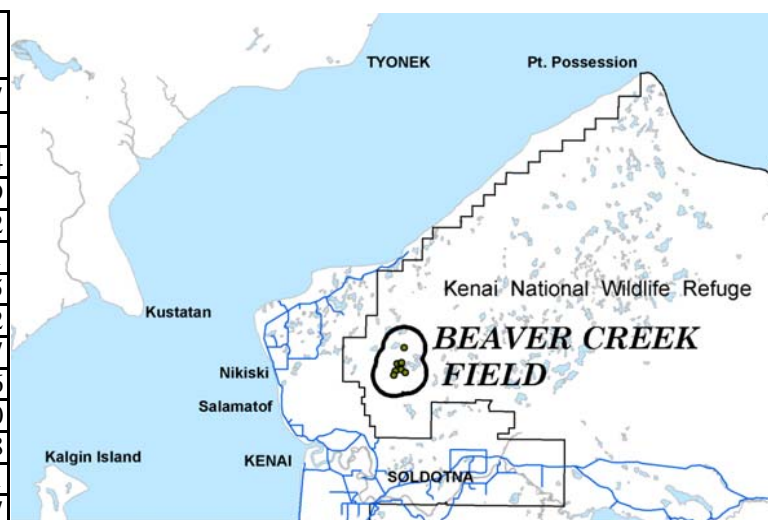
Chart 9.18

KPB Oil and Gas Industry

Beaver Creek Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Marathon Oil Co	1967	Marathon Oil Co	2	4	2	3	11

	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
Cumulative Production - 12/31/2001	0	653,537	153,755,757
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		1,259	764,224
February		2,177	659,519
March		2,398	750,362
April		2,008	676,171
May		1,403	457,175
June		2,139	736,752
July		1,900	781,907
August		2,327	757,596
September		1,327	707,650
October		1,305	697,758
November		1,450	678,871
December		1,756	857,117
Annual Total	0	21,449	8,525,102
Cumulative Production - 12/31/2002	0	674,986	162,280,859



* - adjusted to cumulative total

Table 9.12

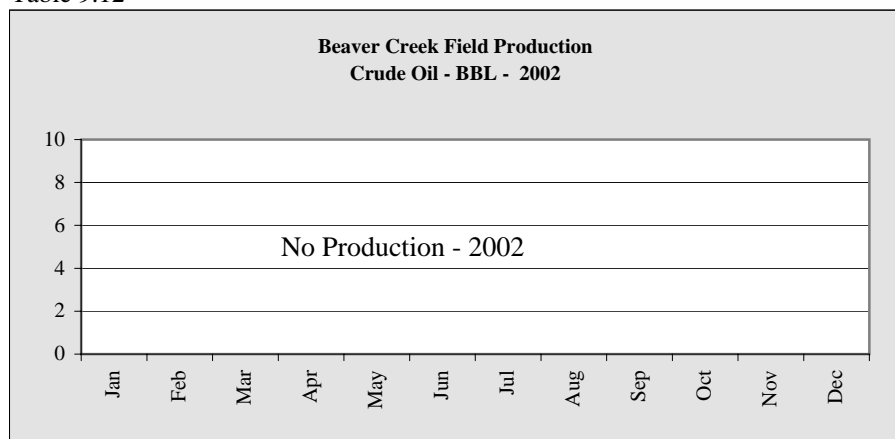


Chart 9.19

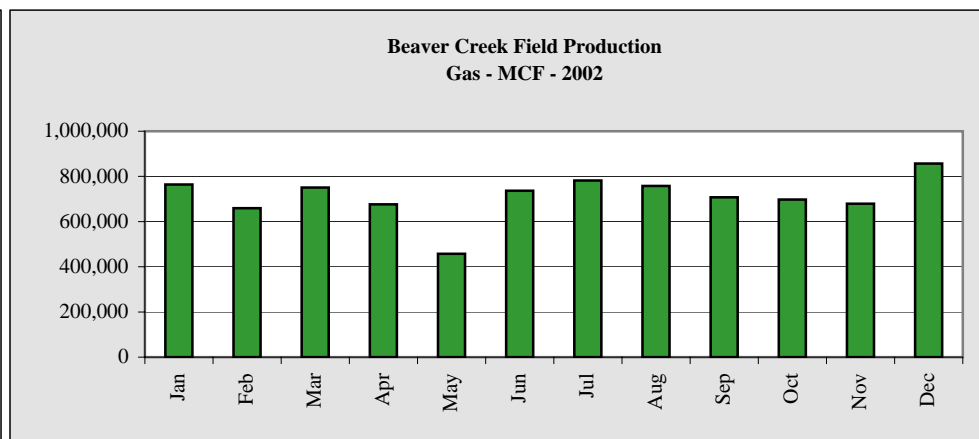


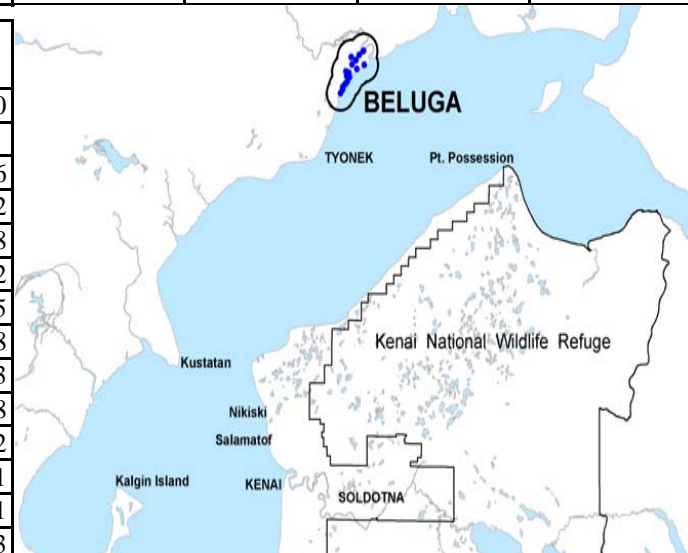
Chart 9.20

KPB Oil and Gas Industry

Beluga River Field

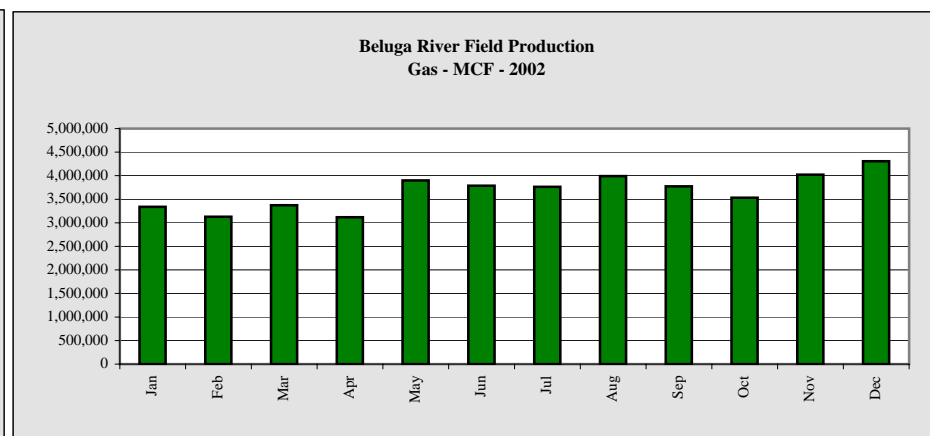
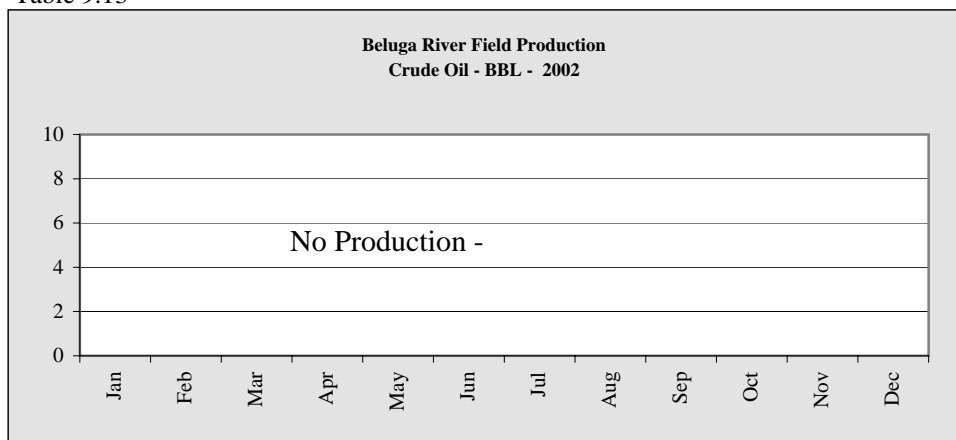
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/ Abandoned	Total Wells
Standard Oil Co of CA	1962	ConocoPhillips	0	18	1	1	20

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		455	3,339,686
February		406	3,129,322
March		546	3,372,968
April		538	3,119,212
May		495	3,900,995
June		504	3,785,768
July		478	3,763,913
August		496	3,990,748
September		531	3,773,652
October		692	3,531,331
November		715	4,023,261
December		748	4,307,983
Annual Total	0	6,604	44,038,839
Cumulative Production - 12/31/2002	0	11,820	790,910,509



* - adjusted to cumulative total

Table 9.13



Source - AK DNR

<http://www.state.ak.us/local/akpages/ADMIN/ogc/bul/pindex.htm>

KPB Oil and Gas Industry

Granite Point Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Unon Oil Co of CA	1993	Unon Oil Co of CA	40	3	19	41	103

	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
Cumulative Production - 12/31/2001	0	0	608,983
2002	Crude Oil BBL	Water BBL	Gas - MCF
January			9,816
February			8,800
March			9,926
April			8,978
May			9,183
June			8,877
July			8,063
August			5,873
September			7,960
October			7,997
November			7,383
December			6,920
Annual Total	0	0	99,776
Cumulative Production - 12/31/2002	0	0	708,759



* - adjusted to cumulative total

Table 9.14

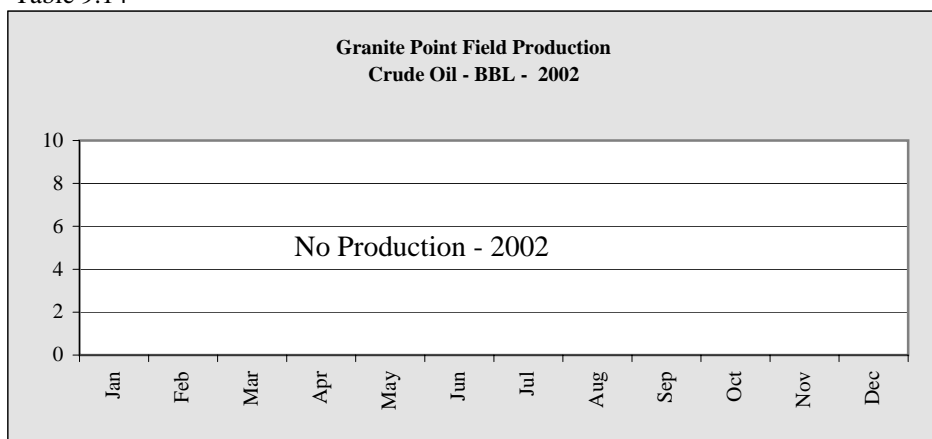


Chart 9.23

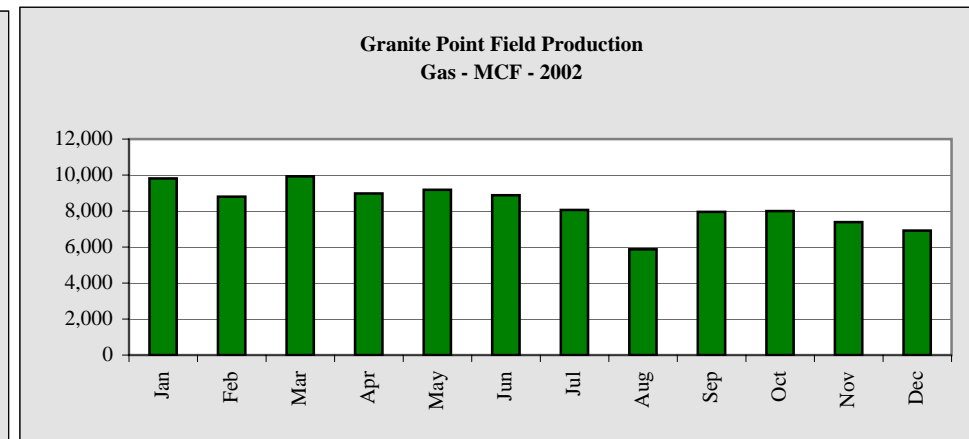


Chart 9.24

Source - AK DNR

<http://www.state.ak.us/local/akpages/ADMIN/ogc/bul/pindex.htm>

KPB Oil and Gas Industry

Ivan River Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Standard Oil Co of CA	1966	Union Oil Co of CA	0	4	0	2	6

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		98	472,840
February		48	429,992
March		51	450,942
April		56	371,466
May		37	302,210
June		32	277,126
July		32	295,485
August		28	269,535
September		21	217,034
October		45	440,642
November		90	393,908
December		92	382,113
Annual Total	0	630	4,303,293
Cumulative Production - 12/31/2002	0	11,688	71,578,348



* - adjusted to cumulative total

Table 9.15

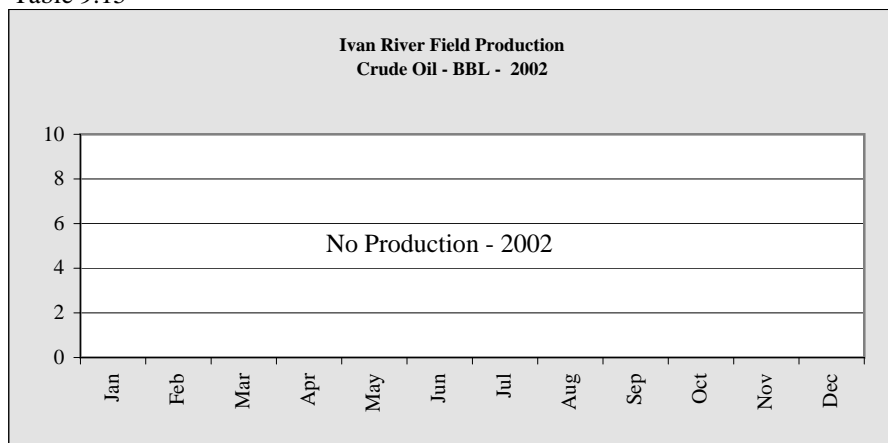


Chart 9.25

Source - AK DNR

<http://www.state.ak.us/local/akpages/ADMIN/ogc/bul/pindex.htm>

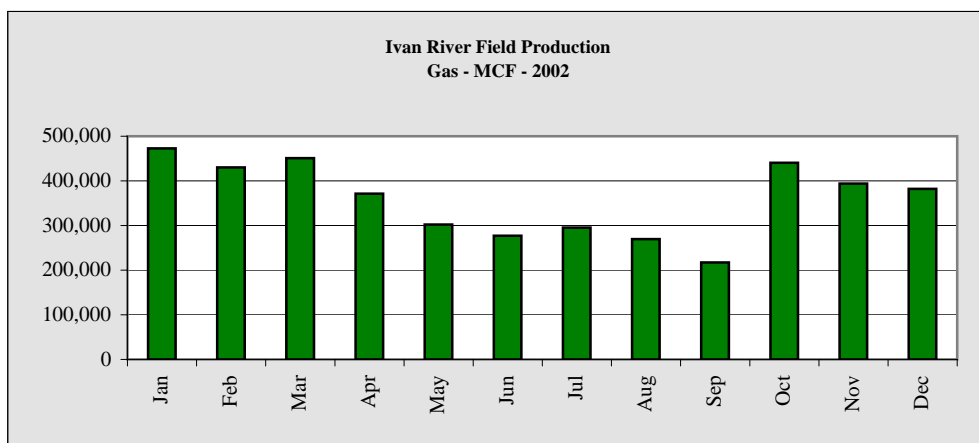


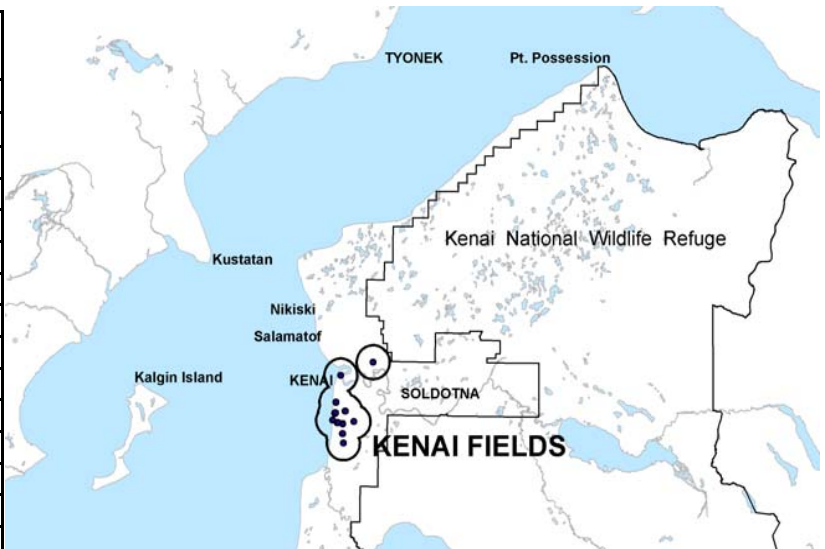
Chart 9.26

KPB Oil and Gas Industry

Kenai Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Union Oil Co of CA	1959	Marathon Oil Co	0	37	3	6	46

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
	12,375	898,022	2,294,436,132
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		6,318	2,969,481
February		12,989	2,595,883
March		11,879	2,831,030
April		12,190	2,494,921
May		12,325	1,570,349
June		11,632	1,868,884
July		14,769	1,873,330
August		14,491	1,984,897
September		6,527	2,210,954
October		13,605	2,264,627
November		13,780	1,856,170
December		13,058	2,649,291
Annual Total	0	143,563	27,169,817
Cumulative Production - 12/31/2002	12,375	1,041,585	2,321,605,949



* - adjusted to cumulative total

Table 9.16

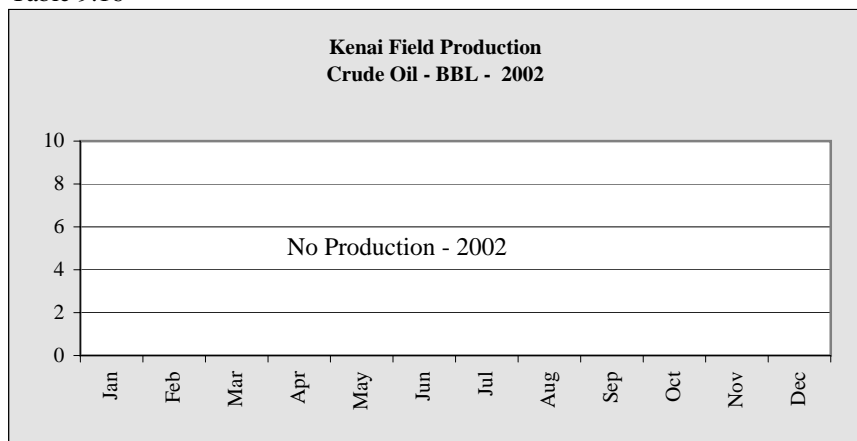


Chart 9.27

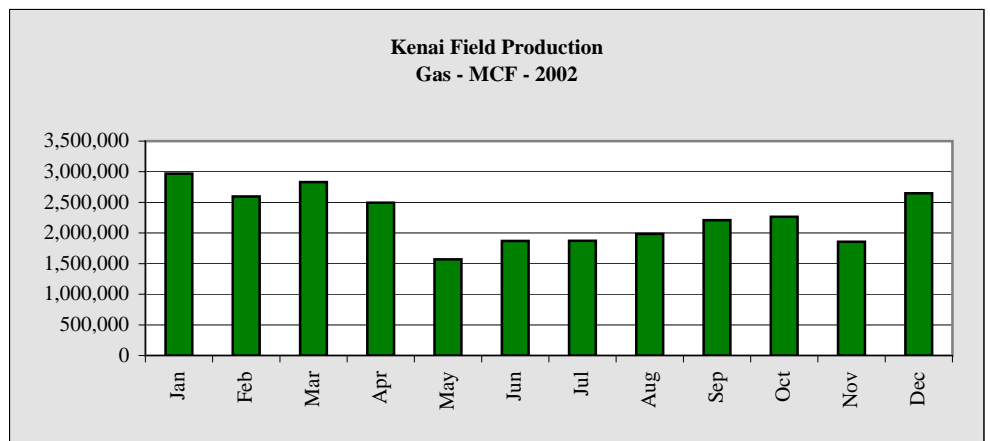


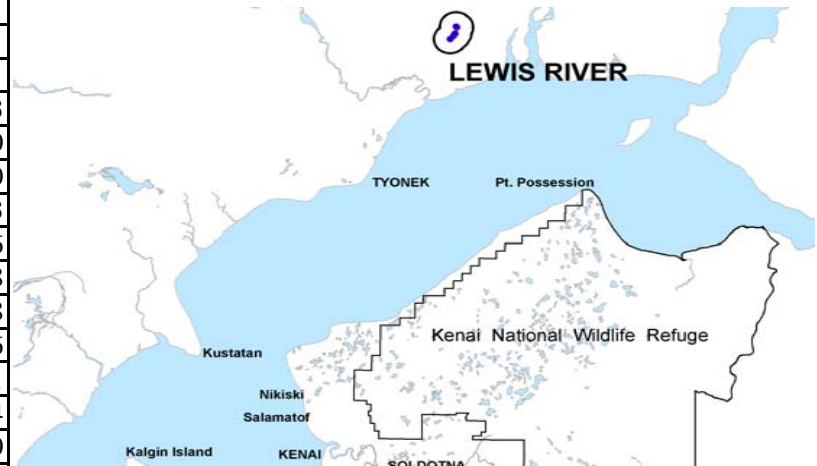
Chart 9.28

KPB Oil and Gas Industry

Lewis River Field

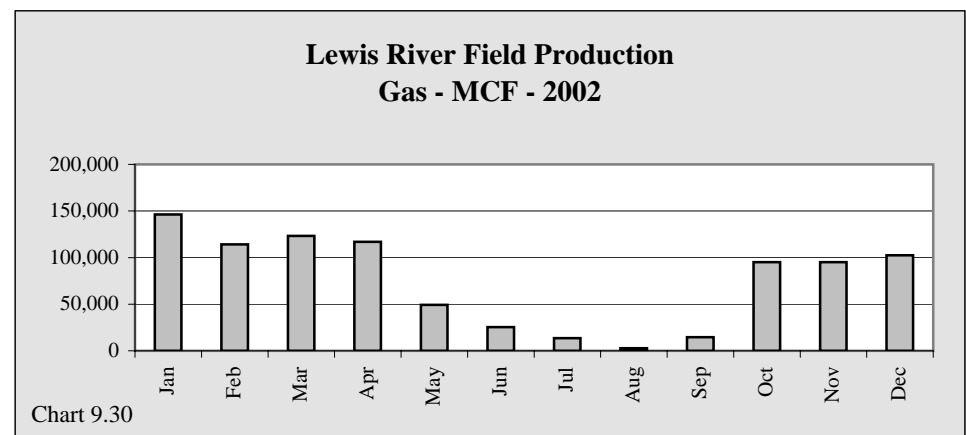
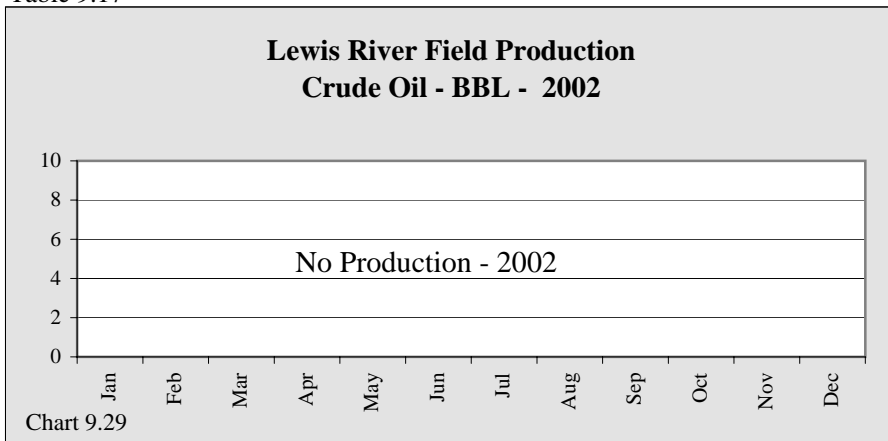
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/ Abandoned	Total Wells
Cities Service Oil Co	1975	Union Oil Co of CA	0	2	1	2	5

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		0	146,293
February		0	114,160
March		0	123,310
April		0	116,893
May		2	49,306
June		4	25,448
July		3	13,528
August		3	2,746
September		1	14,591
October		3	95,094
November		15	95,140
December		7	102,461
Annual Total	0	38	898,970
Cumulative Production - 12/31/2002	0	1,734	10,307,316



* - Adjusted to Actual Cumulative Production

Table 9.17

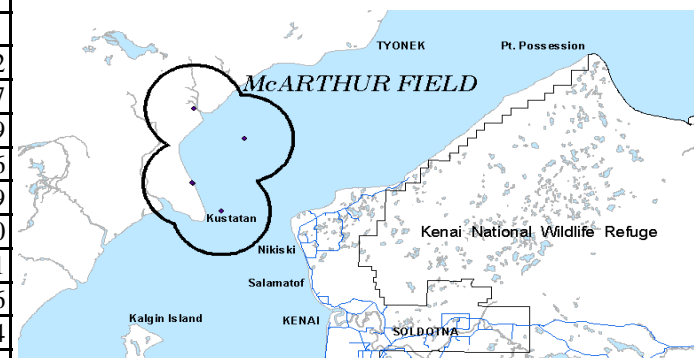


KPB Oil and Gas Industry

McArthur River Field

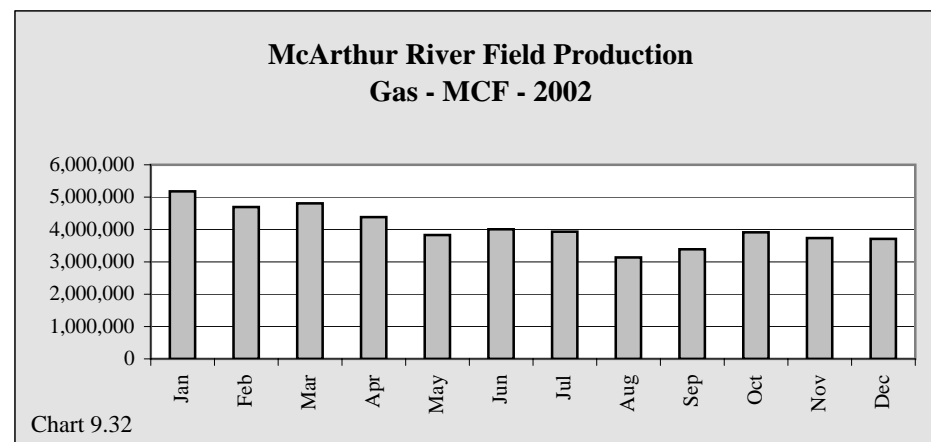
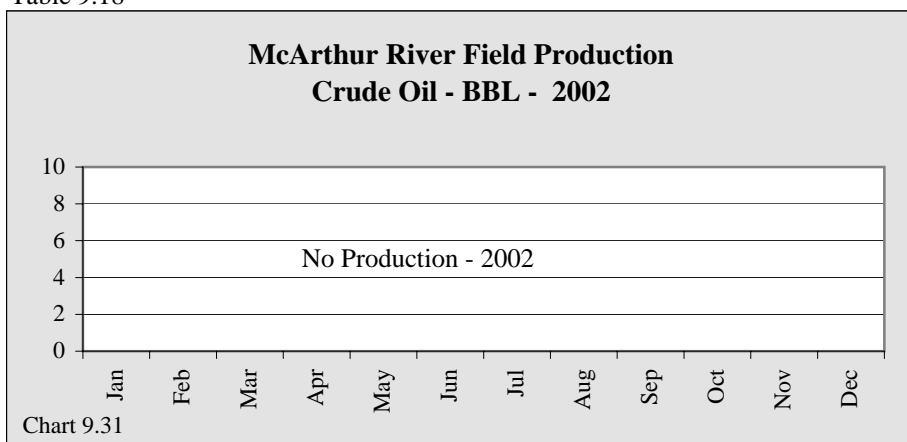
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Union Oil Co of CA	1968	Union Oil Co of CA	65	16	29	78	188

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		1,007	5,176,882
February		2,391	4,692,577
March		2,727	4,808,789
April		2,736	4,381,646
May		1,810	3,826,469
June		2,118	4,004,210
July		4,869	3,930,441
August		1,530	3,135,206
September		4,153	3,387,944
October		4,096	3,910,282
November		1,892	3,735,800
December		3,304	3,710,540
Annual Total	0	32,633	48,700,786
Cumulative Production - 12/31/2002	0	318,890	929,615,630



* - Adjusted to Actual Cumulative Production

Table 9.18

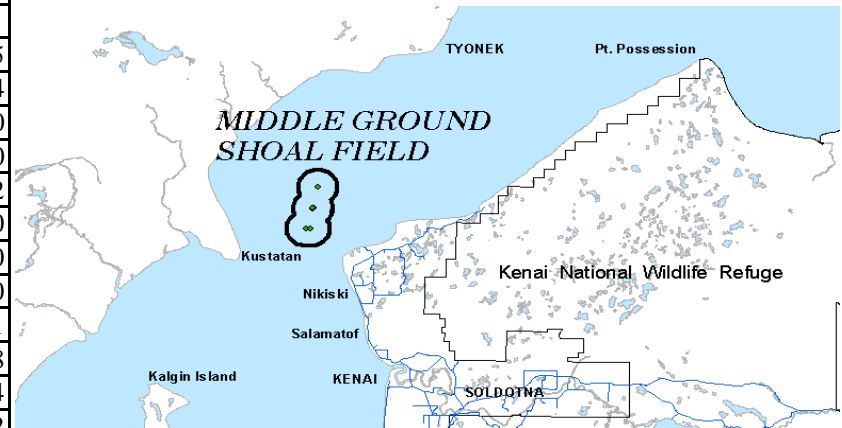


KPB Oil and Gas Industry

Middle Ground Shoal Field

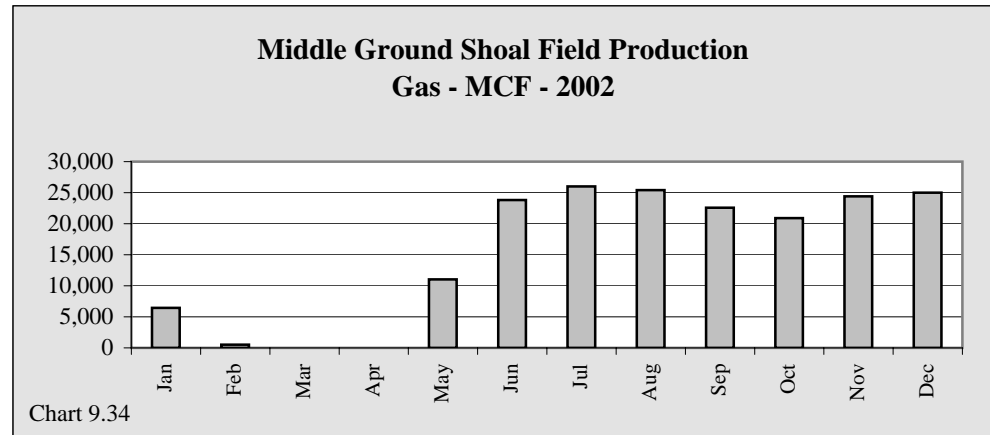
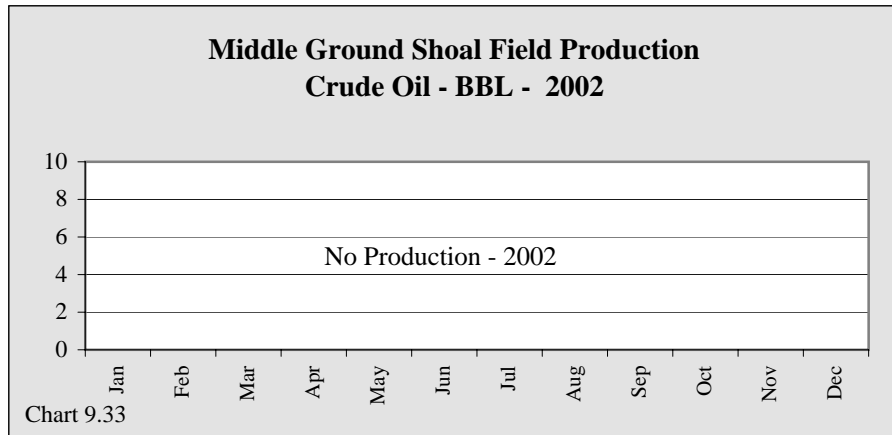
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Amoco Production Co	1982	Union Oil Co of CA	53	3	32	43	131

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
2002	Crude Oil BBL	Water BBL	Gas - MCF
January			6,445
February			504
March			0
April			0
May			11,042
June			23,820
July			26,010
August			25,400
September			22,581
October			20,908
November			24,414
December			24,992
Annual Total	0	0	186,116
Cumulative Production - 12/31/2002	0	0	16,237,739



* - Adjusted to Actual Cumulative Production

Table 9.19

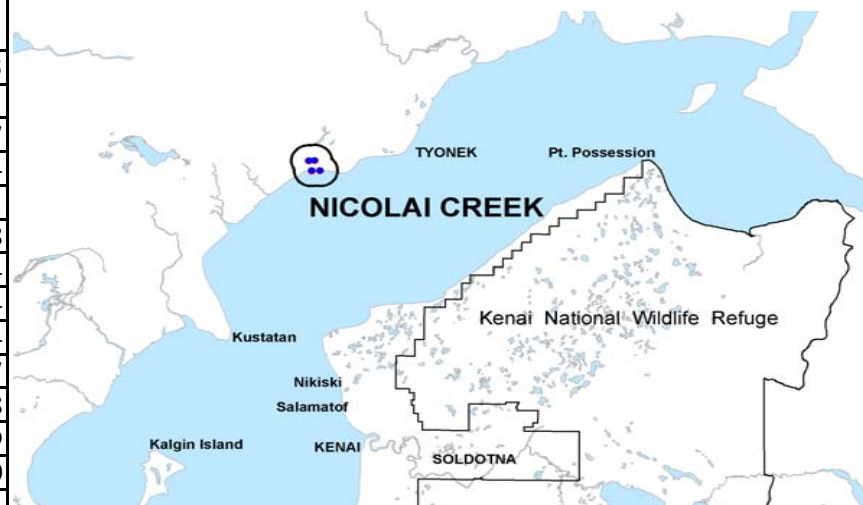


KPB Oil and Gas Industry

Nicolai Creek Field

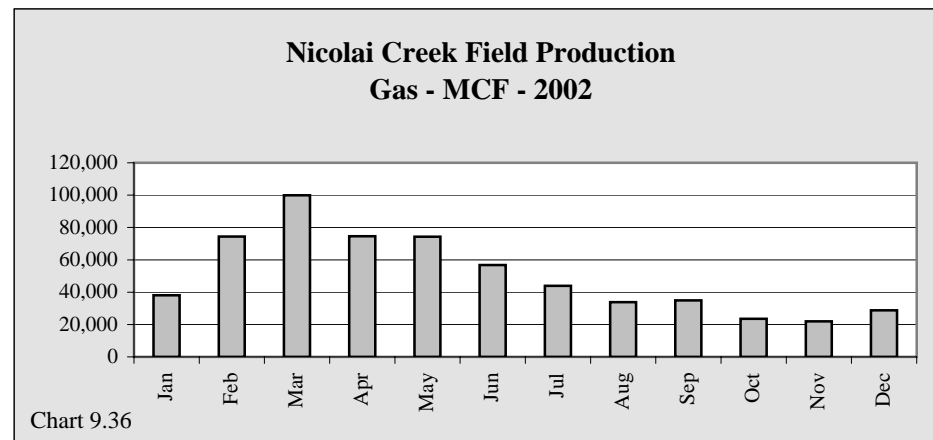
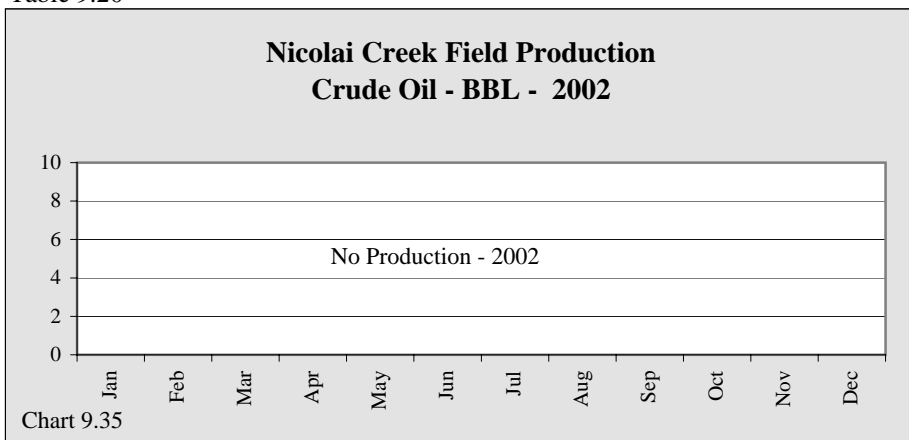
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Texaco Inc	1966	Aurora Gas LLC	0	1	0	7	8

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		1,024	38,117
February		1,422	74,394
March		1,403	99,891
April		1,402	74,638
May		1,592	74,334
June		1,623	56,774
July		1,517	43,924
August		1,487	33,787
September		1,498	34,878
October		1,357	23,539
November		1,556	22,000
December		1,669	28,774
Annual Total	0	17,550	605,050
Cumulative Production - 12/31/2002	0	21,781	1,944,903



* - Adjusted to Actual Cumulative Production

Table 9.20



KPB Oil and Gas Industry

North Cook Inlet Field

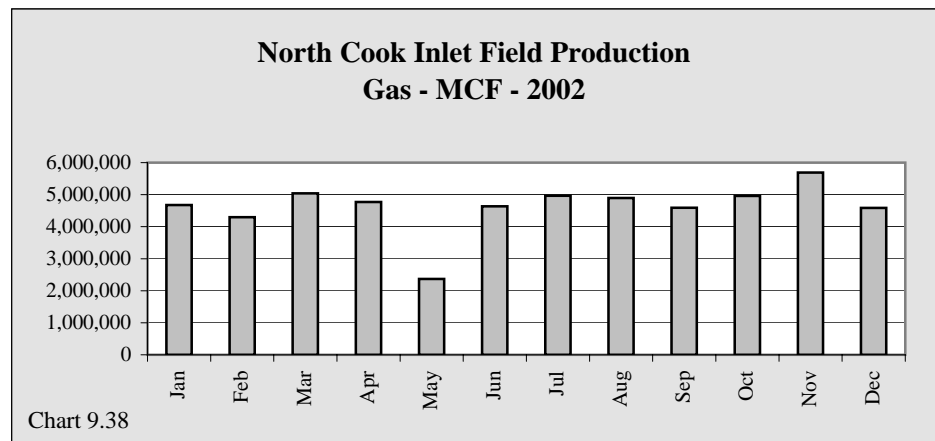
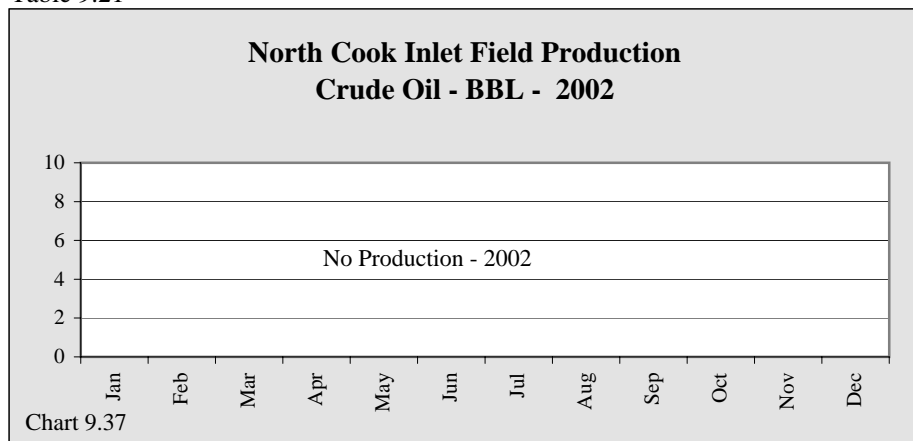
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Pan American Petroleum Co	1962	Phillips Petroleum Co	0	13	1	3	17

	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
Cumulative Production - 12/31/2001		493,689	1,517,960,038
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		205	4,675,422
February		696	4,295,040
March		782	5,040,463
April		847	4,769,116
May		0	2,367,254
June		562	4,635,466
July		564	4,968,332
August		726	4,896,776
September		502	4,591,859
October		607	4,959,942
November		560	5,688,523
December		616	4,584,010
Annual Total	0	6,667	55,472,203
Cumulative Production - 12/31/2002	0	500,356	1,573,432,241



* - Adjusted to Actual Cumulative Production

Table 9.21



KPB Oil and Gas Industry

Pretty Creek Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Chevron USA Inc	1979	Union Oil Co of CA	0	1	0	4	5

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
		7665	6,486,384
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		0	195,929
February		79	196,257
March		50	200,869
April		22	165,533
May		6	26,375
June		8	31,104
July		2	10,746
August		48	20,000
September		36	33,163
October		31	183,163
November		30	157,256
December		4	138,239
Annual Total	0	316	1,358,634
Cumulative Production - 12/31/2002	0	7,981	7,845,018

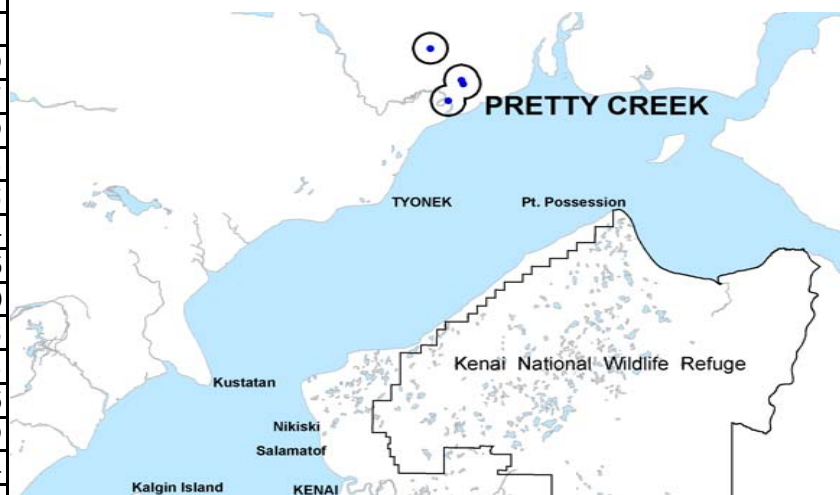
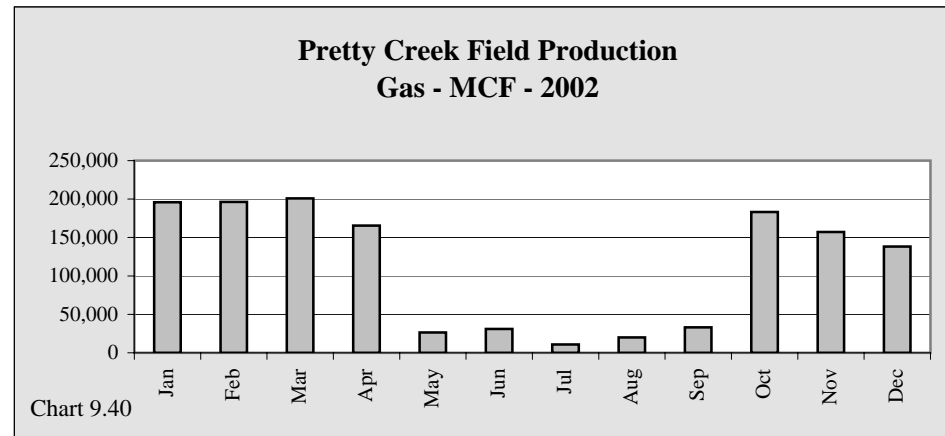
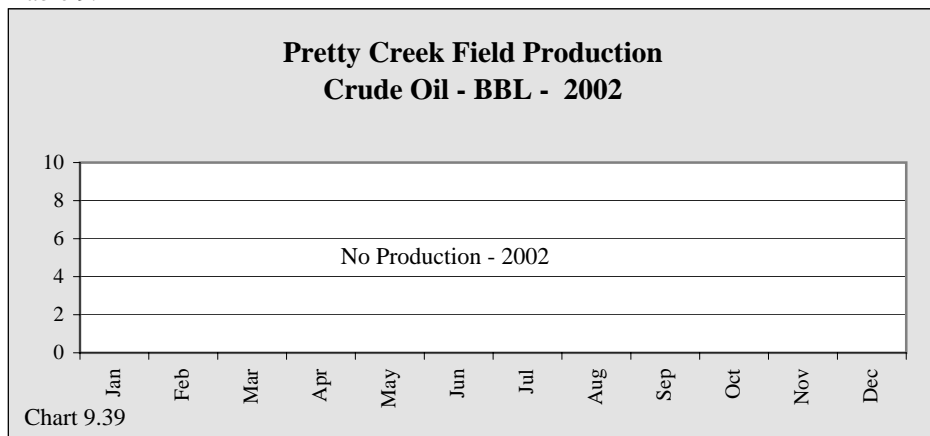


Table 9.22



KPB Oil and Gas Industry

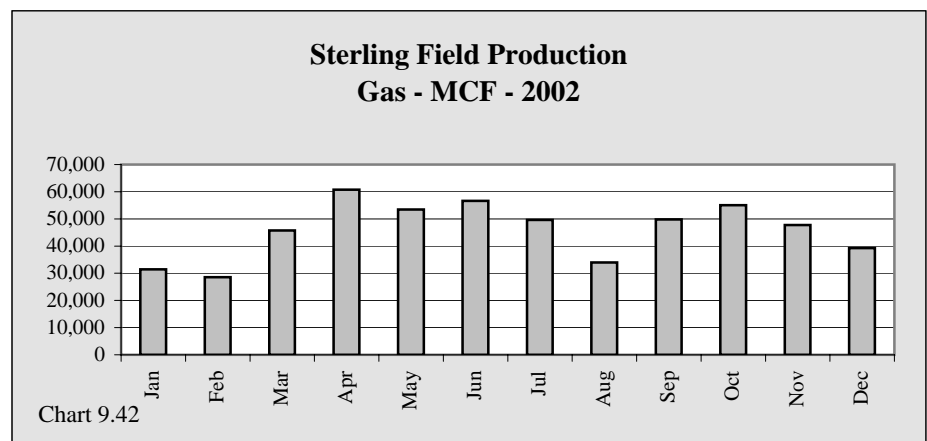
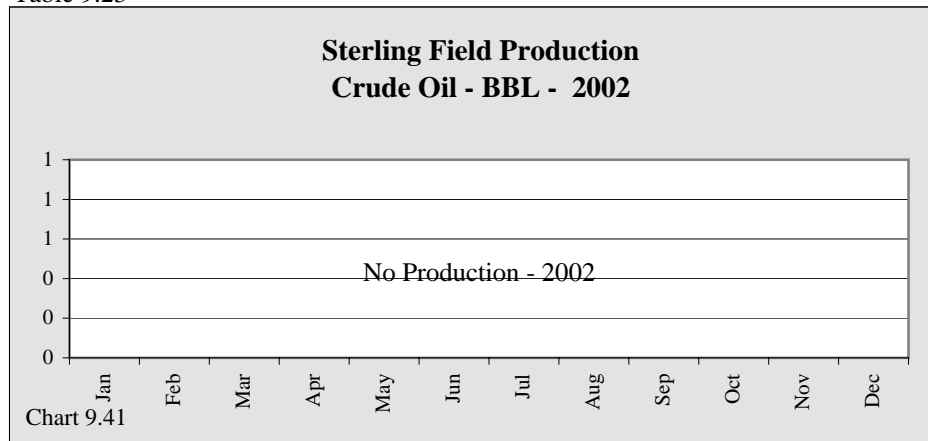
Sterling Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Union Oil Co of CA	1961	Marathon Oil Co	0	3	0	1	4

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
		3,881	3,147,958
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		98	31,457
February		193	28,527
March		640	45,731
April		451	60,752
May		354	53,483
June		364	56,613
July		425	49,616
August		471	33,970
September		1,229	49,783
October		2,085	55,041
November		1,977	47,739
December		1,424	39,293
Annual Total	0	9,711	552,005
Cumulative Production - 12/31/2002	0	13,592	3,699,963

* - Adjusted to Actual Cumulative Production

Table 9.23



KPB Oil and Gas Industry

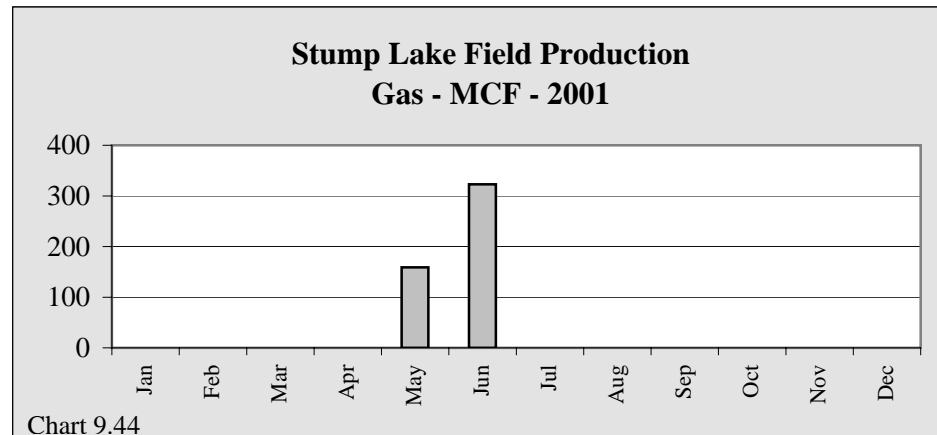
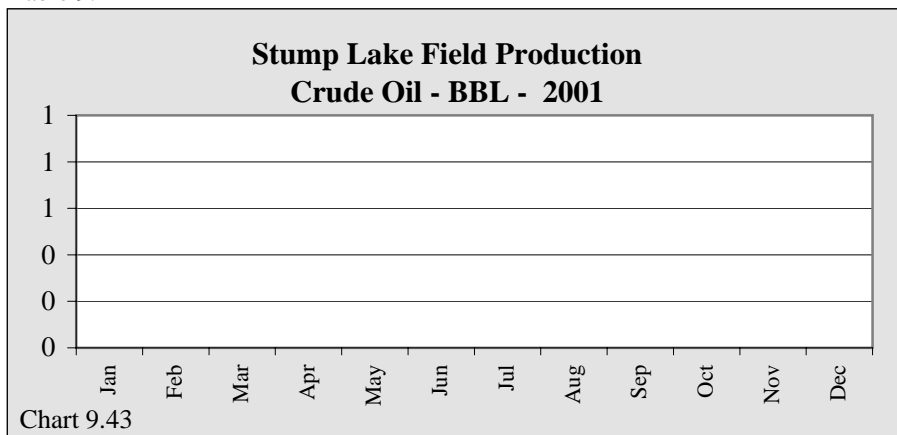
Stump Lake Field

Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Chevron USA Inc	1978	Union Oil Co of CA	0	1	0	0	1

	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
Cumulative Production - 12/31/2001		493	5,643,024
2002	Crude Oil BBL	Water BBL	Gas - MCF
January			
February			
March			
April			
May			
June	2002 Production		
July			
August			
September			
October			
November			
December			
Annual Total	0	0	0
Cumulative Production - 12/31/2002	0	493	5,643,024



Table 9.24



KPB Oil and Gas Industry

Swanson River Field

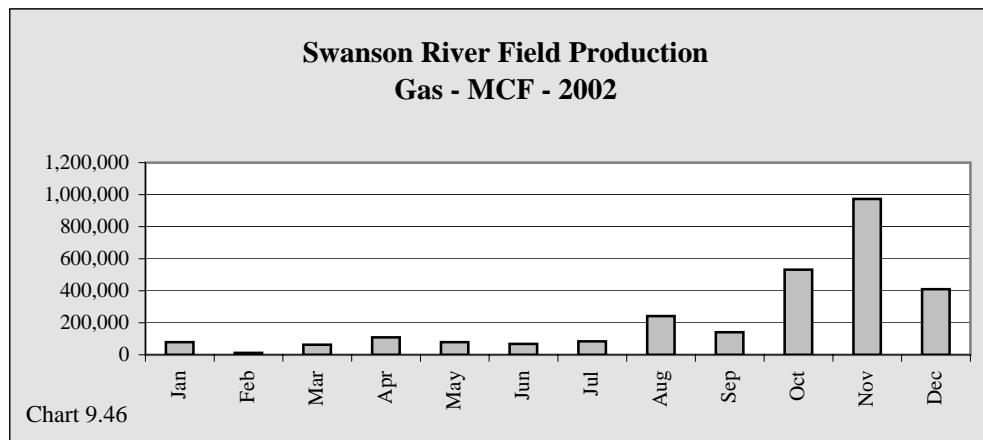
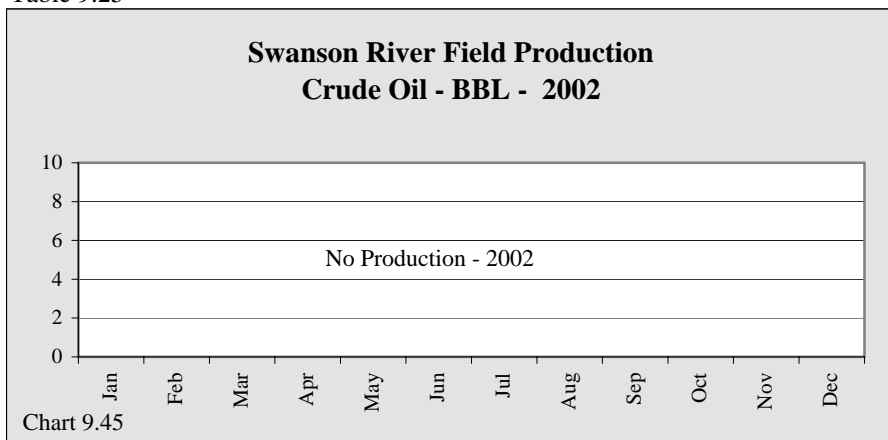
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Standard Oil Co of CA	1960	Union Oil Co of CA	51	9	9	64	133

Cumulative Production - 12/31/2001	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
		591,562	37,134,536
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		48	78,722
February		49	11,575
March		55	63,060
April		116	108,507
May		131	78,756
June		172	67,536
July		125	83,613
August		93	242,295
September		91	141,130
October		261	531,219
November		171	973,327
December		1,652	409,298
Annual Total	0	2,964	2,789,038
Cumulative Production - 12/31/2002	0	594,526	39,923,574



* - Adjusted to Actual Cumulative Production

Table 9.25

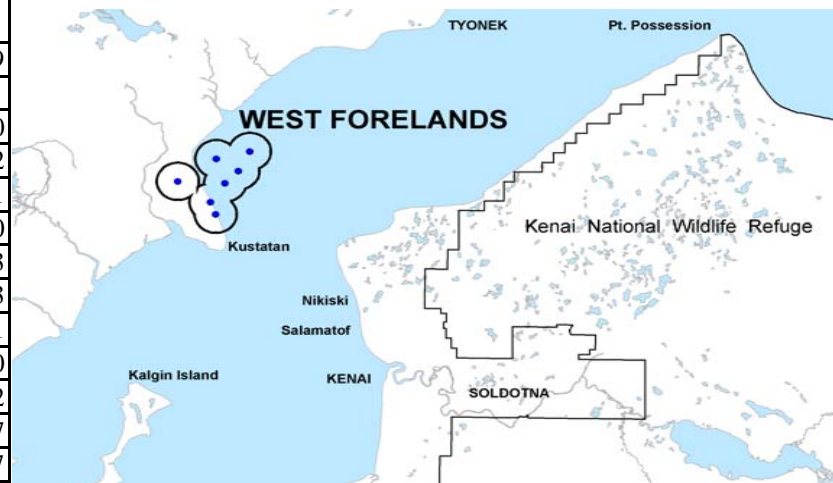


KPB Oil and Gas Industry

West Forelands Field

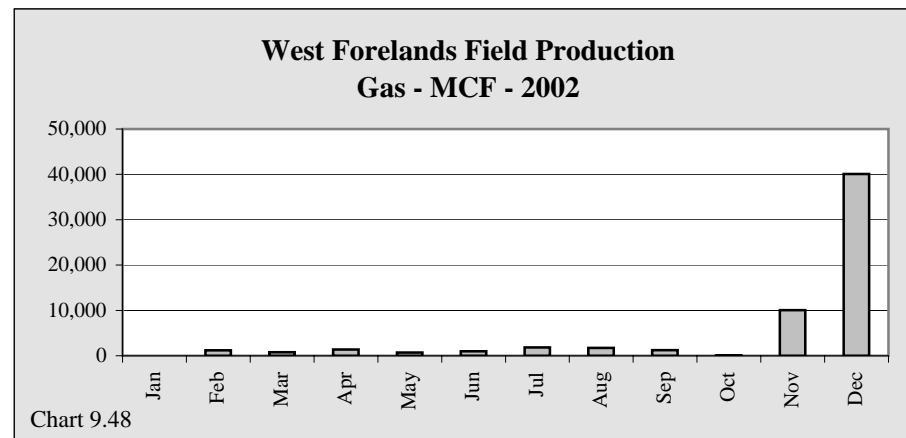
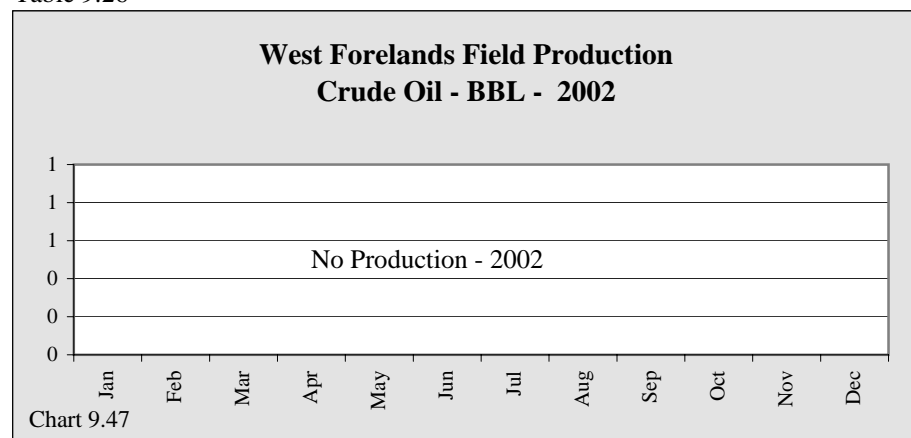
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells
Pan American Petroleum Co	1962	Forest Oil Corp	0	1	0	0	1

	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
Cumulative Production - 12/31/2001	0	0	58,539
2002	Crude Oil BBL	Water BBL	Gas - MCF
January			0
February			1,212
March			761
April			1,390
May			713
June			993
July			1,821
August			1,730
September			1,242
October			67
November			10,057
December			40,079
Annual Total	0	0	60,065
Cumulative Production - 12/31/2002	0	0	118,604



* - Adjusted to Actual Cumulative Production

Table 9.26

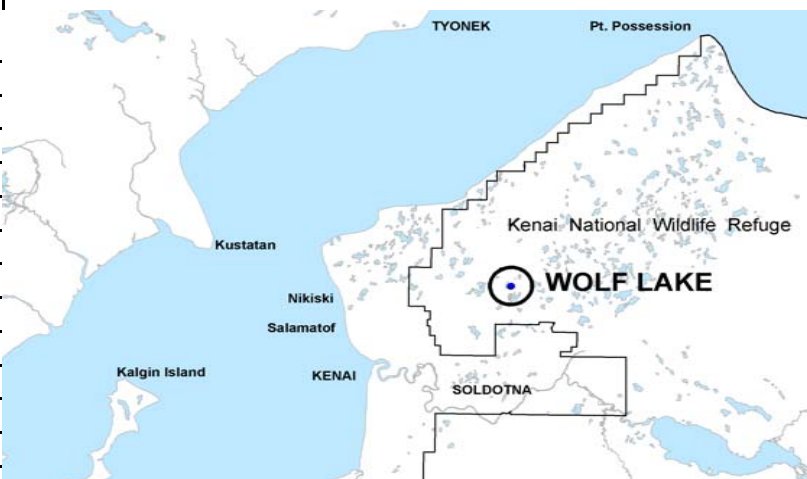


KPB Oil and Gas Industry

Wolf Lake Field

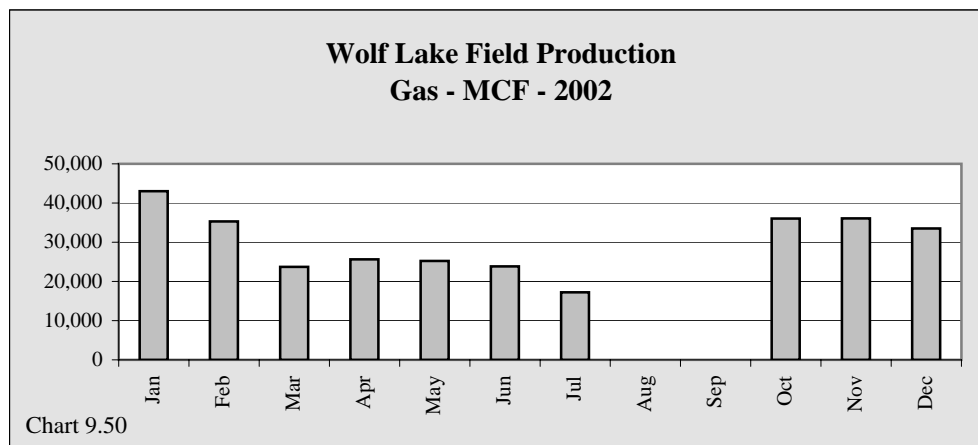
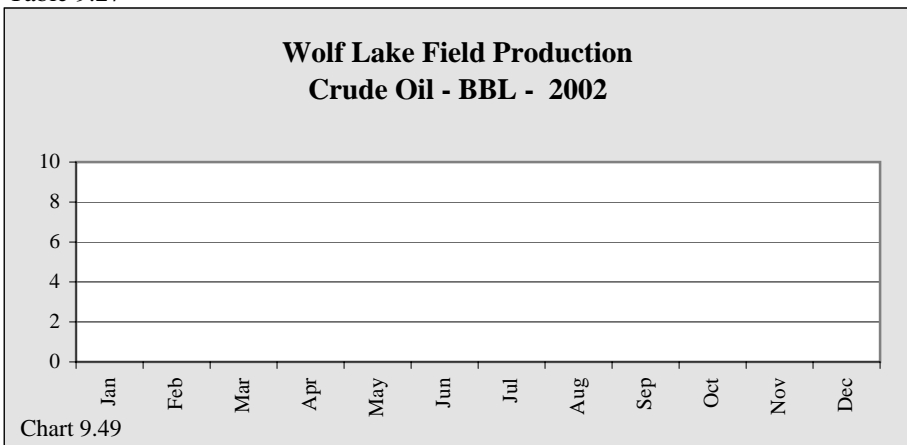
Discovered by	Discovery Date	Operator	Oil Wells	Gas Wells	Service Wells	Suspended/Abandoned	Total Wells

	Cumulative Crude Oil	Cumulative Water	Cumulative Gas
Cumulative Production - 12/31/2001		47	114,210
2002	Crude Oil BBL	Water BBL	Gas - MCF
January		15	43,004
February		5	35,318
March		12	23,727
April		14	25,638
May		23	25,211
June		12	23,827
July		7	17,211
August		0	0
September		0	0
October		227	36,028
November		424	36,073
December		730	33,490
Annual Total	0	1,469	299,527
Cumulative Production - 12/31/2002	0	1,516	413,737



* - Adjusted to Actual Cumulative Production

Table 9.27



KPB Oil and Gas Industry

Employment

Annual Average Monthly Employment

	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
2000	1,638	408	2,046
2001	1,287	470	1,757
2002	1,264	475	1,739

Employment in the Oil & Gas Industry includes two categories, Manufacturing activities and Extraction & Production activities. The greatest employment growth since 1980 occurred during 2000 in Extraction & Production, increasing 576 positions or 54% while manufacturing gained 16 positions or 4% for the year.

Due to implementation of NAICS, there is a break in the trend, effective 2002. The impact in the Oil and Gas industry is negligible.

Table 9.28

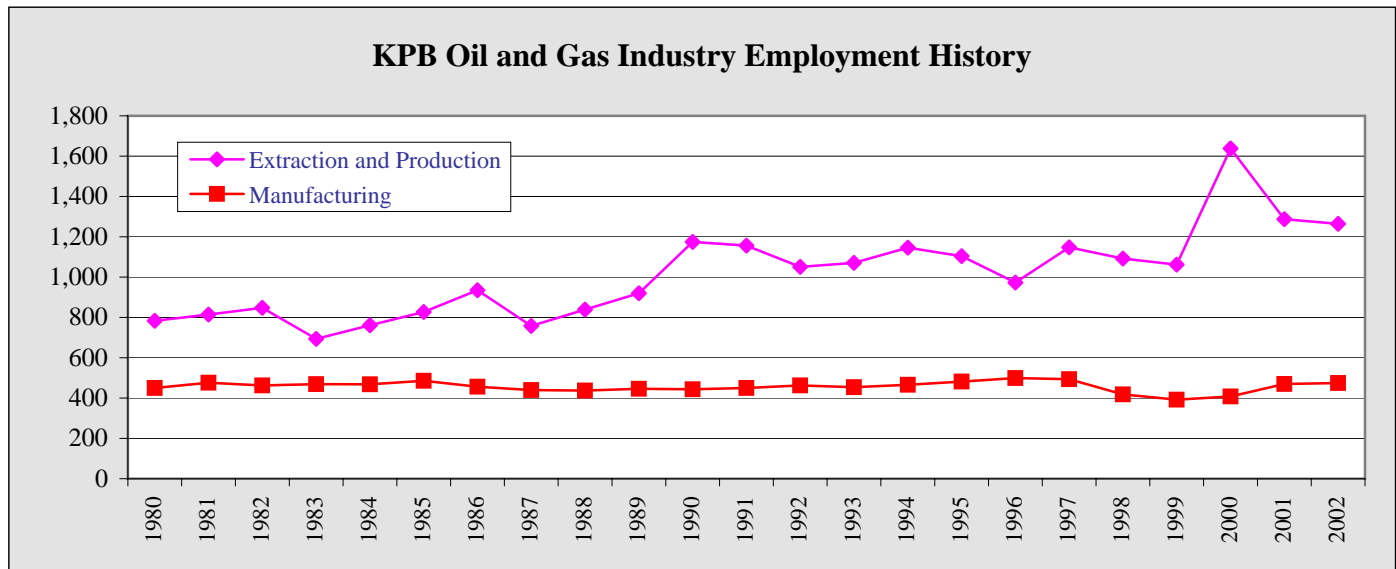


Chart 9.51

KPB Oil and Gas Industry

Employment

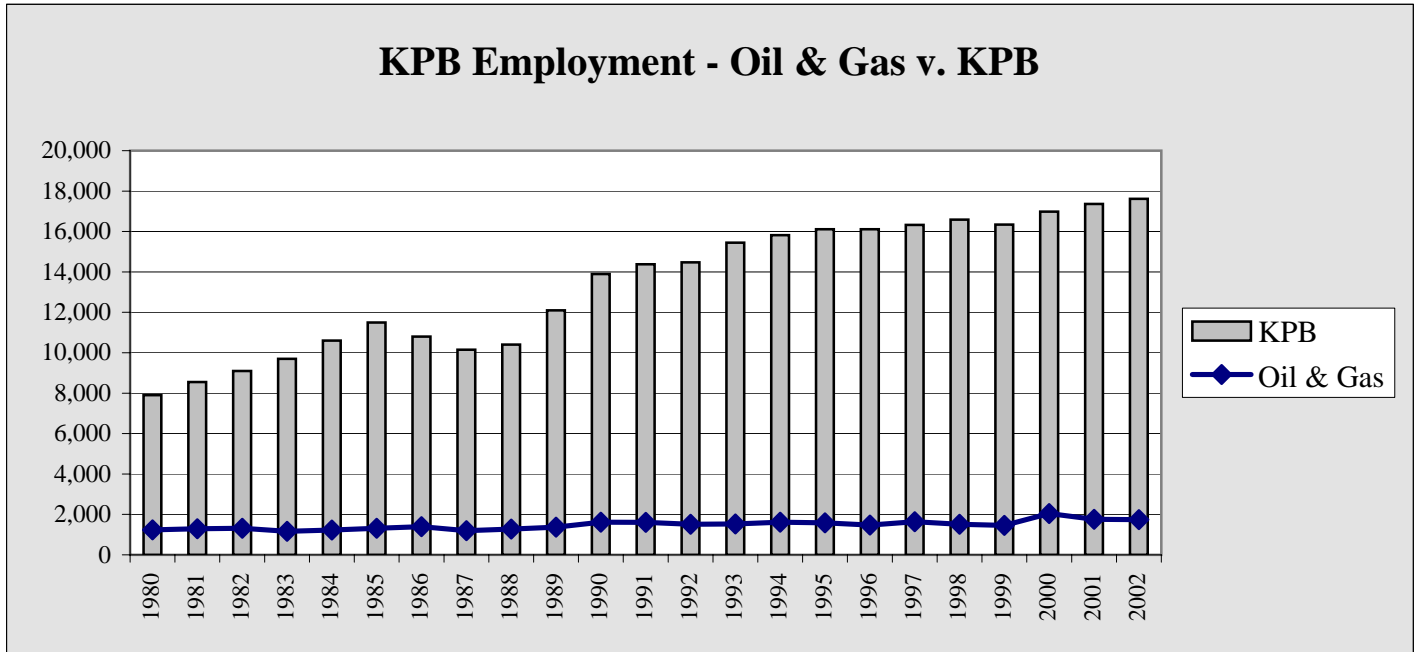


Chart 9.52

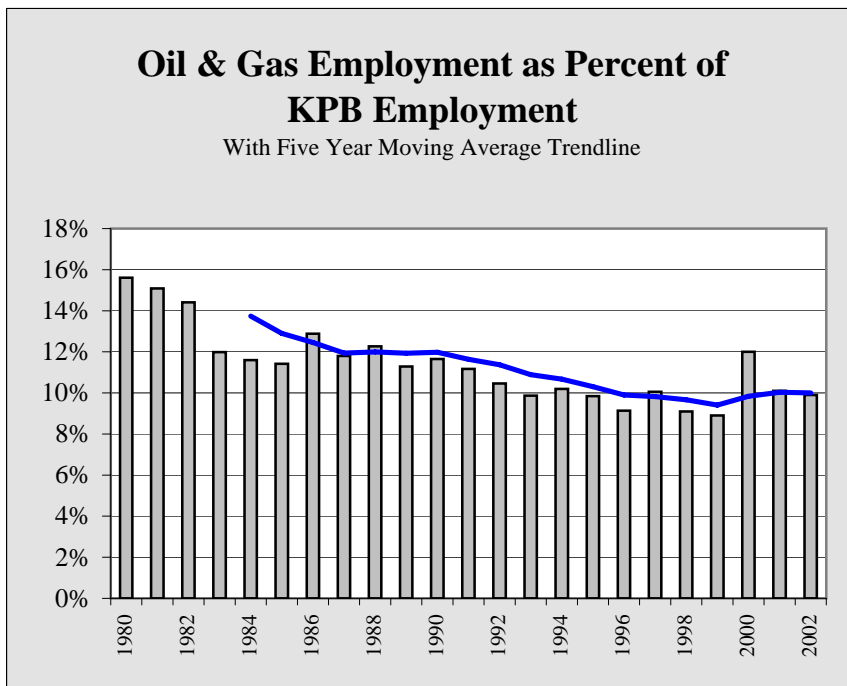


Chart 9.53

Oil & Gas Employment as Percent of KPB Total

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%
2000	12.0%
2001	10.1%
2002	9.9%

Table 9.29

KPB Oil and Gas Industry

Earnings

Annual Average Monthly Wage - in \$

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	5,040	2,544
2000	6,334	2,794
2001	5,767	2,732
2002*	6,683	2,798

Annual Average Total Payroll - in \$

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	64,255,376	498,768,856	12.9%
2000	123,288,882	580,604,910	21.2%
2001	89,071,381	569,435,324	15.6%
2002*	38,092,566	591,407,664	6.4%

* - 2002 Employment data cannot be trended with prior years due to NAICS coding implementation.

Source - State of Alaska Department of Labor and Workforce Development

Table 9.30

Table 9.31

Sales

SIC Codes - Oil & Gas Industry

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

SIC Codes relating directly to Oil Industry sales are listed in the table to the right. Other industries are impacted by Oil & Gas activity, multiplying the economic effects of the industry in our local economy. Unlike employment data, sales data are still reported under the SIC codes.

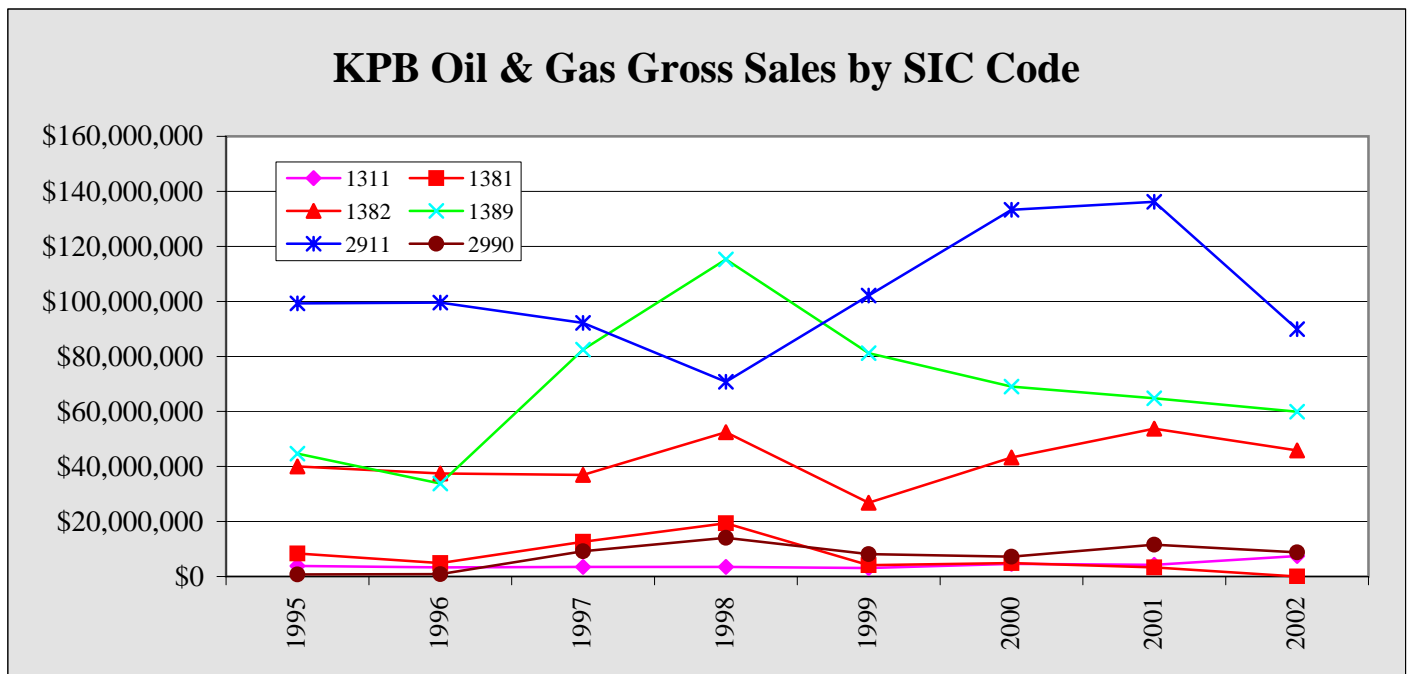


Chart 9.54

KPB Oil and Gas Industry

Gross Sales

KPB Oil & Gas Industry Gross Sales by SIC Code - 1996-2002 - in \$

SIC Code	1996	1997	1998	1999	2000	2001	2002	Annual Change
1311	3,341,381	3,478,833	3,476,098	3,080,290	4,610,519	4,237,046	7,423,216	75.2%
1381	4,902,309	12,649,125	19,388,741	4,117,101	4,875,280	3,313,961	0	-100.0%
1382	37,478,793	36,952,926	52,476,462	26,793,107	43,249,554	53,757,334	45,853,484	-14.7%
1389	33,805,634	82,476,680	115,265,270	81,173,458	69,008,370	64,799,421	59,922,846	-7.5%
2911	99,598,890	92,213,014	70,777,431	102,140,081	58,174,827	165,484,196	89,915,120	-45.7%
2990	899,155	9,169,310	14,075,682	8,154,277	7,183,998	11,581,512	8,788,757	-24.1%
Total	180,026,162	236,939,888	275,459,684	225,458,314	187,102,548	303,173,470	211,903,423	-30.1%
Annual Change		31.6%	16.3%	-18.2%	-17.0%	62.0%	-30.1%	

Table 9.32

Oil & Gas Industry Gross Sales as Percent of KPB Total Gross Sales in \$

	Oil & Gas	KPB	Oil & Gas as Percent of KPB
1993	205,603,701	1,290,969,106	15.9%
1994	198,365,776	1,384,221,706	14.3%
1995	196,905,811	1,506,407,793	13.1%
1996	180,026,162	1,435,966,969	12.5%
1997	236,939,888	1,593,547,248	14.9%
1998	275,459,684	1,673,566,601	16.5%
1999	225,458,314	1,620,326,050	13.9%
2000	187,102,548	1,637,162,619	11.4%
2001	303,173,470	1,901,782,966	15.9%
2002	211,903,423	1,816,625,287	11.7%

Table 9.33

Gross Oil & Gas Sales as Percent of KPB Total

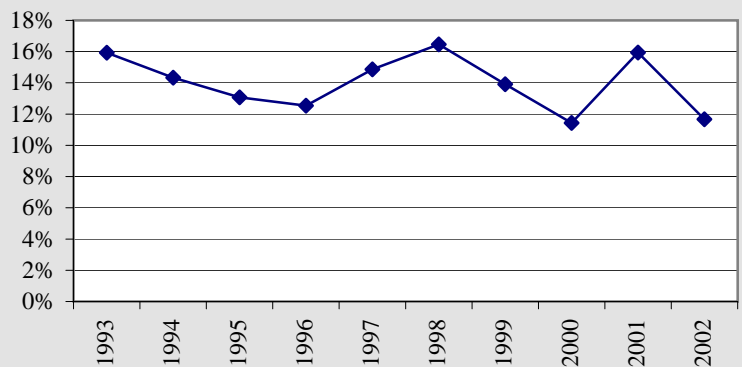


Chart 9.55

Oil & Gas Gross Sales v. KPB Gross Sales

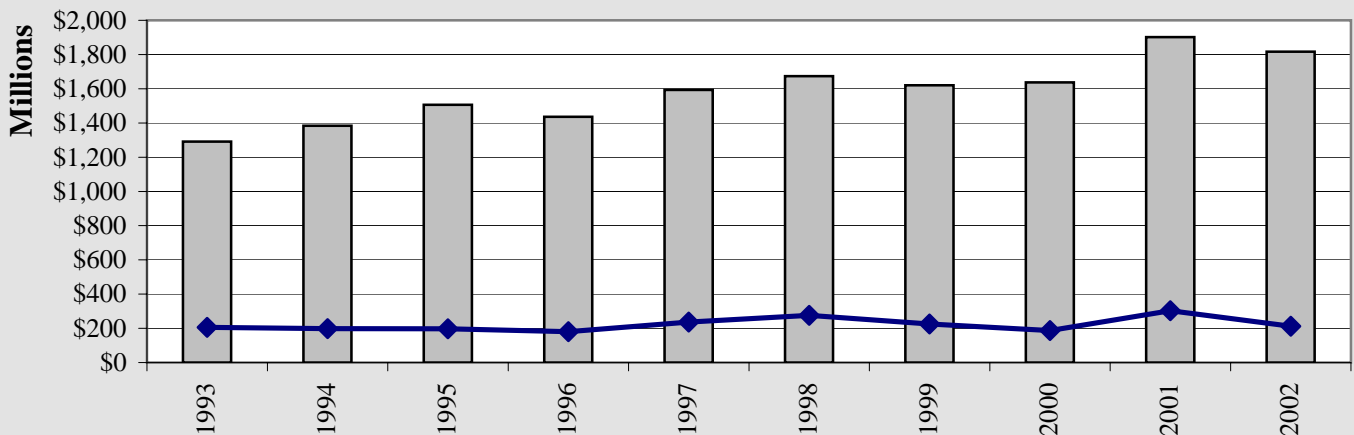


Chart 9.55

KPB Oil and Gas Industry

Taxable Sales

KPB Oil & Gas Industry Taxable Sales by SIC Code - 1996-2002 - in \$

SIC Code	1996	1997	1998	1999	2000	2001	2002	Annual Change
1311	205,006	214,255	132,683	120,863	135,519	160,859	400,300	148.9%
1381	15,965	20,644	27,510	12,000	11,940	6,300	0	-100.0%
1382	1,022,314	808,692	917,765	801,670	967,092	1,268,020	1,475,607	16.4%
1389	2,929,650	4,035,802	4,103,717	2,875,400	3,473,652	4,401,019	3,926,221	-10.8%
2911	25,230	62,405	67,380	44,820	14,671	7,358	6,000	-18.5%
2990	81,271	231,490	301,660	336,196	305,119	409,580	405,342	-1.0%
Total	4,279,436	5,373,288	5,550,715	4,190,949	4,907,993	6,253,136	6,213,470	-0.6%
Annual Change		25.6%	3.3%	-24.5%	17.1%	27.4%	-0.6%	

Table 9.34

Oil & Gas Industry Taxable Sales as Percent of KPB Total Taxable - in \$

	Oil & Gas	KPB	Oil & Gas as Percent of
1993	7,638,425	492,285,205	1.6%
1994	6,126,122	527,101,004	1.2%
1995	4,429,584	552,059,773	0.8%
1996	4,279,436	564,870,041	0.8%
1997	5,373,288	590,524,810	0.9%
1998	5,550,715	612,487,601	0.9%
1999	4,190,949	640,564,120	0.7%
2000	4,907,993	666,911,047	0.7%
2001	6,253,136	704,994,633	0.9%
2002	6,213,470	722,393,780	0.9%

Table 9.35

Oil & Gas Taxable Sales as Percent of KPB Total Sales

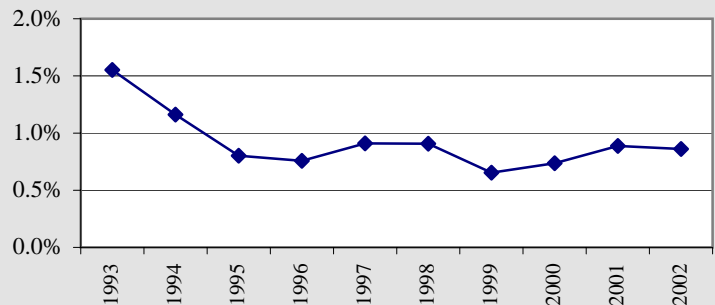


Chart 9.57

KPB Taxable Oil & Gas Sales - 1993-2002

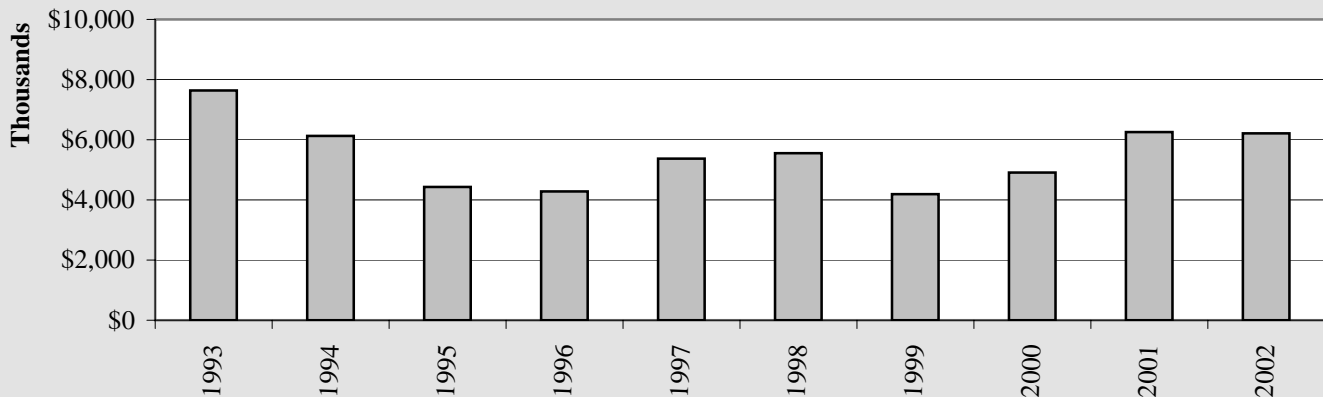


Chart 9.58

KPB Retail Industry

Overview

The Kenai Peninsula Borough Retail Industry provides an important source of employment and a solid base for government revenue. During 2002, the average monthly earnings for persons in the industry was \$2,330, compared to the KPB average monthly earnings of \$2,798. Gross retail sales of \$621,733,100 accounted for 32.4% of KPB annual sales. Taxable retail sales, \$416,965,630, accounted for 57.7% of the KPB total. The number of buildings providing retail space has been declining but available square footage is on the rise. In Alaska and the Kenai Peninsula Borough retail sector sales are highly seasonal, due in part to seasonality of several area industries including tourism, commercial fishing and construction.

Employment

Because of the switch to NAICS coding in employment data, which totally revamped industry classifications, continuing trends within most industries is impossible. 2002 data sets the benchmark for labor statistics under the new system.

The Alaska Department of Labor and Workforce Development reported that 2,330 persons were employed in the retail sales industry during 2002.

KPB Annual Average Monthly Employment by SIC Retail Industry Codes - 1993-2001

		1993	1994	1995	1996	1997	1998	1999	2000	2001*
52	Building materials and garden supplies	149	145	156	152	162	174	168	200	212
53	General merchandise stores	272	412	425	382	392	399	420	403	396
54	Food stores	602	622	607	585	629	641	636	675	702
55	Automotive dealers and service stations	319	338	359	392	406	440	462	436	436
56	Apparel and accessory stores	72	60	34	32	42	37	30	27	29
57	Furniture and home furnishing stores	48	54	50	52	49	97	100	96	90
58	Eating and drinking places	878	916	973	1019	1030	1133	1148	1204	1,222
59	Miscellaneous retail	412	395	383	378	422	434	441	449	456
	Total	2,752	2,942	2,987	2,992	3,132	3,355	3,405	3,490	3,542

* - 2002 data cannot be trended due to implementation of NAICS coding.

KPB Retail Industry

Earnings

Just as employment numbers are affected by the change to the NAICS coding system, annual average monthly earnings are also affected, therefore data for 2002 is not a continuous trend from previous years. Historically, monthly retail earnings run a bit above 50% of the KPB average wage but the implementation of NAICS classifications in employment data will affect the average.

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%
2000	1,483	2,794	53.1%
2001	1,546	2,774	55.7%
2002	1,977	2,798	70.7%

Table 10.2

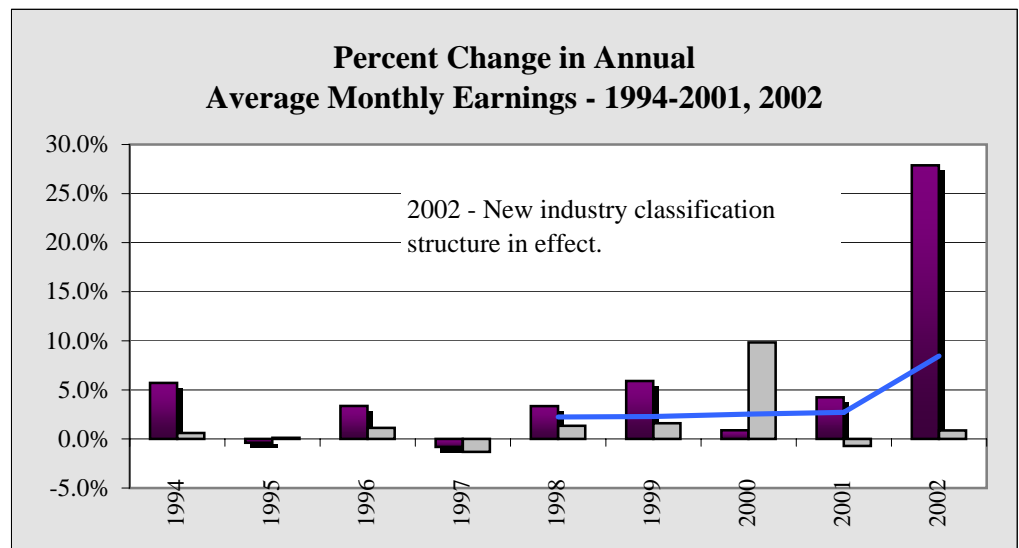


Chart 10.1

2001*

Retail Industry Annual Payroll Totals - 1995-2001 - in \$

SIC Code		1995	1996	1997	1998	1999	2000	2001	2002
52	Building materials & garden	3,976,543	3,734,514	4,063,739	4,309,715	4,672,622	5,609,108	6,245,957	NA
53	General merchandise stores	6,006,446	5,740,068	5,740,416	6,458,477	8,754,803	6,879,032	7,665,283	NA
54	Food stores	11,846,757	11,867,340	12,350,201	12,959,240	14,492,259	14,352,261	15,158,397	NA
55	Automotive dealers & service	7,240,957	8,085,192	8,600,518	9,417,384	9,962,173	9,722,186	10,214,277	NA
56	Apparel & accessory stores	350,280	360,371	420,090	389,442	347,399	279,699	312,741	NA
57	Furniture & home furnishing	895,109	954,065	925,355	2,138,179	2,185,432	2,210,121	2,076,600	NA
58	Eating & drinking places	8,892,068	9,534,409	9,808,619	11,025,718	11,955,461	12,989,353	13,662,945	NA
59	Miscellaneous retail	7,753,377	7,940,357	8,989,753	9,166,009	9,800,076	10,053,543	10,370,040	NA
	Total Retail Wages	46,961,537	48,216,316	50,898,691	55,864,164	62,170,225	62,095,303	65,706,240	NA

Table 10.3

KPB Retail Industry

Participants

Retail businesses are licensed by the state, which has converted all economic data to NAICS, effective 2002. As a result, some areas may appear to have substantial changes in retail activity, while the cause is actually the coding system change.

Retail Business Licenses as Percent of Total - by Area - 2002

	Retail Licenses	Area Total Business Licenses	Retail Sales as Percent of Area Total Business Licenses
Anchor Point	40	375	10.7%
Clam Gulch	7	44	15.9%
Cooper Landing	14	119	11.8%
Fritz Creek	11	68	16.2%
Halibut Cove	3	45	6.7%
Homer	210	1,924	10.9%
Hope	11	62	17.7%
Kasilof	43	311	13.8%
Kenai	203	1,496	13.6%
Moose Pass	7	50	14.0%
Nanwalek	0	4	0.0%
Nikiski	52	300	17.3%
Nikolaevsk	2	21	9.5%
Ninilchik	36	216	16.7%
Port Graham	4	14	28.6%
Seldovia	12	99	12.1%
Seward	124	809	15.3%
Soldotna	332	2,223	14.9%
Sterling	62	456	13.6%
Tyonek	2	20	10.0%
Total	1,175	8,656	13.6%

Table 10.4

There were 8,656 business licenses issued for activity within the KPB during 2002 with 1,175 issued for retail activities, 13.6% of the total. There were 2,330 persons employed in the sector, 13.2% of KPB employment.

Taxable sales in the retail industry account for 57.7% of 2002 KPB total taxable sales. Since the KPB tax system intends to tax only the final consumer of a product, the high percentage of sales is to be expected. The twin cities of Kenai and Soldotna have become the primary retail shopping area within the borough and combine to provide 54.7% of borough total taxable sales.

KPB Retail Industry

Retail Space

KPB Retail Space by Area

Area	2001			2002			2003		
	Number of Buildings	Square Feet	Average Area	Number of Buildings	Square Feet	Average Area	Number of Buildings	Square Feet	Average Area
Homer	57	277,905	4,876	60	288,270	4,805	61	314,759	5,160
Homer Spit	63	26,566	422	51	29,257	574	62	33,278	537
Kenai	53	583,041	11,001	56	659,500	11,777	56	669,006	11,947
Nikiski	10	53,783	5,378	9	50,327	5,592	10	63,918	6,392
Seldovia	9	23,702	2,634	7	20,294	2,899	7	20,294	2,899
Seward	55	169,299	3,078	56	171,357	3,060	55	166,937	3,035
Soldotna	65	606,858	9,336	64	622,253	9,723	54	1,291,535	23,917
Sterling	16	53,073	3,317	16	53,073	3,317	15	52,273	3,485
Other	123	378,895	3,080	113	357,413	3,163	106	350,850	3,310
Total	442	2,149,420	4,863	432	2,251,744	5,212	426	2,962,850	6,955

Table 10.5

The trend to fewer but larger buildings available for retail space continued as the total number of retail buildings dropped from 442 during 2001, to 432 during 2002, and on down to 426 buildings during 2003. This marks a 3.6% drop in two years. The reverse trend is due for available square footage within those buildings as, over the same period, footage increased from 2,149,420 square feet during 2001 to 2,251,744 square feet during 2002 and has continued growth into 2003 with 2,962,850 square feet available, a 37.8% increase over the two years.

Soldotna had the greatest gain in square footage, increasing 107.6%, followed by Nikiski, which increased by 27.0%. Seward retail space declined 2.6% while Sterling lost 1.5% of its retail space. Kenai was unchanged. In the unincorporated area, 1.8% less retail space is available during the current year.

KPB Retail Space

Percentage Change 2002-2003

Area	Number of Buildings	Square Feet
Homer	1.7%	9.2%
Homer Spit	21.6%	13.7%
Kenai	0.0%	1.4%
Nikiski	11.1%	27.0%
Seldovia	0.0%	0.0%
Seward	-1.8%	-2.6%
Soldotna	-15.6%	107.6%
Sterling	-6.3%	-1.5%
Other	-6.2%	-1.8%
Total	-1.4%	31.6%

Table 10.6

KPB Retail Industry

Retail Space

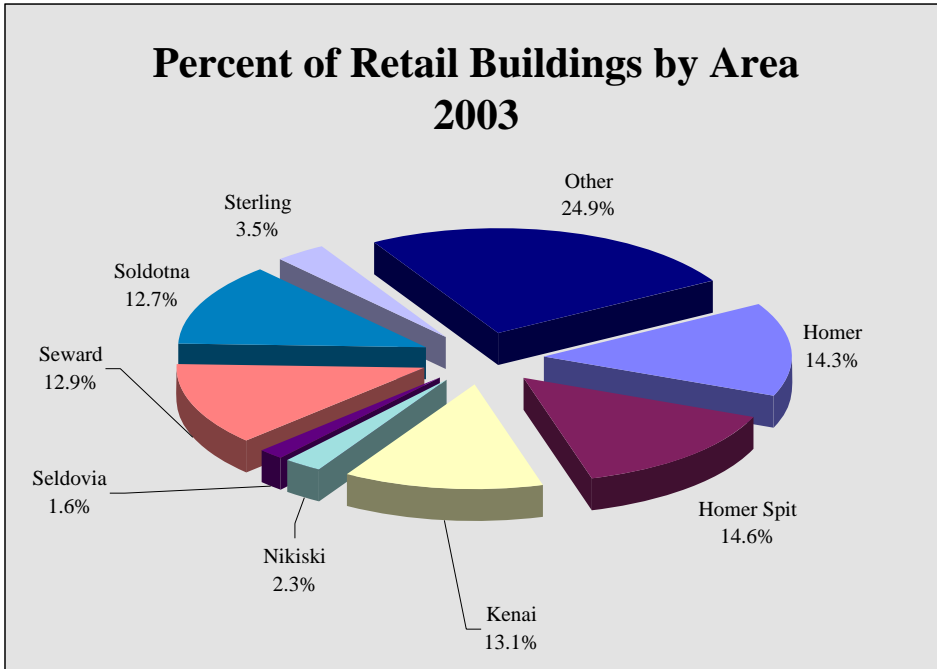


Chart 10.2

A year ago, 31.9% of retail buildings were available outside city limits in the KPB. During 2003, that percentage decreased to 30.8%. However, 15.8% of retail square footage is located outside the cities, another continuing decline, down from 20.5% one year ago.

The Homer Spit boardwalk houses many small shops resulting in 14.6% of retail buildings but only 1.1% of retail space. These small establishments cater to tourist demand during summer months, closing shop during winter months.

The Kenai/Soldotna area has become the retail center of the borough, providing 66.2% of KPB retail space, combining for over 52.5% of gross sales and 54.7% of taxable sales.

Retail sales continue to increase as a percent of gross sales within the borough, providing 34.2% of gross sales during 2002.

Retail sales dominate all other industries in taxable sales, providing 57.7% of all KPB taxable sales during 2002.

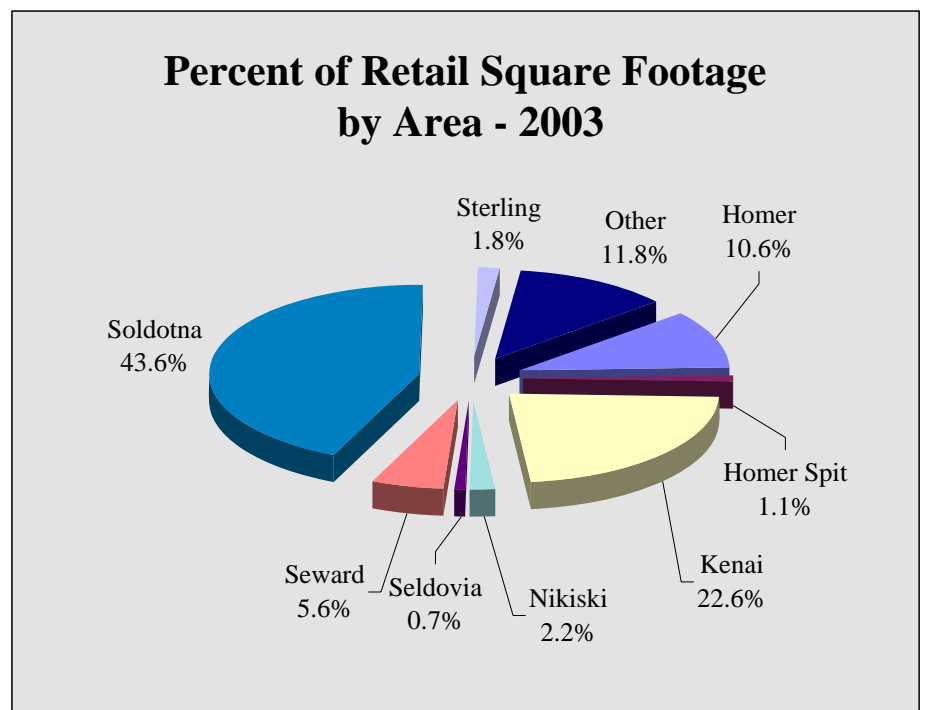


Chart 10.3

KPB Retail Industry

KPB Gross Retail Sales

KPB Gross Retail Sales as Percent of Total Sales - 1991-2002 - in \$

	Retail	Total	Percent
1991	338,487,629	1,281,559,318	26.4%
1992	351,819,532	1,242,413,285	28.3%
1993	375,876,957	1,290,969,106	29.1%
1994	406,692,795	1,384,221,706	29.4%
1995	436,133,255	1,506,407,793	29.0%
1996	474,015,670	1,435,966,969	33.0%
1997	504,943,192	1,593,547,248	31.7%
1998	547,202,550	1,673,566,601	32.7%
1999	545,752,691	1,620,326,050	33.7%
2000	579,017,924	1,637,162,619	35.4%
2001	631,452,589	1,901,782,966	33.2%
2002	621,733,100	1,816,625,287	34.2%

Table 10.7

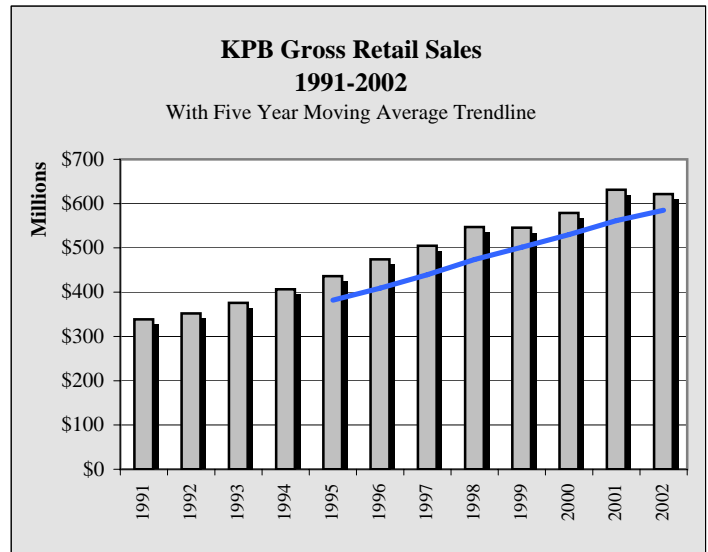


Chart 10.4

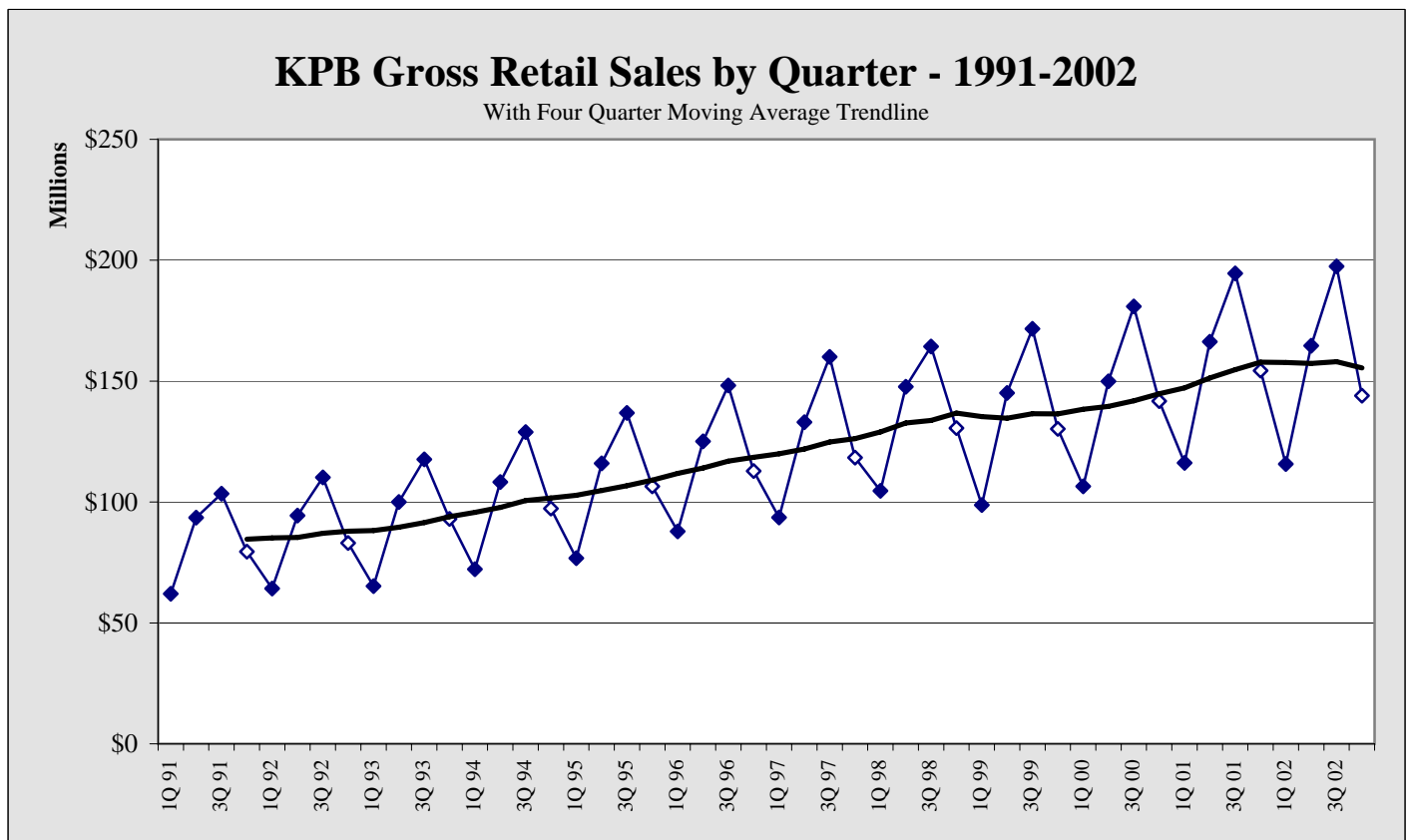


Chart 10.5

KPB Retail Industry

Percentage Gain

Gross Sales

KPB Gross Retail Sales Annual Percent Change - 1991-2002 - in \$

	Retail	% Change
1991	338,487,629	
1992	351,819,532	3.9%
1993	375,876,957	6.8%
1994	406,692,795	8.2%
1995	436,133,255	7.2%
1996	474,015,670	8.7%
1997	504,943,192	6.5%
1998	547,202,550	8.4%
1999	545,752,691	-0.3%
2000	579,017,924	6.1%
2001	631,452,589	9.1%
2002	621,733,100	-1.5%

Table 10.8

KPB Gross Retail Sales Percent Annual Change - 1992-2002

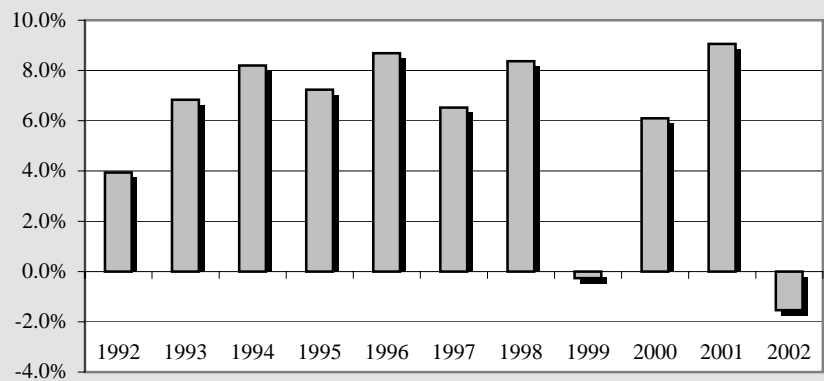


Chart 10.6

Taxable Sales

KPB Taxable Retail Sales Annual Percent Change

	Retail	% Change
1991	249,345,554	
1992	264,542,402	6.1%
1993	281,028,087	6.2%
1994	299,416,591	6.5%
1995	315,230,896	5.3%
1996	326,078,769	3.4%
1997	339,027,380	4.0%
1998	353,131,302	4.2%
1999	367,123,730	4.0%
2000	382,581,794	4.2%
2001	410,071,587	7.2%
2002	416,965,630	1.7%

Table 10.9

KPB Taxable Retail Sales Percent Annual Change - 1992-2002

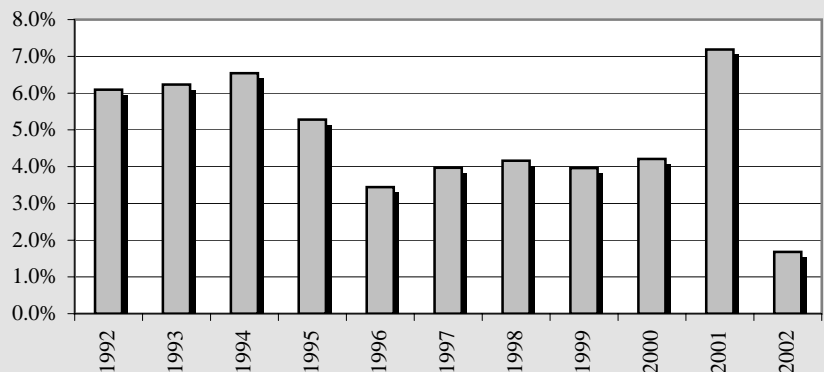


Chart 10.7

KPB Retail Industry

KPB Taxable Sales

KPB Taxable Retail Sales as Percent of Total Sales - 1991-2002 - in \$

	Retail	KPB Total	Percent
1991	249,345,554	444,275,598	56.3%
1992	264,542,402	462,969,058	57.3%
1993	281,028,087	492,285,205	57.2%
1994	299,416,591	527,101,004	56.9%
1995	315,230,896	552,059,773	57.2%
1996	326,078,769	564,870,041	57.8%
1997	339,027,380	590,524,810	57.5%
1998	353,131,302	612,487,601	57.8%
1999	367,123,730	640,564,120	56.9%
2000	382,581,794	666,911,047	57.1%
2001	410,071,587	704,994,633	58.2%
2002	416,965,630	722,393,780	57.7%

Table 10.10

KPB Taxable Retail Sales 1991-2002

With Five Year Moving Average Trendline

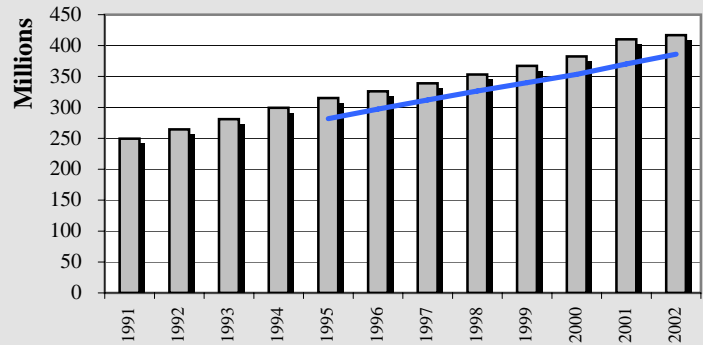


Chart 10.8

KPB Taxable Retail Sales by Quarter - 1991-2002

With Four Quarter Moving Average Trendline

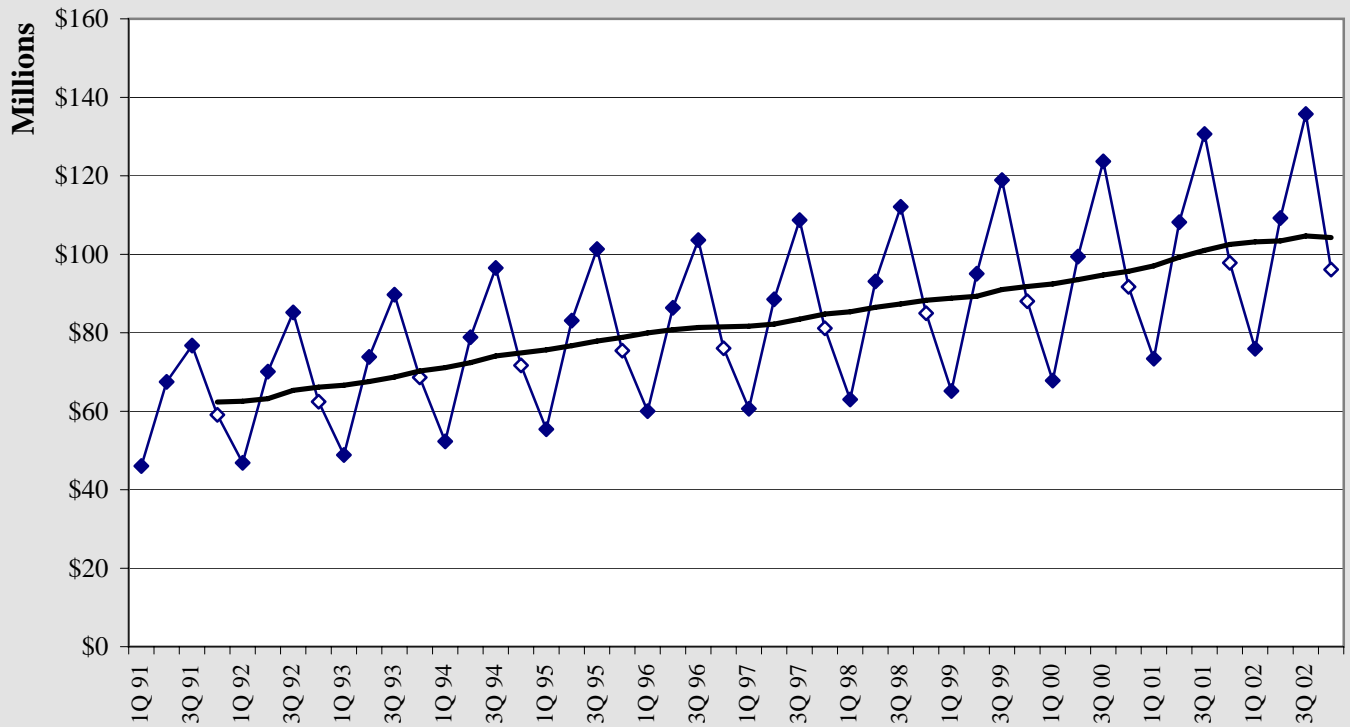


Chart 10.9

KPB Retail Industry

Retail Sales by Community

Each industry provides unique benefits in 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 which provides funding for the KPBSD. In addition, Kenai, Seward and Soldotna levy a 3% tax and Homer levies a 3.5% sales tax. Seldovia levies a seasonal tax, collected at the 2% rate from October through May and 4.5% from April through September. Taxes are collected by the KPB, then distributed to the communities, a method which benefits business owners who prepare only 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.

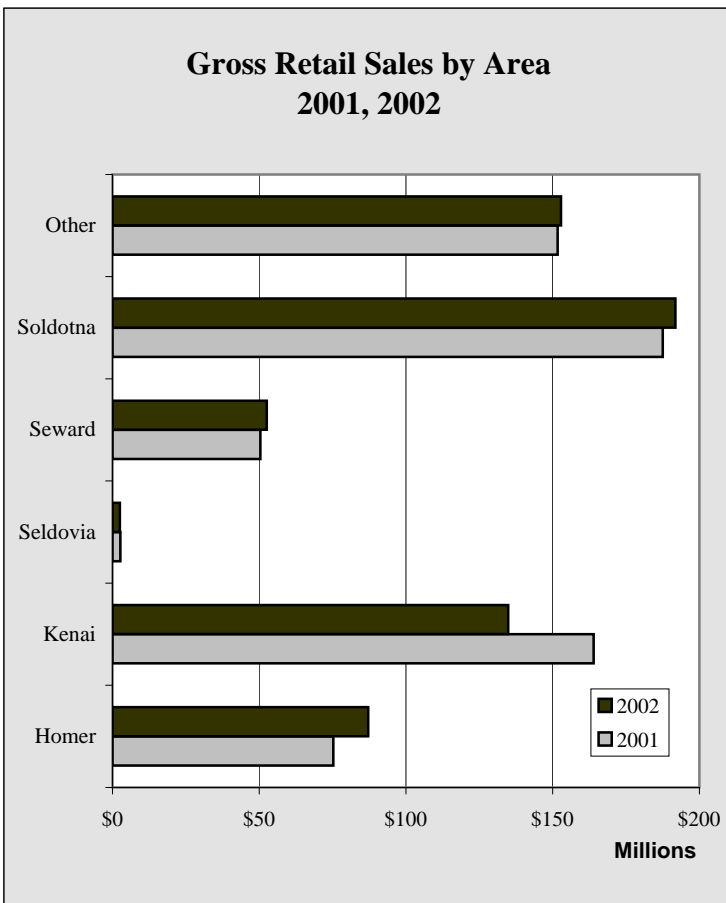


Chart 10.10

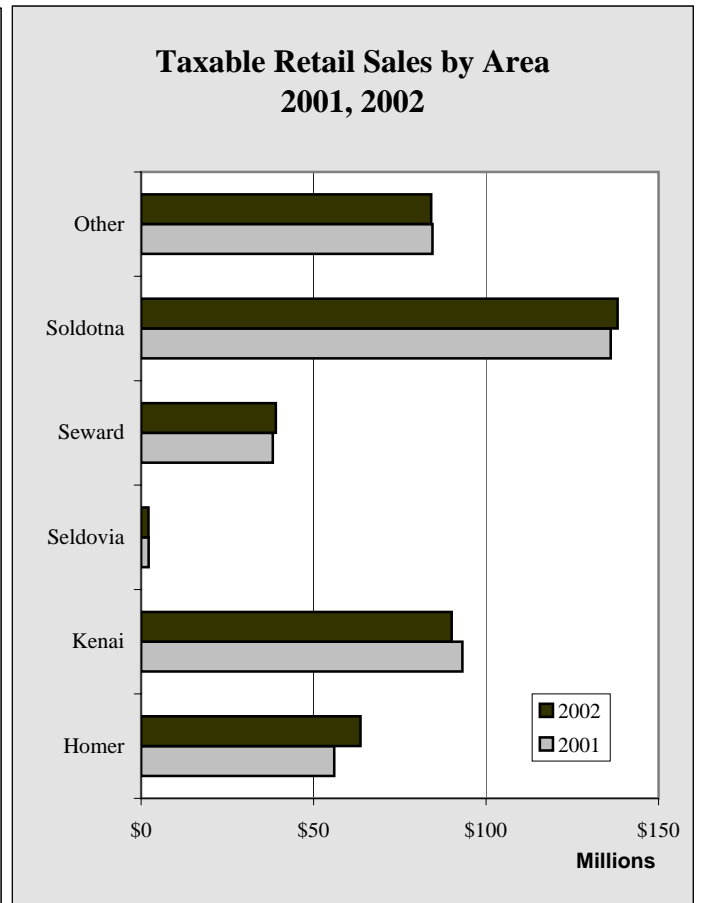


Chart 10.11

KPB Retail Industry

Homer Retail Sales

2002 data reflects impact of annexation effective April 1, 2002.

Gross Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	52,030,052	140,295,545	37.1%
1993	53,376,191	151,086,682	35.3%
1994	53,704,143	171,092,369	31.4%
1995	58,718,215	197,603,895	29.7%
1996	64,127,192	199,109,161	32.2%
1997	64,382,878	203,199,870	31.7%
1998	64,712,270	212,442,617	30.5%
1999	66,221,369	203,842,475	32.5%
2000	71,200,247	215,634,921	33.0%
2001	71,166,776	228,502,709	31.1%
2002	87,124,757	261,675,881	33.3%

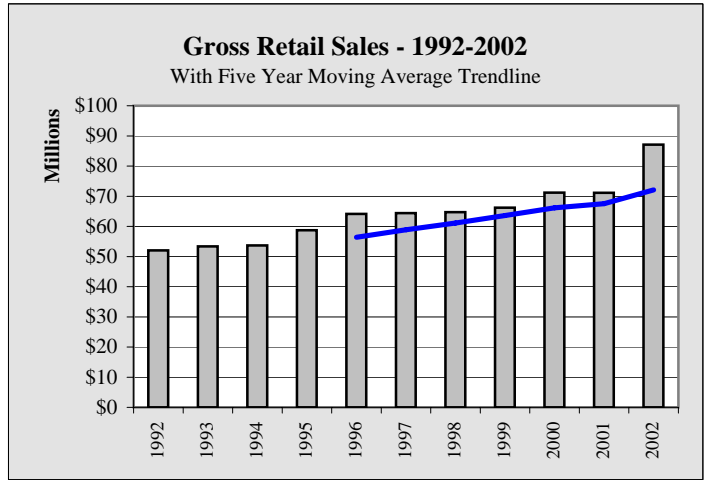


Table 10.11

Chart 10.12

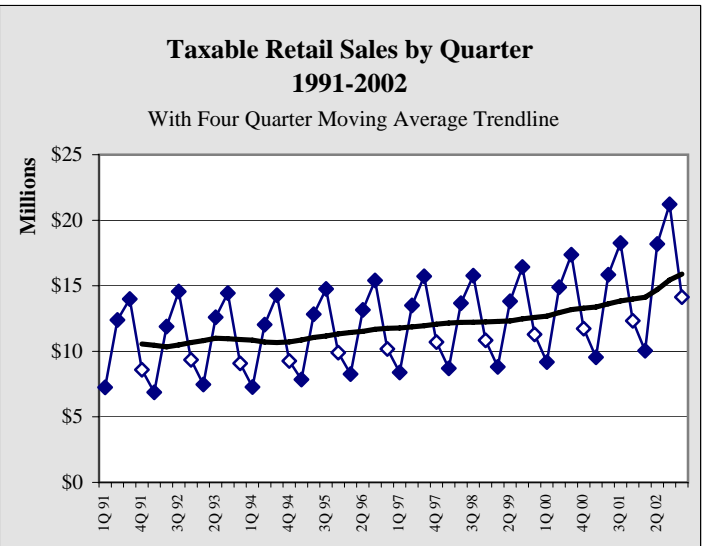
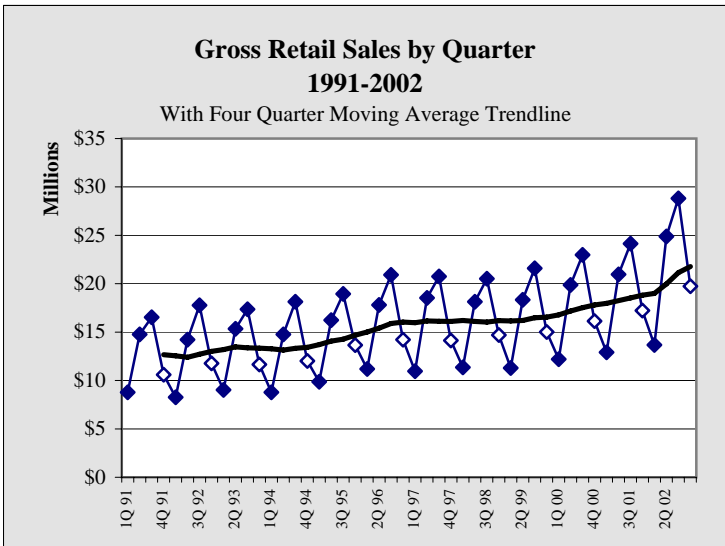


Chart 10.13

Chart 10.14

Taxable Retail Sales as Percent of Total - 1992-2002 - in \$			
	Retail	Total	Percent
1992	42,667,226	75,976,980	56.2%
1993	43,600,947	78,393,452	55.6%
1994	42,860,842	82,258,904	52.1%
1995	45,331,619	84,045,458	53.9%
1996	47,014,880	88,195,392	53.3%
1997	48,308,049	89,927,398	53.7%
1998	48,994,370	94,441,342	51.9%
1999	50,357,048	98,148,738	51.3%
2000	53,181,192	103,090,607	51.6%
2001	55,979,970	106,907,984	52.4%
2002	63,590,417	120,738,296	52.7%

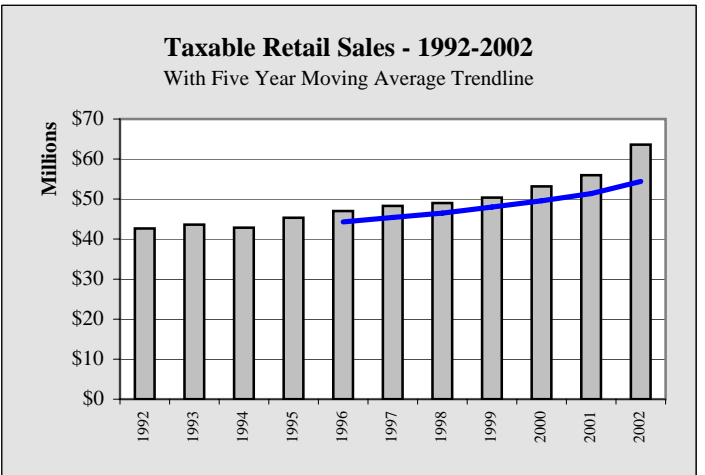


Table 10.12

Chart 10.15

KPB Retail Industry

Kenai Retail Sales

Gross Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	77,648,113	193,017,219	40.2%
1993	93,942,022	216,048,309	43.5%
1994	94,924,239	253,049,861	37.5%
1995	93,379,711	268,097,707	34.8%
1996	113,664,716	248,731,027	45.7%
1997	122,652,552	278,096,377	44.1%
1998	149,397,570	280,079,940	53.3%
1999	133,272,201	270,746,118	49.2%
2000	145,279,638	282,989,776	51.3%
2001	163,946,683	310,427,875	52.8%
2002	134,855,295	279,219,165	48.3%

Table 10.13

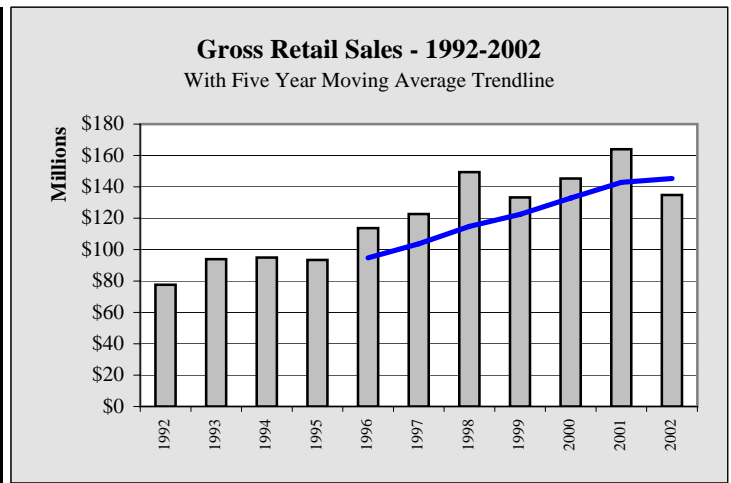


Chart 10.16



Chart 10.17



Chart 10.18

Taxable Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	61,857,351	97,116,702	63.7%
1993	77,839,892	113,517,014	68.6%
1994	76,411,101	114,402,035	66.8%
1995	74,318,065	112,591,635	66.0%
1996	77,946,322	116,551,530	66.9%
1997	78,793,974	118,576,754	66.4%
1998	80,814,442	120,030,707	67.3%
1999	81,828,974	124,367,091	65.8%
2000	85,320,368	127,766,626	66.8%
2001	93,141,358	137,046,049	68.0%
2002	90,028,788	136,540,390	65.9%

Table 10.14

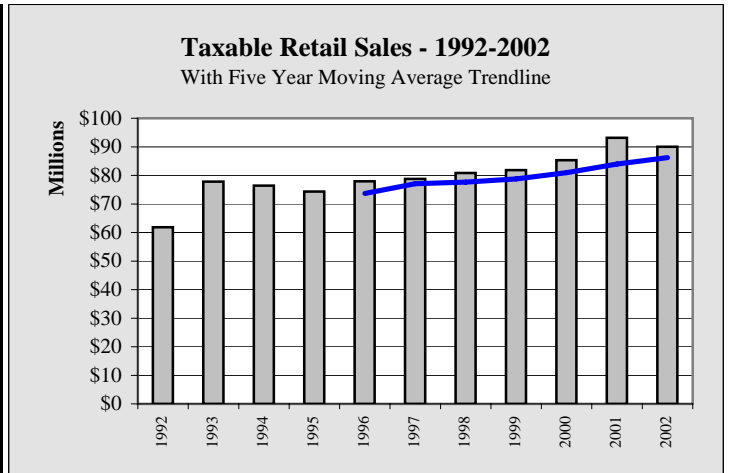


Chart 10.19

KPB Retail Industry

Seldovia Retail Sales

Gross Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	1,509,195	5,233,059	28.8%
1993	1,420,425	4,251,941	33.4%
1994	1,449,274	5,275,307	27.5%
1995	1,597,789	5,837,861	27.4%
1996	1,763,364	5,729,992	30.8%
1997	1,682,862	4,773,255	35.3%
1998	1,698,659	4,723,739	36.0%
1999	2,359,533	4,844,770	48.7%
2000	2,969,768	5,267,325	56.4%
2001	2,686,700	5,226,307	51.4%
2002	2,525,108	4,821,639	52.4%

Table 10.15

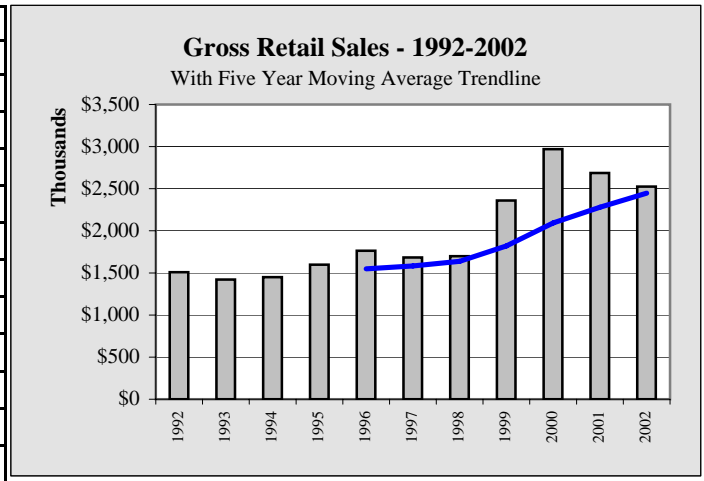


Chart 10.20

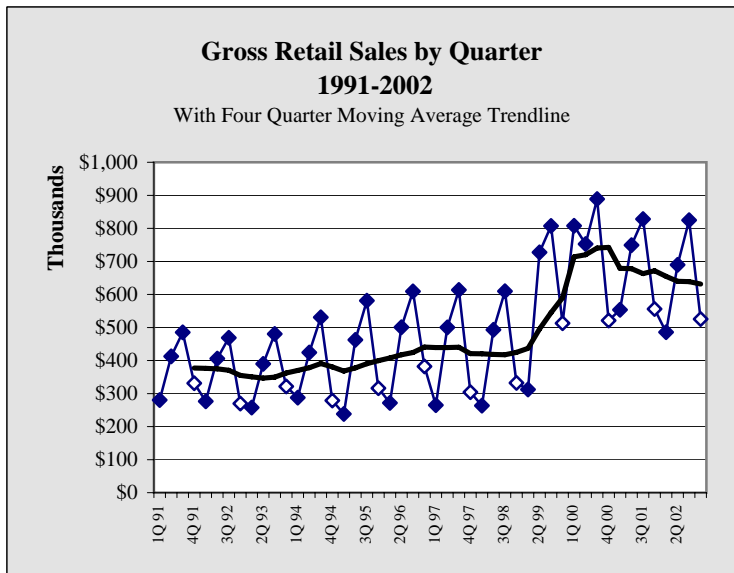


Chart 10.21

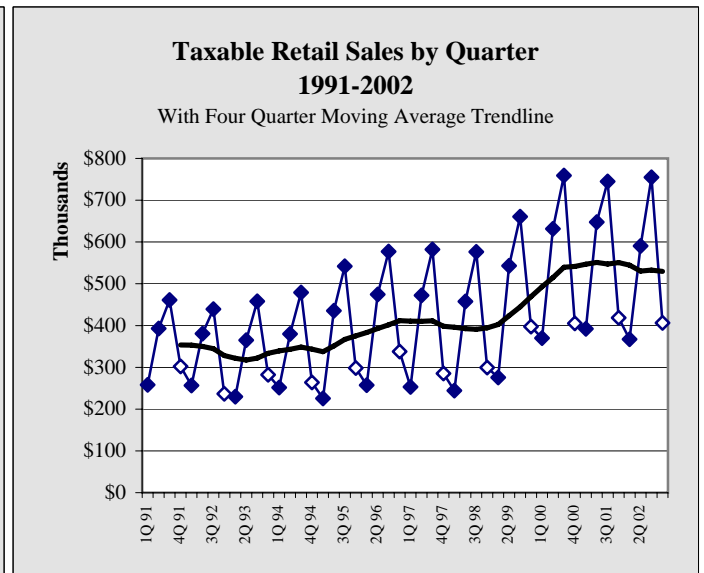


Chart 10.22

Taxable Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	1,313,138	2,960,303	44.4%
1993	1,334,863	2,922,385	45.7%
1994	1,374,783	2,911,600	47.2%
1995	1,501,500	3,576,948	42.0%
1996	1,646,801	3,430,309	48.0%
1997	1,593,073	3,336,023	47.8%
1998	1,577,816	3,398,293	46.4%
1999	1,877,036	3,229,249	58.1%
2000	2,165,560	3,418,123	63.4%
2001	2,202,868	3,336,115	66.0%
2002	2,118,927	3,278,114	64.6%

Table 10.16

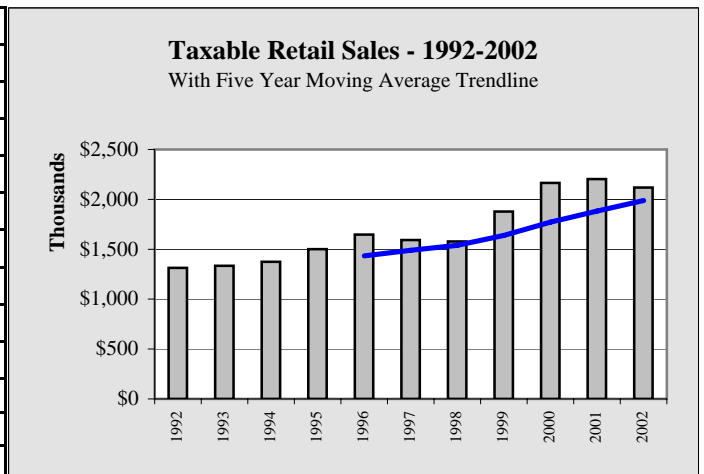


Chart 10.23

KPB Retail Industry

Seward Retail Sales

Gross Retail Sales as Percent of Total Sales in \$			
	Retail	Total	Percent
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	127,468,033	27.2%
1996	36,006,839	133,848,642	26.9%
1997	38,720,088	145,547,675	26.6%
1998	44,656,247	132,506,248	33.7%
1999	48,356,132	130,155,521	37.2%
2000	51,457,380	138,318,356	37.2%
2001	50,402,784	148,359,336	34.0%
2002	52,570,154	142,228,716	37.0%

Table 10.17

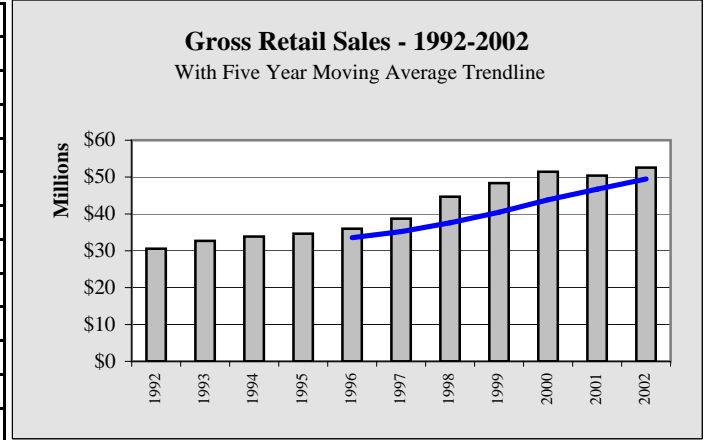


Chart 10.24

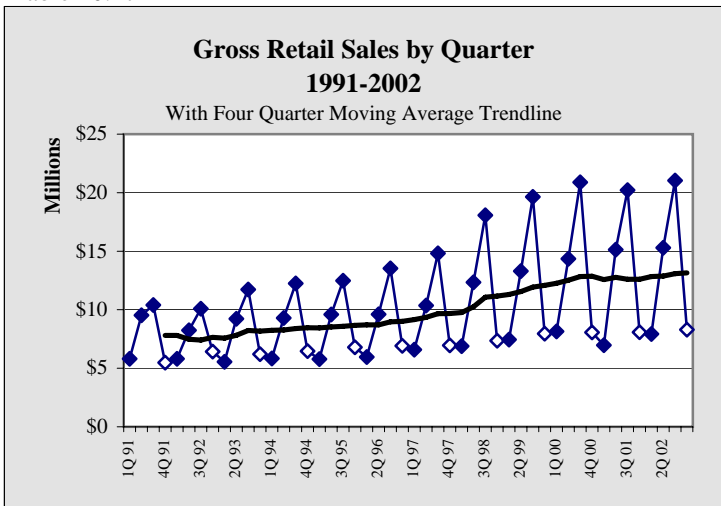


Chart 10.25

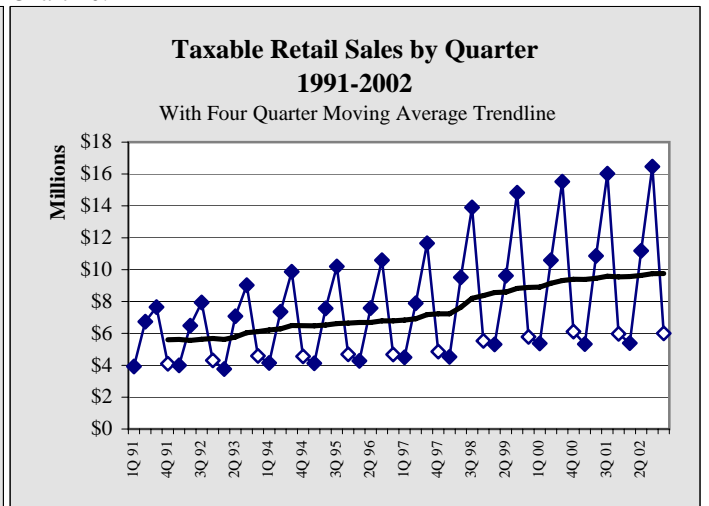


Chart 10.26

Taxable Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
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	55,756,987	47.7%
1996	27,127,316	57,196,941	47.4%
1997	28,904,325	62,516,024	46.2%
1998	33,478,522	67,278,264	49.8%
1999	35,539,902	71,472,199	49.7%
2000	37,599,267	73,984,076	50.8%
2001	38,190,856	74,224,971	51.5%
2002	39,037,182	75,601,878	51.6%

Table 10.18

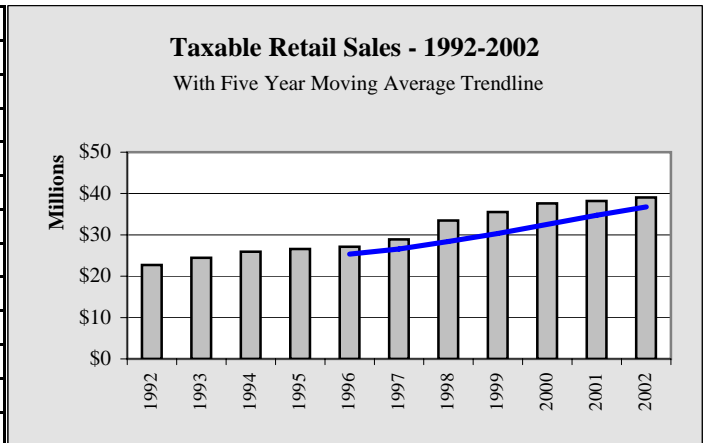


Chart 10.27

KPB Retail Industry

Soldotna Retail Sales

Gross Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	101,124,584	164,956,587	61.3%
1993	100,046,920	165,539,916	60.4%
1994	120,712,359	194,609,544	62.0%
1995	133,746,716	212,793,589	62.9%
1996	138,543,049	218,250,448	63.5%
1997	149,103,119	232,583,888	64.1%
1998	157,774,054	250,793,664	62.9%
1999	166,898,488	277,588,737	60.1%
2000	170,186,451	286,889,298	59.3%
2001	187,509,140	307,661,628	60.9%
2002	191,827,146	325,357,227	59.0%

Table 10.19

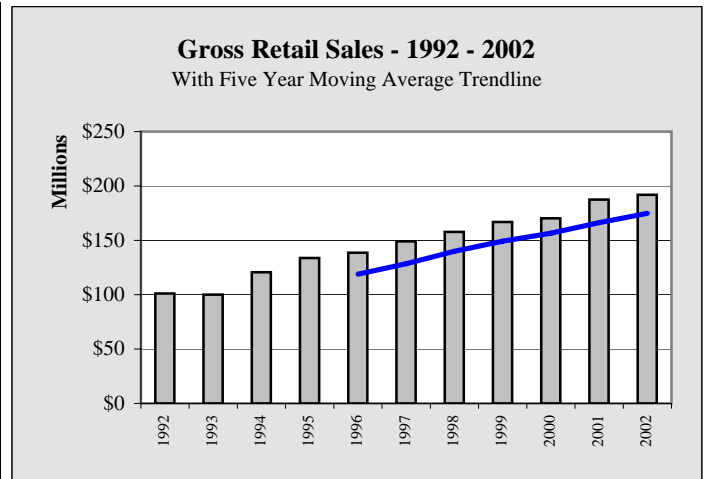


Chart 10.28

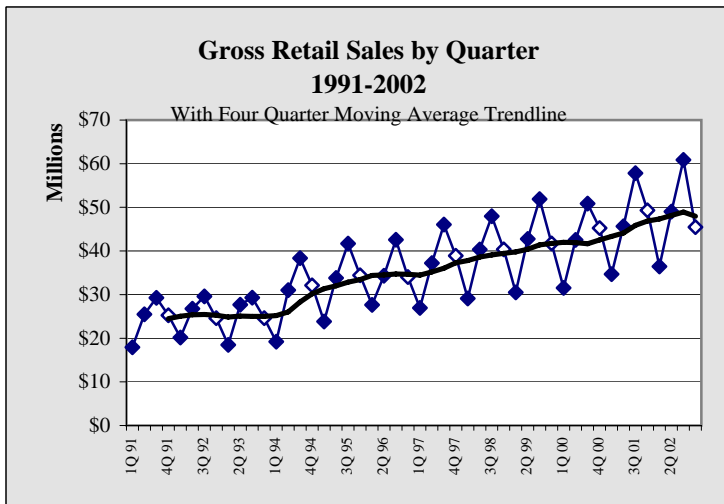


Chart 10.29

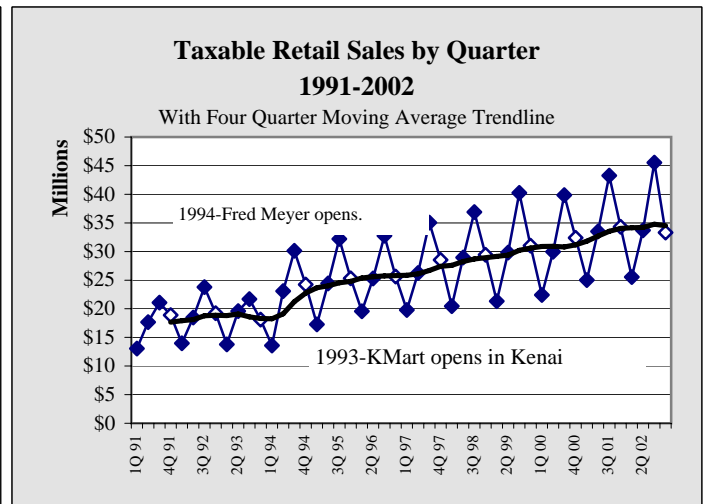


Chart 10.30

Taxable Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	75,481,357	99,094,387	76.2%
1993	73,176,291	98,354,931	74.4%
1994	91,052,068	119,702,481	76.1%
1995	99,205,402	129,069,096	76.9%
1996	103,220,515	133,325,182	77.4%
1997	109,625,447	140,336,676	78.1%
1998	115,732,671	147,789,661	78.3%
1999	122,401,180	155,952,764	78.5%
2000	124,605,413	159,448,652	78.1%
2001	136,113,822	172,397,655	79.0%
2002	138,112,084	176,899,381	78.1%

Table 10.20

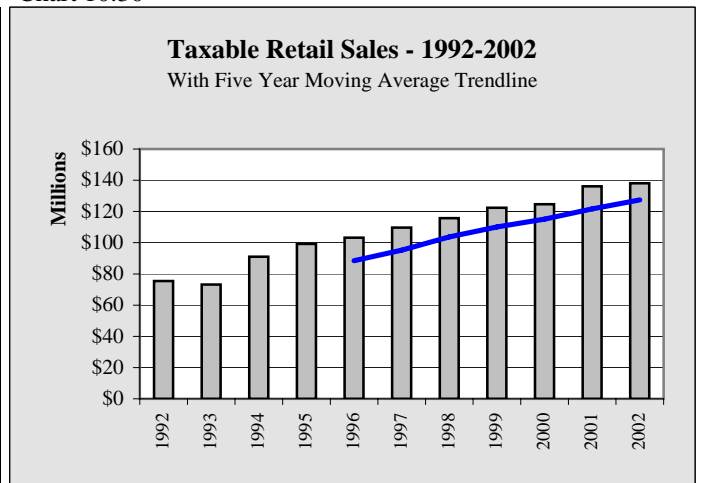


Chart 10.31

KPB Retail Industry

KPB Unincorporated Retail Sales

Gross Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	89,042,556	627,892,503	14.2%
1993	94,352,723	624,484,784	15.1%
1994	101,982,121	664,152,882	15.4%
1995	114,034,241	694,606,708	16.4%
1996	119,910,510	630,276,002	19.0%
1997	128,401,693	729,346,183	17.6%
1998	128,963,750	793,020,393	16.3%
1999	128,644,968	733,148,429	17.5%
2000	137,924,440	708,062,943	19.5%
2001	151,677,570	901,423,803	16.8%
2002	152,830,640	803,322,659	19.0%

Table 10.21

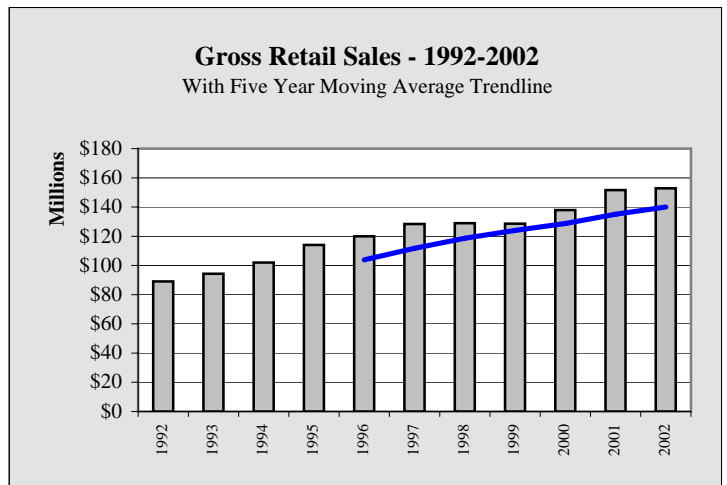


Chart 10.32



Chart 10.33

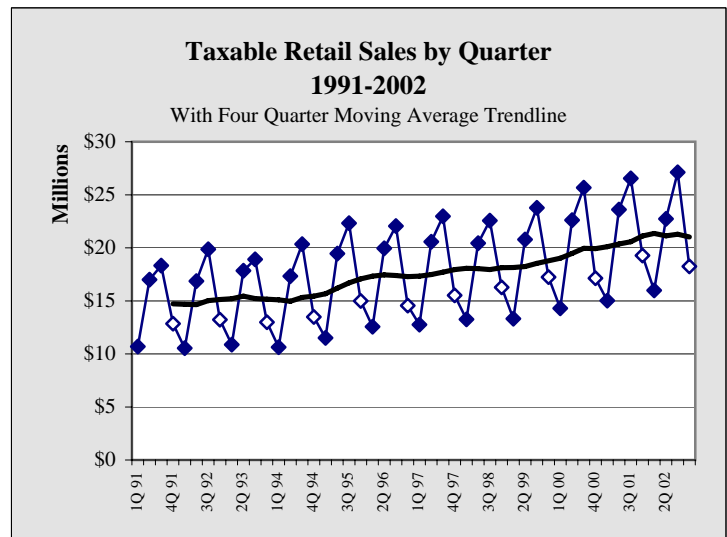


Chart 10.34

Taxable Retail Sales as Percent of Total in \$			
	Retail	Total	Percent
1992	60,494,947	140,222,526	43.1%
1993	60,622,548	146,610,419	41.3%
1994	61,786,255	152,574,668	40.5%
1995	68,290,357	162,869,715	41.9%
1996	69,122,935	164,438,681	42.0%
1997	71,802,512	172,433,408	41.6%
1998	72,533,481	179,549,334	40.4%
1999	75,119,590	187,394,079	40.1%
2000	79,709,994	199,202,963	40.0%
2001	84,442,713	211,081,859	40.0%
2002	84,078,232	209,335,721	40.2%

Table 10.22

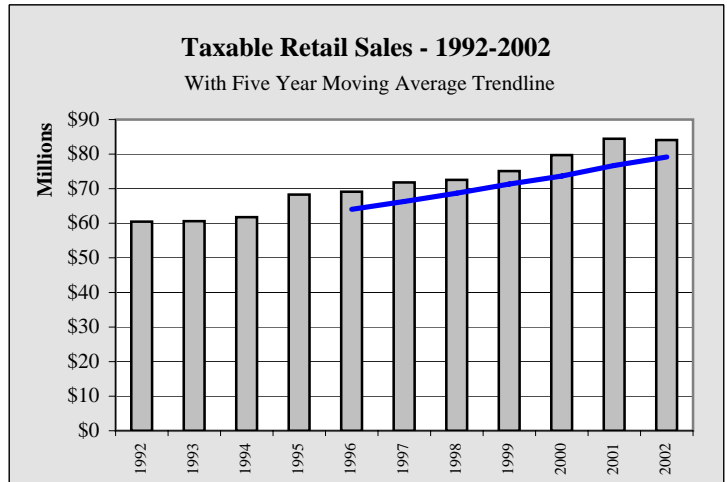


Chart 10.35

This page intentionally left blank.

KPB Service Industry

Overview

The Kenai Peninsula Borough service industry is perhaps the fastest growing industry in the area and exists under numerous umbrellas. The AKDOLWD under the terms of the NAFTA agreement with Canada and Mexico, categorizes businesses under various Line of Business (LOB) codes for purposes of business licensing and employment. That agreement became affective January 1, 1994, and employment data collected by the State of Alaska is classified under the new North America Industrial Classification System (NAICS) effective 2002. Because of the change in classification, employment data for 2002 cannot be trended in comparison to previous years. To date, the KPB has not converted sales records into the NAFTA system (NAICS). Rather, sales are reported under the Standard Industrial Classification (SIC) codes, one of which is Services.

Classification codes are inconsistent between sales and employment, as employment data are classed under the new NAICS codes, and sales data are classified under the old SIC classification system.

Employment

Annual Average Monthly Employment by Service Industry Code									
	1994	1995	1996	1997	1998	1999	2000	2001	2002
Hotels and Other Lodging	573	606	545	511	548	520	603	591	
Personal Services	108	111	97	102	108	118	134	137	See
Business Services	224	262	249	243	291	334	365	437	Below
Auto repair, services & parking	106	125	138	118	115	131	125	136	
Miscellaneous repair services	37	48	65	53	51	56	48	77	
Motion Pictures	59	57	63	63	59	62	42	38	
Amusement and Recreation (Includes Guides)	177	218	246	209	219	208	239	252	
Health Services	1,157	803	777	772	728	770	802	884	
Legal Services	38	38	37	39	38	36	38	40	
Educational Services	25	27	29	33	52	58	71	62	
Social Services	351	342	378	366	390	340	354	350	
Museums, botanical, zoological gardens	*	21	20	18	78	88	87	98	
Membership organizations	310	419	430	432	414	461	510	435	
Engineering & Mgmt services	119	132	122	149	153	153	158	172	
Private households	*	20	20	13	9	8	9	7	
Miscellaneous services	*	1	2	2	2	2	2	3	
Total	2,571	2,624	2,673	2,612	2,707	2,825	2,984	3,719	

Table 11.1

Average Monthly Employment by NAICS Service Industry Codes - 2002	
Professional and Service Industries	830
Educational Services, Health Care and Social Assistance	1,345
Leisure and Hospitality - Includes Accommodation, Eating & Drinking	2,191
Other Services	771

Table 11.2

KPB Service Industry

Earnings

2002 data cannot be compared to prior years due to the change to the NAICS system of coding in employment data.

KPB Services Average Monthly Earnings - in \$			
	Service*	KPB Average	Service as Percent of KPB
1993	1,652	2,458	48.8%
1994	1,602	2,473	54.4%
1995	1,447	2,476	71.1%
1996	1,557	2,471	58.7%
1997	1,605	2,504	56.0%
1998	1,613	2,504	55.2%
1999	1,655	2,543	53.7%
2000	1,695	2,794	64.8%
2001	1,670	2,732	63.6%
2002	na	na	na

Table 11.3

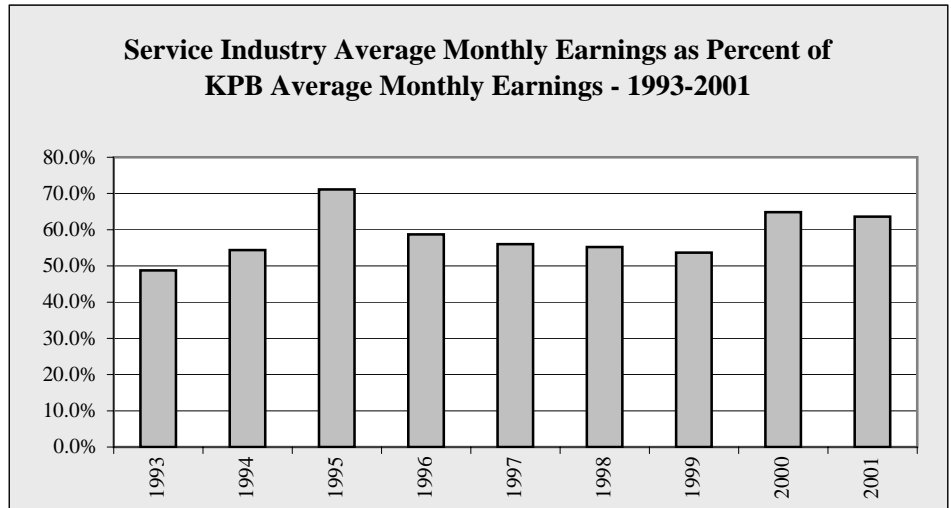


Chart 11.1

Monthly Earning by NAICS Service Industry Codes - 2002 - in \$

Professional and Service Industries	2,141
Educational Services, Health Care and Social Assistance	1,961
Leisure and Hospitality - Includes Accomodation, Eating & Drinking	1,175
Other Services	1,316

Table 11.4

Service Industry Annual Payroll Totals - 1994-2001 - in \$								
	1994	1995	1996	1997	1998	1999	2000	2001
Hotels and Other Lodging	7,622,052	8,350,536	6,747,158	6,982,906	7,836,919	7,718,366	10,291,014	9,825,462
Personal Services	1,264,151	1,240,433	1,119,415	1,163,307	1,339,650	1,344,987	1,531,535	1,622,476
Business Services	3,301,444	4,132,472	3,603,196	3,679,308	4,986,150	6,226,198	7,062,472	9,836,522
Auto repair, services & parking	2,072,757	2,436,287	2,661,834	2,491,854	2,499,198	2,840,849	3,014,055	3,139,467
Miscellaneous repair services	841,862	1,219,809	3,679,317	2,552,796	2,180,682	2,254,200	1,821,378	2,905,103
Motion Pictures	504,092	506,188	513,928	472,592	492,341	551,094	435,580	511,695
Amusement and Recreation Services	2,637,073	2,751,390	3,201,591	2,787,082	2,963,723	2,674,516	3,155,863	3,487,701
Health Services	27,397,931	16,332,584	16,504,600	17,666,288	16,646,822	17,437,882	19,208,717	21,259,265
Legal Services	947,389	972,285	963,596	1,014,146	994,237	979,871	1,109,094	1,154,985
Educational Services	402,908	447,619	475,273	562,554	910,342	1,079,647	1,276,126	1,362,041
Social Services	5,124,969	5,375,535	5,932,806	5,958,579	6,439,295	5,887,523	6,146,420	6,131,154
Museums, botanical, zoological gardens	*	*	*	*	*	*	*	2,829,175
Membership organizations	3,887,624	4,811,115	5,613,706	6,003,280	5,369,393	6,363,262	6,997,833	5,012,059
Engineering & Mgmt services	2,833,094	3,167,152	2,863,447	4,177,446	3,898,561	4,275,621	4,496,153	5,169,413
Private households	*	748,182	918,694	130,457	107,747	101,666	164,627	130,732
Miscellaneous services	*	*	*	*	*	*	*	*
Total Service Wages	59,696,006	52,870,882	55,225,108	56,049,361	58,916,723	62,324,616	69,316,261	74,377,250

* - Confidential due to low numbers

Table 11.5

KPB Service Industry

Participants

Service industry participants operate in various Lines of Business (LOB), per the NAFTA agreement, as follows. While local economic strength comes from oil & gas and commercial fishing entities, 35.9% of all KPB business licenses are issued in service industries, those businesses which provide support services to the businesses, employees, and families active in the base industries.

Service Industry Business Licenses as Percent of KPB Total - by Area - 2002

	Accommodations /Food Service	Education Services	Health/ Social Services	Professional, Scientific, Technical Services	Other Services	Total Services	KPB Total Business Licenses	Services as Percent of Total
Anchor Point	38	5	13	20	34	110	375	29.3%
Clam Gulch	7	0	1	1	4	13	44	29.5%
Cooper Landing	30	3	3	6	5	47	119	39.5%
Fritz Creek	5	1	2	8	4	20	68	29.4%
Halibut Cove	2	0	0	1	1	4	45	8.9%
Homer	205	36	145	151	168	705	1,924	36.6%
Hope	10	1	2	1	0	14	62	22.6%
Kasilof	27	4	8	14	37	90	311	28.9%
Kenai	114	27	162	114	162	579	1,496	38.7%
Moose Pass	16	0	0	1	1	18	50	36.0%
Nanwalek	1	0	0	1	0	2	4	50.0%
Nikiski	20	2	18	17	37	94	300	31.3%
Nikolaevsk	2	0	8	5	2	17	21	81.0%
Ninilchik	41	1	8	6	9	65	216	30.1%
Port Graham	2	0	1	0	0	3	14	21.4%
Seldovia	16	0	1	6	5	28	99	28.3%
Seward	168	19	40	46	73	346	809	42.8%
Soldotna	205	40	201	140	202	788	2,223	35.4%
Sterling	47	8	29	25	47	156	456	34.2%
Tyonek	2	0	7	0	1	10	20	50.0%
KPB	958	147	649	563	792	3,109	8,656	35.9%

Table 11.6

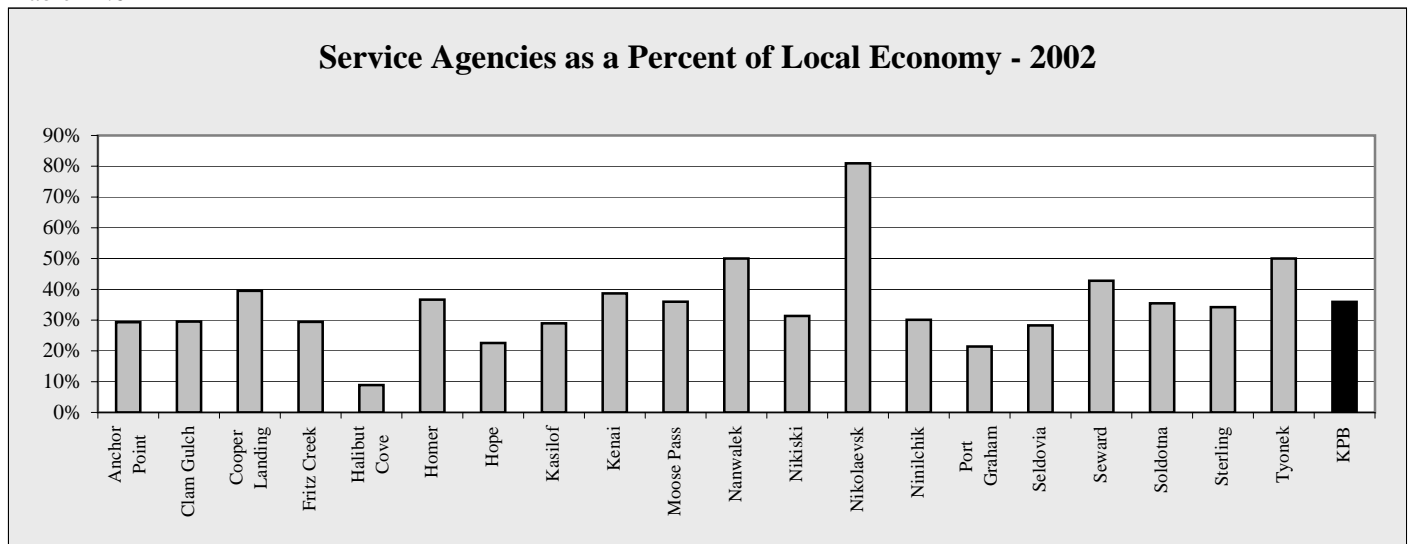


Chart 11.2

KPB Service Industry

Gross Sales

Gross sales in the service industry are increasing in importance, accounting for 8.0% of KPB gross sales during 2002. Service industries are the first to feel impacts when economic slowdowns occur as businesses and individuals cut expenses to preserve their bottom line values. Clearly, some services are more easily discontinued than others.

Service Related Gross Sales by Area - 1992-2002 - in \$							
	Homer	Kenai	Seldovia	Seward	Soldotna	KPB Unincorporated	KPB Total
1992	25,689,792	26,773,177	779,612	22,480,499	20,589,766	49,841,874	146,154,720
1993	26,257,479	24,267,764	813,524	20,855,260	19,767,318	57,178,709	149,140,054
1994	27,863,995	31,849,248	841,307	24,360,349	22,354,962	58,725,736	165,995,597
1995	29,080,842	30,667,110	1,162,799	28,610,720	23,574,882	63,363,309	176,459,662
1996	29,829,045	31,854,969	834,602	29,123,447	23,840,501	67,517,225	182,999,789
1997	30,950,687	34,033,796	866,800	32,948,926	26,507,740	71,312,163	196,620,112
1998	31,322,069	36,094,281	920,470	34,272,460	29,884,044	78,651,481	211,144,805
1999	33,743,954	32,669,956	858,272	39,033,862	30,622,659	83,322,595	220,251,298
2000	35,252,152	33,478,463	925,068	38,360,895	32,263,395	96,186,240	236,466,213
2001	39,120,411	37,469,061	884,899	42,671,989	34,683,298	101,619,344	256,449,002
2002	50,569,186	41,668,368	941,088	43,642,975	36,285,356	103,733,303	276,840,276

Table 11.7

Gross Service Sales as Percent of KPB Total	
1992	11.8%
1993	11.6%
1994	12.0%
1995	11.7%
1996	12.7%
1997	12.3%
1998	12.6%
1999	13.6%
2000	14.4%
2001	13.5%
2002	15.2%

Table 11.8

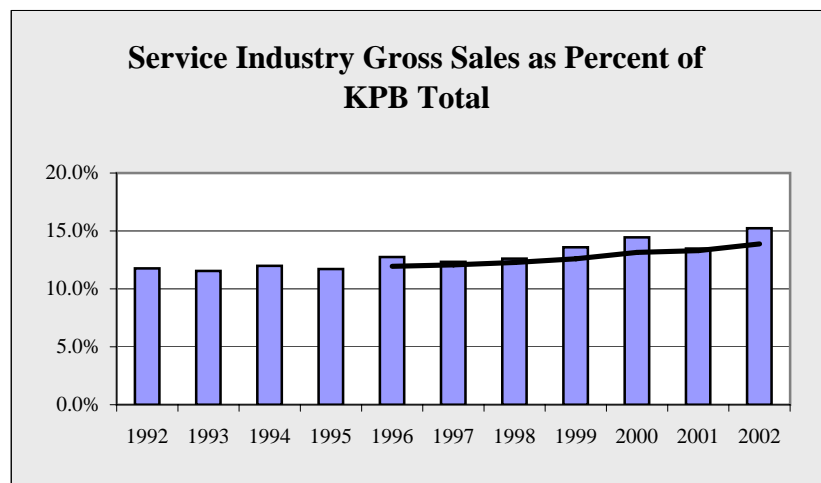


Chart 11.3

Gross Sales

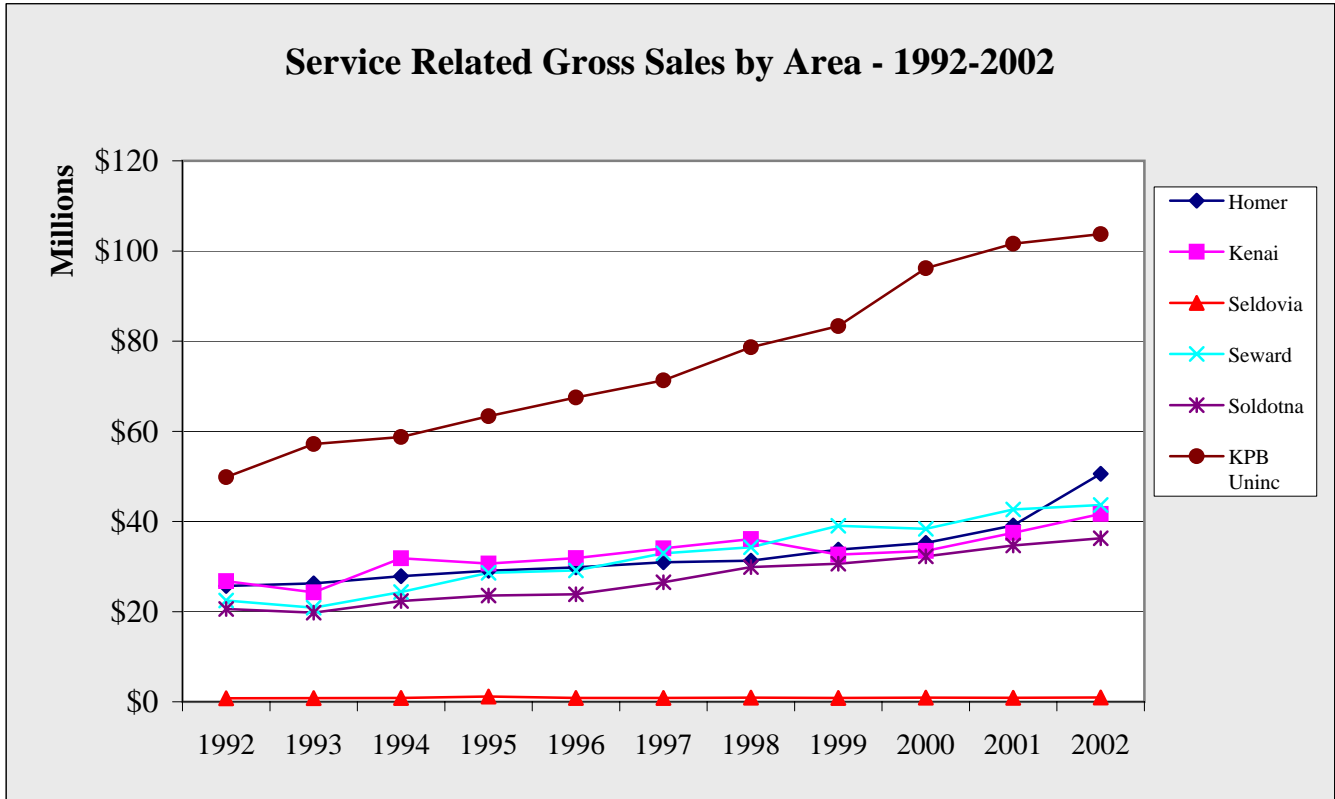


Chart 11.4

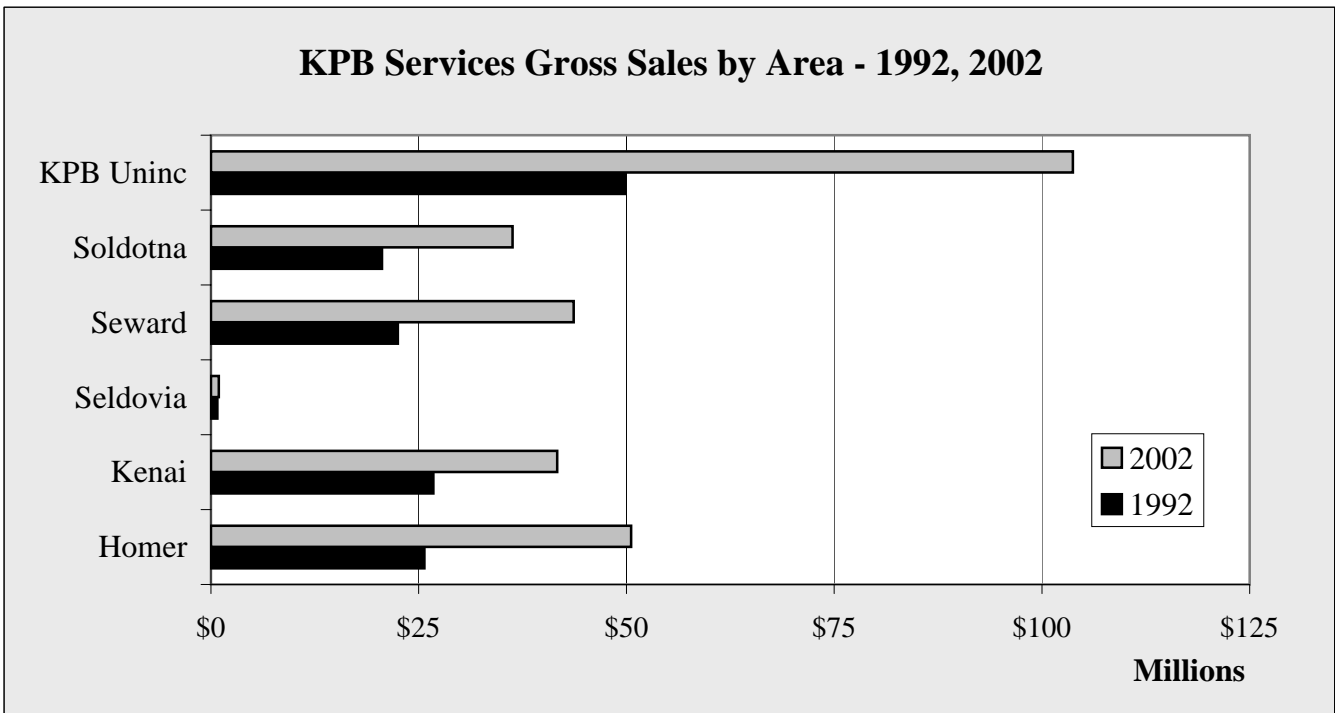


Chart 11.5

Taxable Sales

Taxable sales in the service industry, the second largest KPB sector, are increasing in importance as a revenue source for the municipalities as sales have nearly doubled in the past decade. The percent of KPB taxable sales coming from the service sector has hovered around 20 percent.

Historically, about 50 percent of service sales are taxable under the current sales tax code while in the massive retail industry, approximately 65 to 75 percent has been taxable.

Service Related Taxable Sales by Area - 1992-2002 - in \$							
	Homer	Kenai	Seldovia	Seward	Soldotna	KPB Unincorporated	KPB Total
1992	16,992,444	15,642,086	638,413	15,164,681	11,222,635	24,765,324	84,425,583
1993	18,231,178	16,407,989	635,969	17,137,401	11,634,121	27,214,606	91,261,264
1994	19,320,160	16,805,851	670,602	20,130,275	13,945,959	29,389,956	100,262,803
1995	20,419,680	17,331,633	850,699	21,851,862	14,158,630	32,833,285	107,445,789
1996	20,187,448	17,176,418	596,368	22,371,026	13,850,156	34,566,215	108,747,631
1997	21,947,741	17,158,080	664,505	25,414,981	14,711,144	36,789,373	116,685,824
1998	22,035,474	16,680,181	736,321	26,580,831	15,398,236	40,794,714	122,225,757
1999	23,232,422	17,677,101	659,563	28,908,259	15,403,419	43,554,212	129,434,976
2000	24,533,604	17,908,016	714,840	29,116,113	15,500,259	48,457,823	136,230,655
2001	24,997,035	18,713,143	644,328	29,595,840	15,706,768	49,611,123	139,268,237
2002	29,065,255	19,077,274	672,895	30,088,855	17,479,266	48,439,498	144,823,043

Table 11.9

Taxable Service Sales as Percent of KPB Total	
1992	18.2%
1993	18.5%
1994	19.0%
1995	19.5%
1996	19.3%
1997	19.8%
1998	20.0%
1999	20.2%
2000	20.4%
2001	19.8%
2002	20.0%

Table 11.10

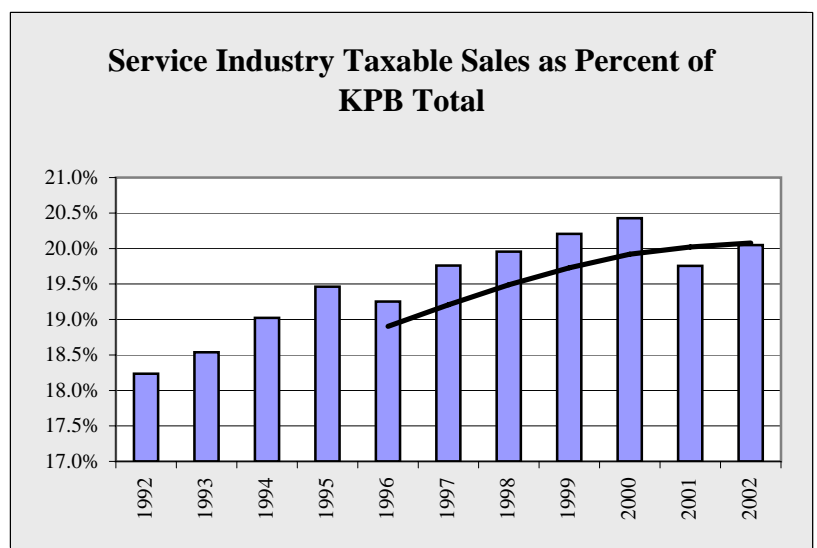


Chart 11.6

Taxable Sales

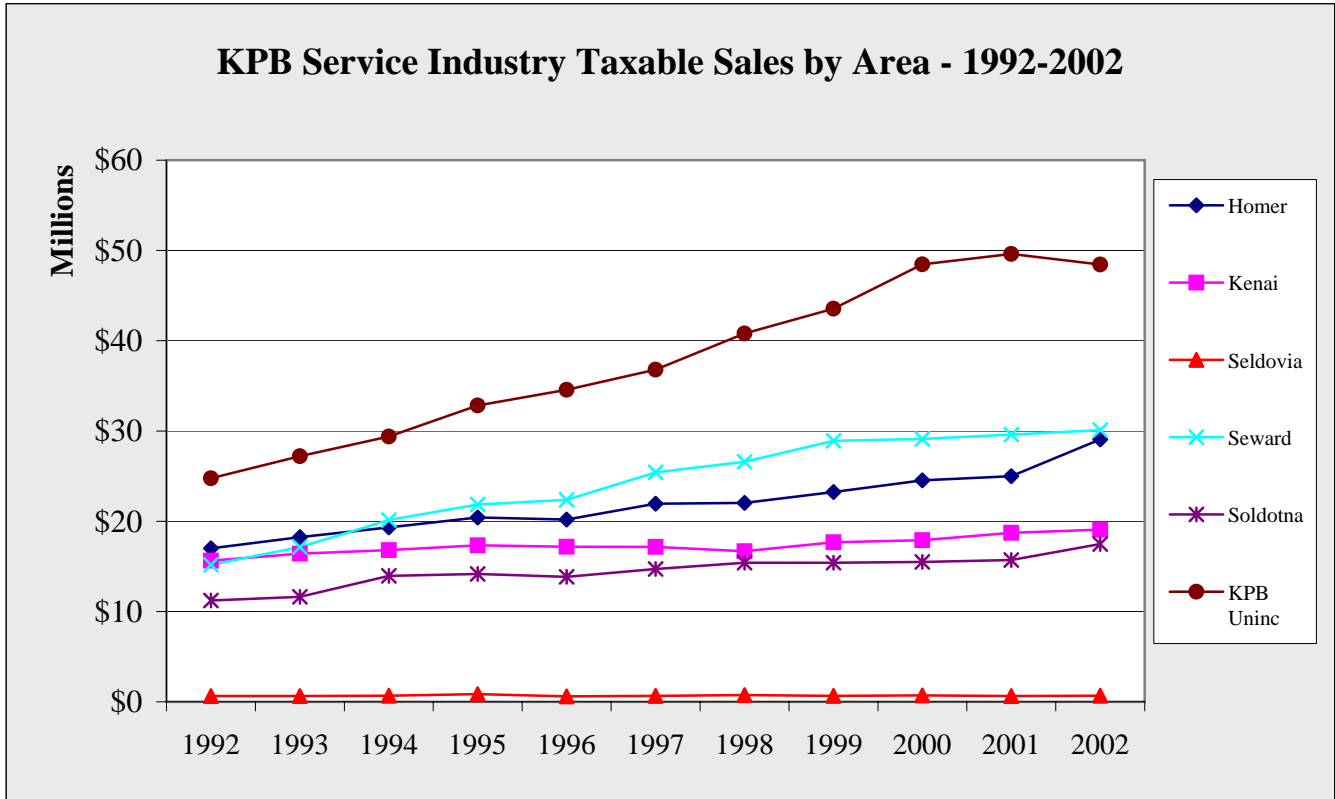


Chart 11.7

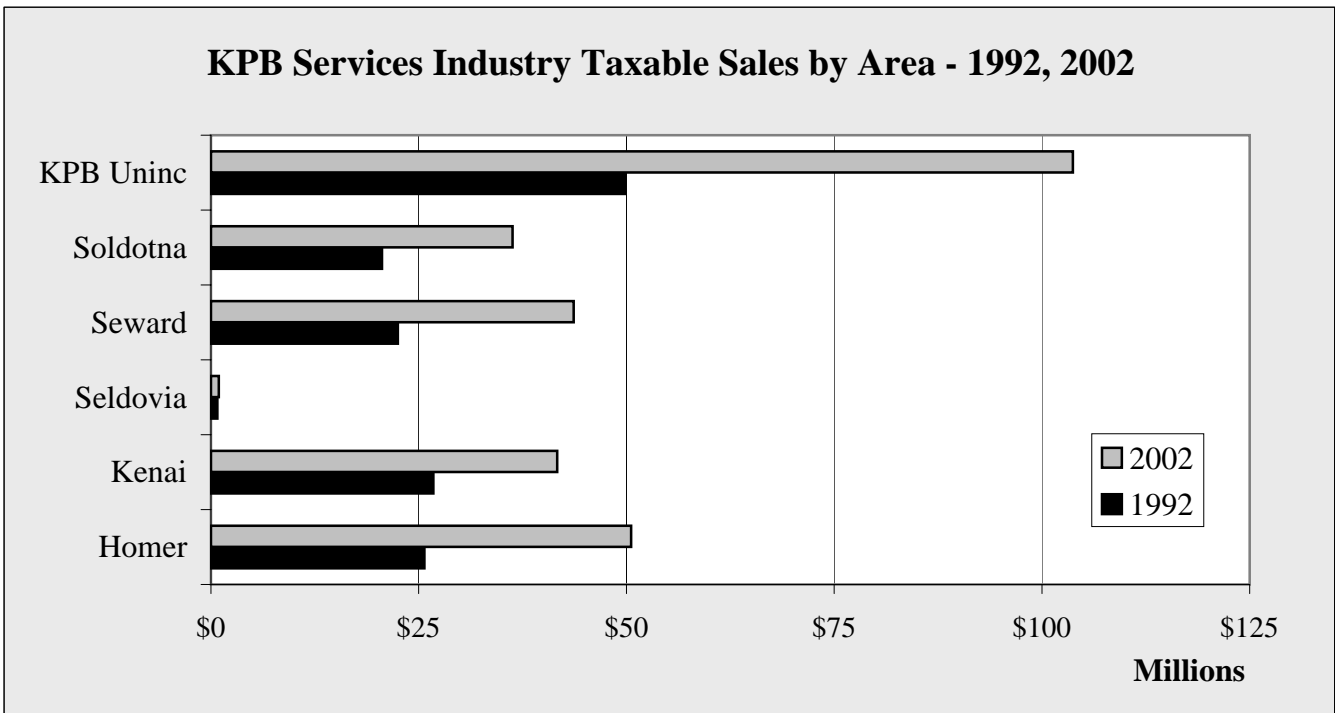


Chart 11.8

Gross Service Sales

KPB Gross Service Sales as Percent of Total - 1991-2001 - in \$

	Services	Total	Percent
1991	134,689,111	1,281,559,318	10.5%
1992	146,154,720	1,242,413,285	11.8%
1993	149,140,054	1,290,969,106	11.6%
1994	165,995,597	1,384,221,706	12.0%
1995	176,459,662	1,506,407,793	11.7%
1996	182,999,789	1,435,966,969	12.7%
1997	196,620,112	1,593,547,248	12.3%
1998	211,144,805	1,673,566,601	12.6%
1999	220,251,298	1,620,326,050	13.6%
2000	236,466,213	1,637,162,619	14.4%
2001	256,449,002	1,901,782,966	13.5%
2002	276,840,276	1,816,625,287	15.2%

Table 11.11

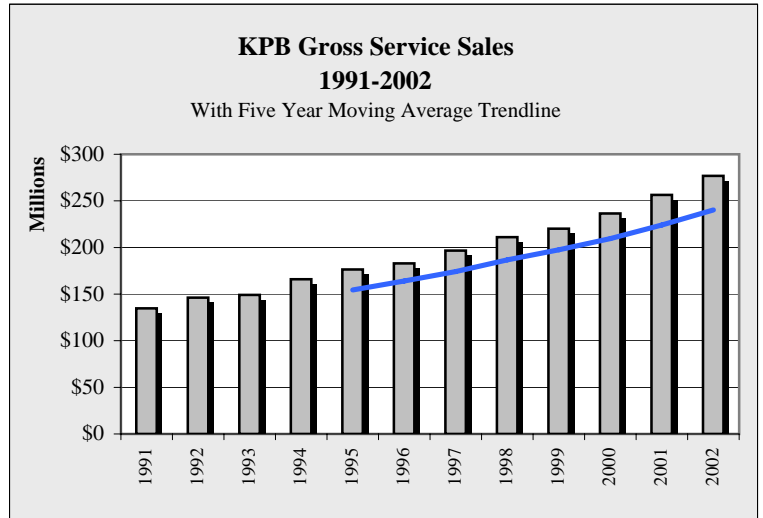


Chart 11.9

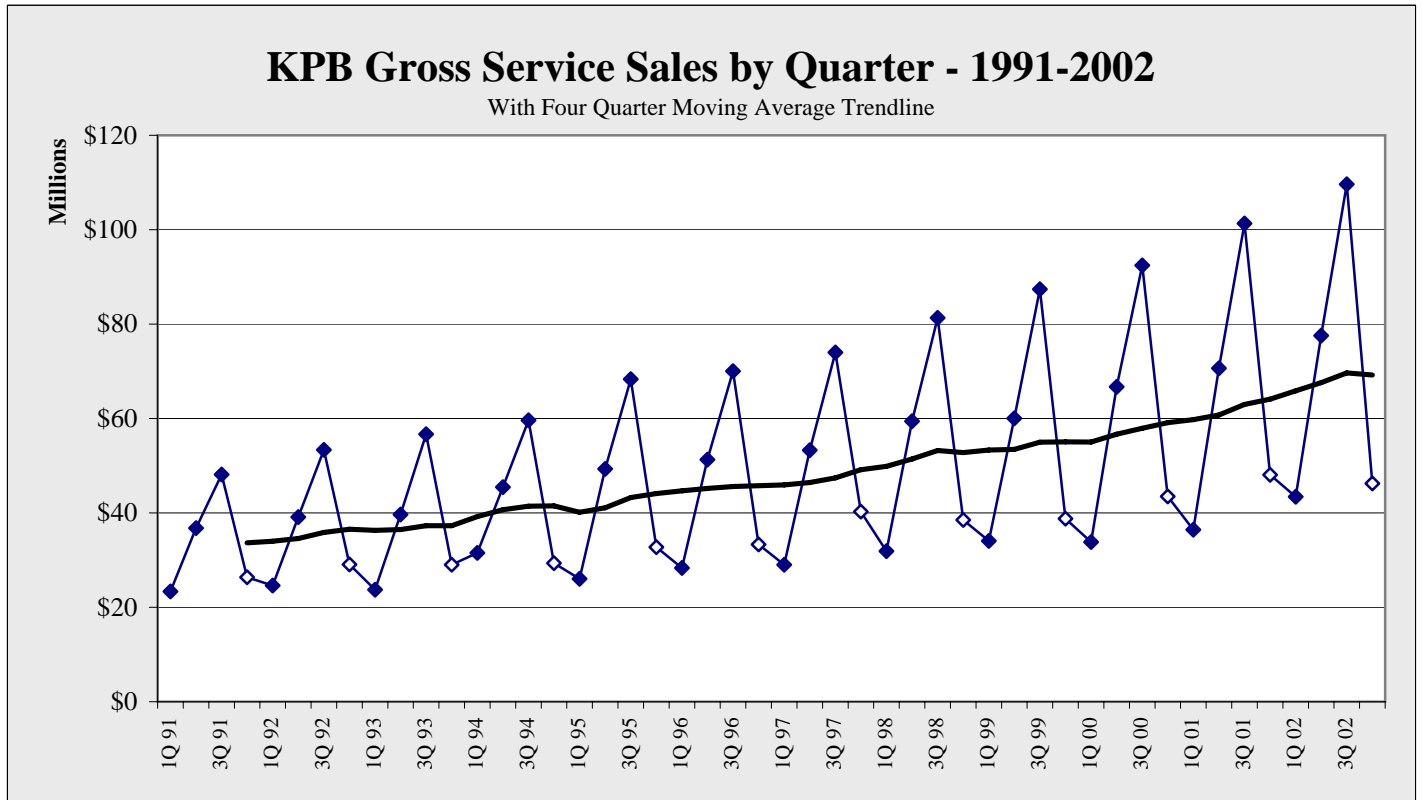


Chart 11.10

Percentage Gain

Gross Sales

**KPB Gross Service Sales
Annual Percent Change - in \$**

	Service	% Change
1991	134,689,111	
1992	146,154,720	8.5%
1993	149,140,054	2.0%
1994	165,995,597	11.3%
1995	176,459,662	6.3%
1996	182,999,789	3.7%
1997	196,620,112	7.4%
1998	211,144,805	7.4%
1999	220,251,298	4.3%
2000	236,466,213	7.4%
2001	256,449,002	8.5%
2002	276,840,276	8.0%

Table 11.12

**KPB Gross Service Sales
Percent Annual Change - 1992-2002**

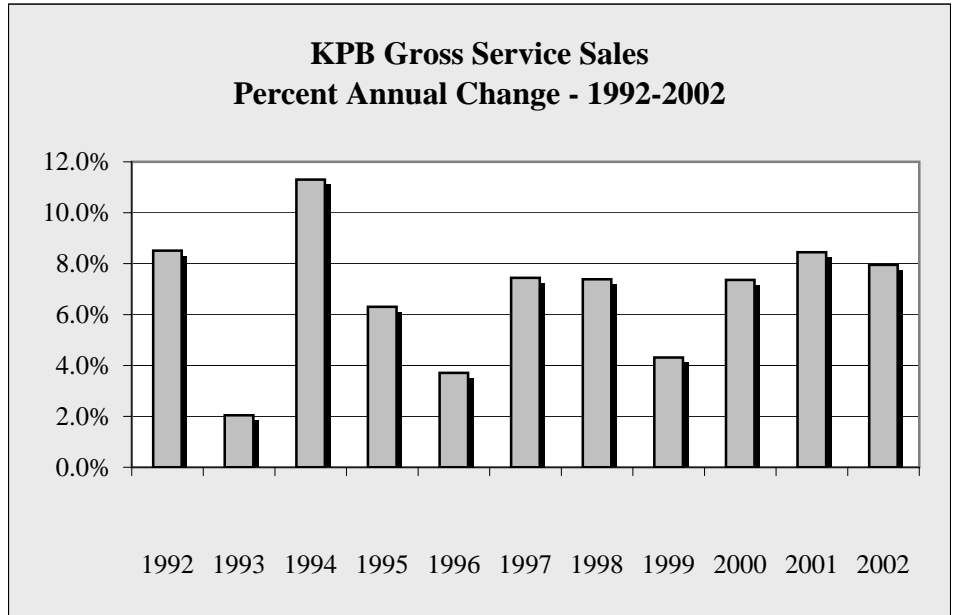


Chart 11.11

Taxable Sales

**KPB Taxable Service Sales
Annual Percent Change - in \$**

	Service	% Change
1991	77,928,079	
1992	84,425,583	8.3%
1993	91,261,264	8.1%
1994	100,262,803	9.9%
1995	107,445,789	7.2%
1996	108,747,631	1.2%
1997	116,685,824	7.3%
1998	122,225,757	4.7%
1999	129,434,976	5.9%
2000	136,230,655	5.3%
2001	139,268,237	2.2%
2002	144,823,043	4.0%

Table 11.13

**KPB Taxable Service Sales
Percent Annual Change - 1992-2002**

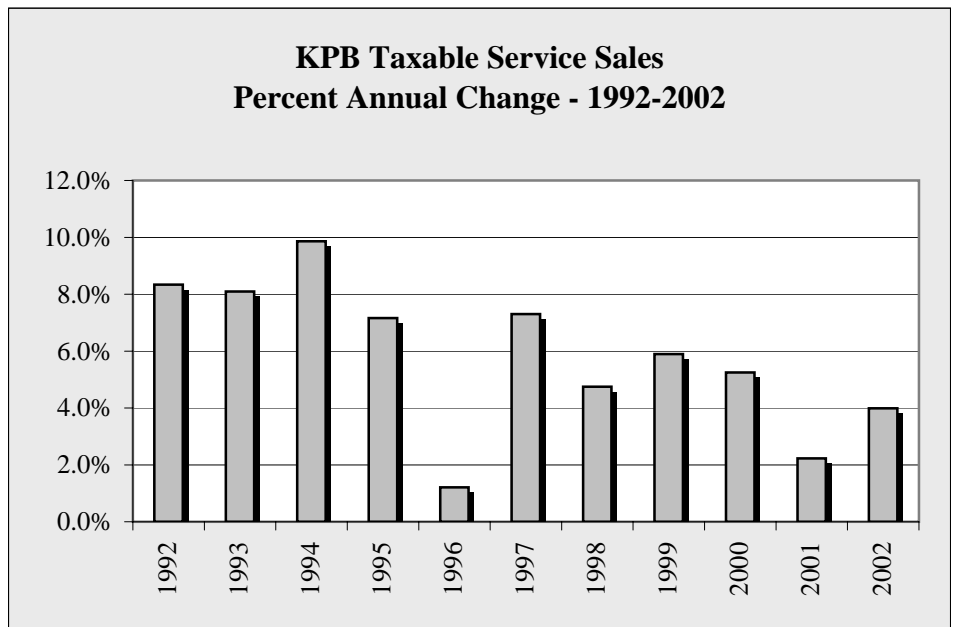


Chart 11.12

KPB Service Industry

Taxable Sales

KPB Taxable Service Sales as Percent of Total - 1991-2002 - in \$

	Services	KPB Total	Percent
1991	77,928,079	444,275,598	56.3%
1992	84,425,583	462,969,058	57.3%
1993	91,261,264	492,285,205	57.2%
1994	100,262,803	527,101,004	56.9%
1995	107,445,789	552,059,773	57.2%
1996	108,747,631	564,870,041	57.8%
1997	116,685,824	590,524,810	57.5%
1998	122,225,757	612,487,601	57.8%
1999	129,434,976	640,564,120	56.9%
2000	136,230,655	666,911,047	57.1%
2001	139,268,237	704,994,633	19.8%
2002	144,823,043	722,393,780	20.0%

Table 11.14

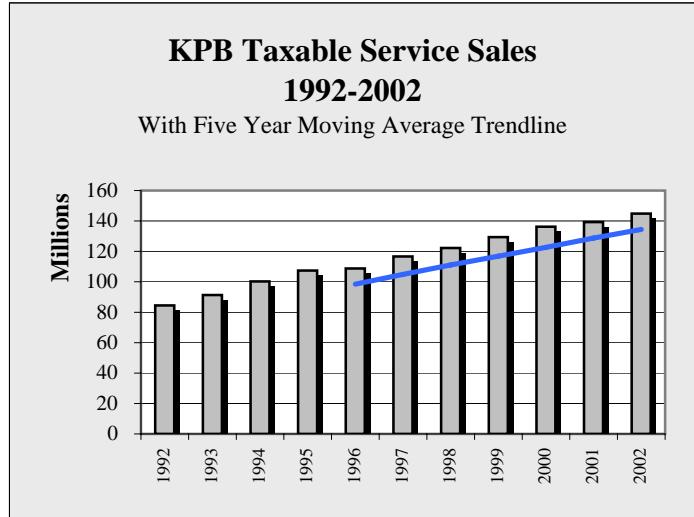


Chart 11.13

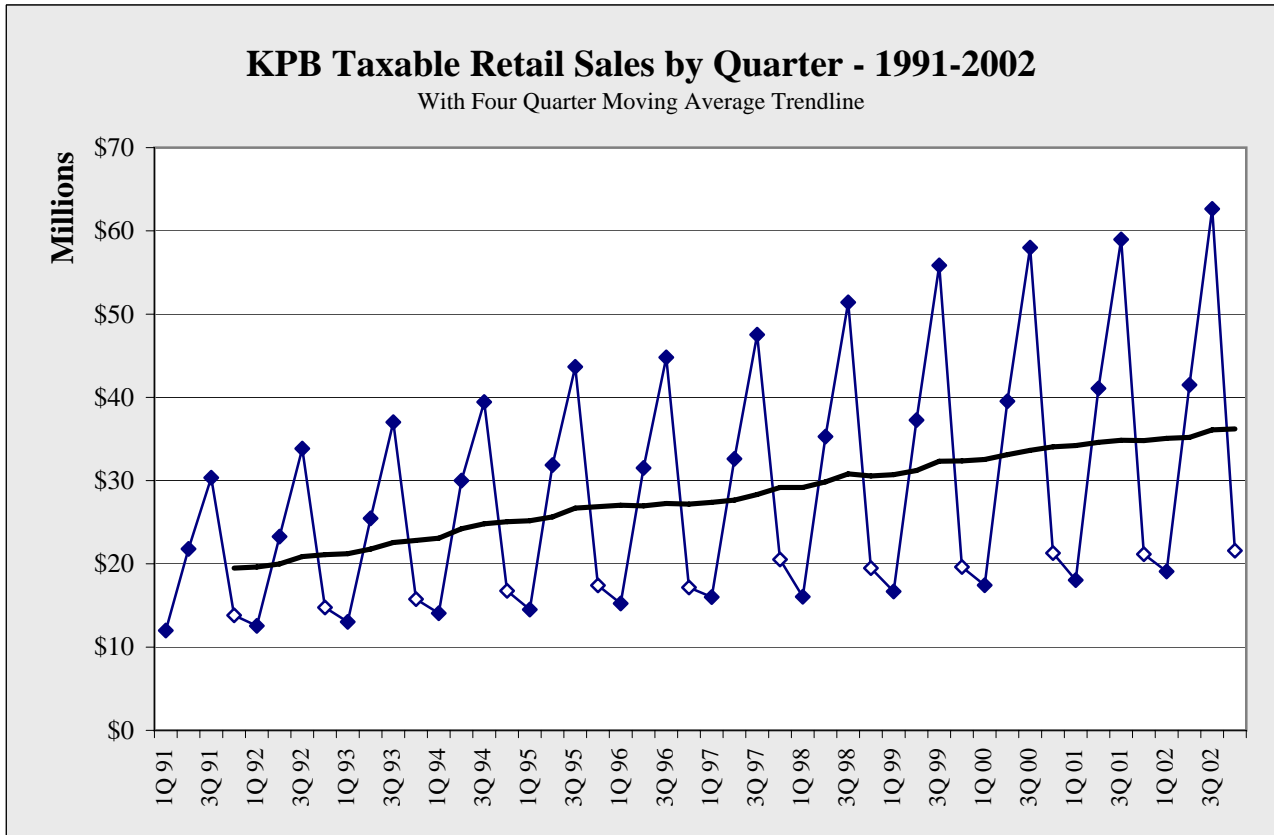


Chart 11.14

KPB Service Industry

Service Sales by Community

Each industry provides unique benefits in 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 which provides funding for the KPBSD. In addition, Kenai, Seward and Soldotna levy a 3% tax and Homer levies a 3.5% sales tax. Seldovia levies a seasonal tax, collected at the 2% rate from October through May and 4.5% from April through September. Taxes are collected by the KPB then distributed to the communities, a method which benefits business owners who prepare only one sales tax return and the borough receives economic information that helps both government and businesses in decision-making processes.

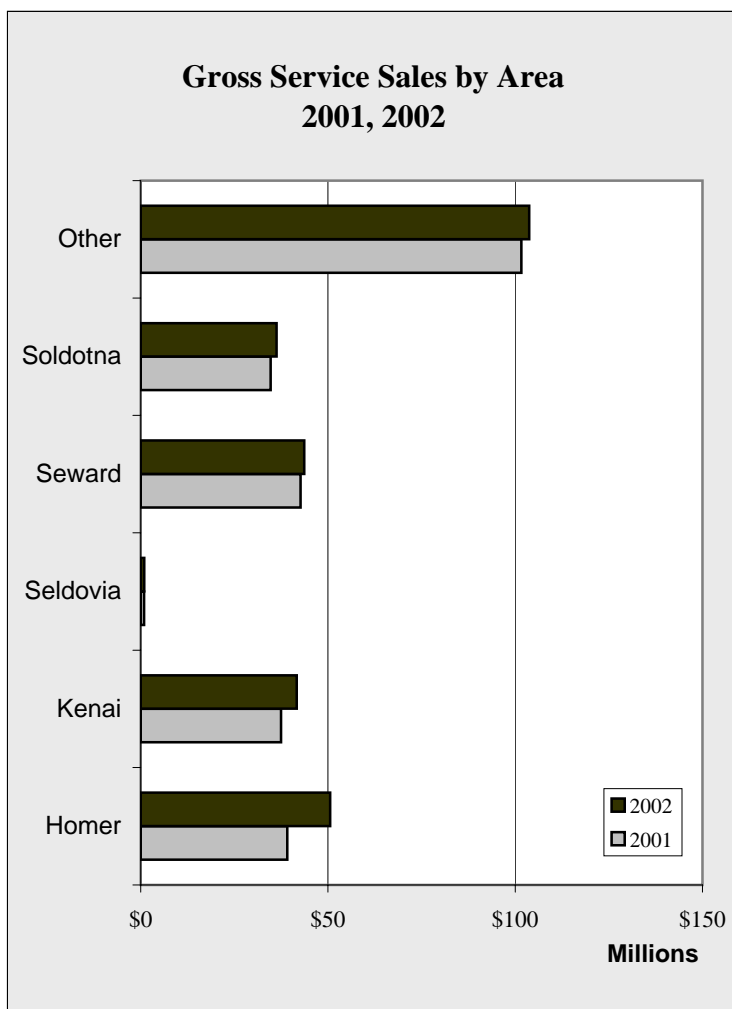


Chart 11.15

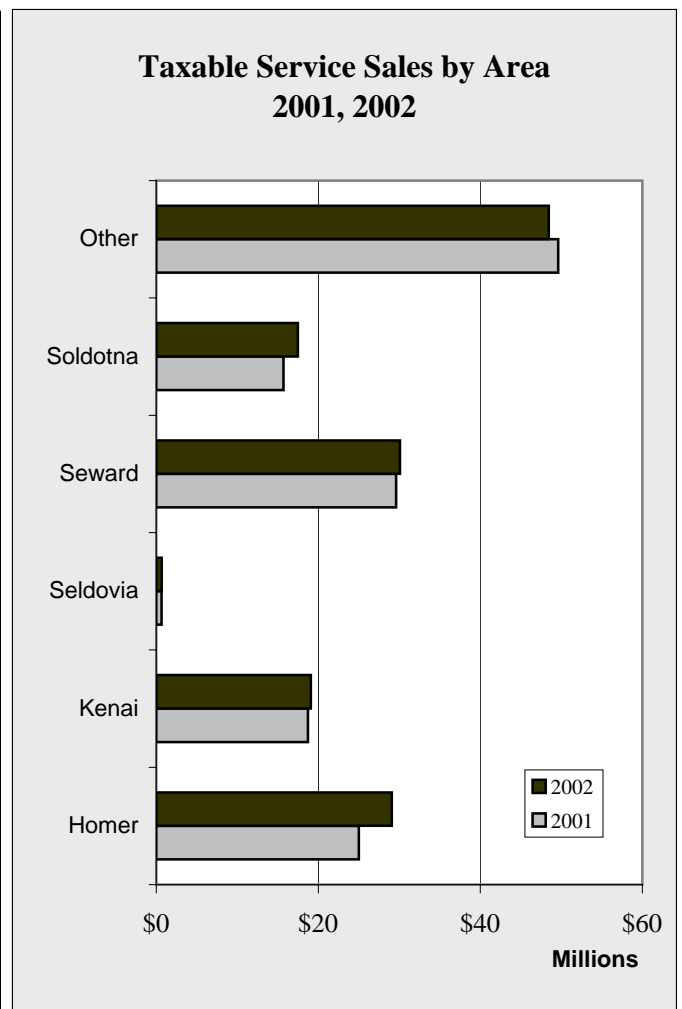


Chart 11.16

KPB Service Industry

Homer Service Sales

Gross Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	25,689,792	140,295,545	18.3%
1993	26,257,479	151,086,682	17.4%
1994	27,863,995	171,092,369	16.3%
1995	29,080,842	197,603,895	14.7%
1996	29,829,045	199,109,161	15.0%
1997	30,950,687	203,199,870	15.2%
1998	31,322,069	212,442,617	14.7%
1999	33,743,954	203,842,475	16.6%
2000	35,252,152	215,634,921	16.3%
2001	39,120,411	228,502,709	17.1%
2002	50,569,186	261,675,881	19.3%

Table 11.15

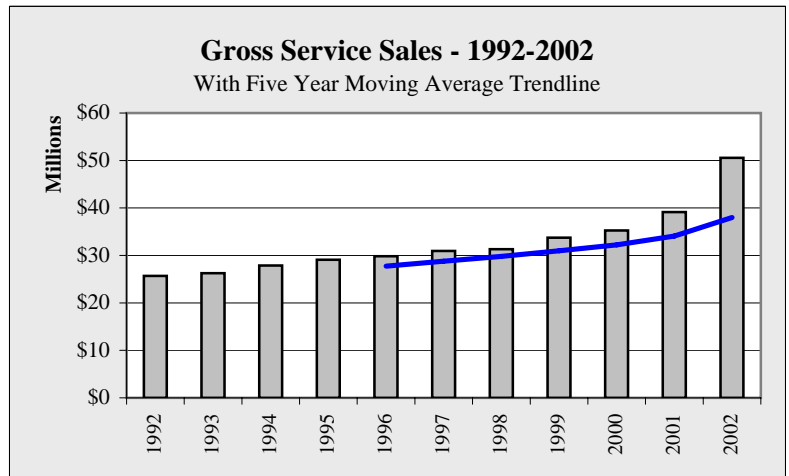


Chart 11.17

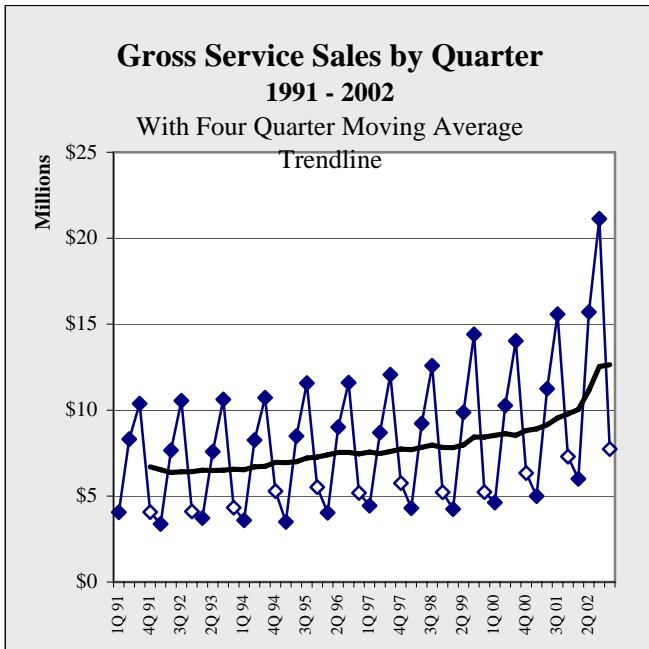


Chart 11.18

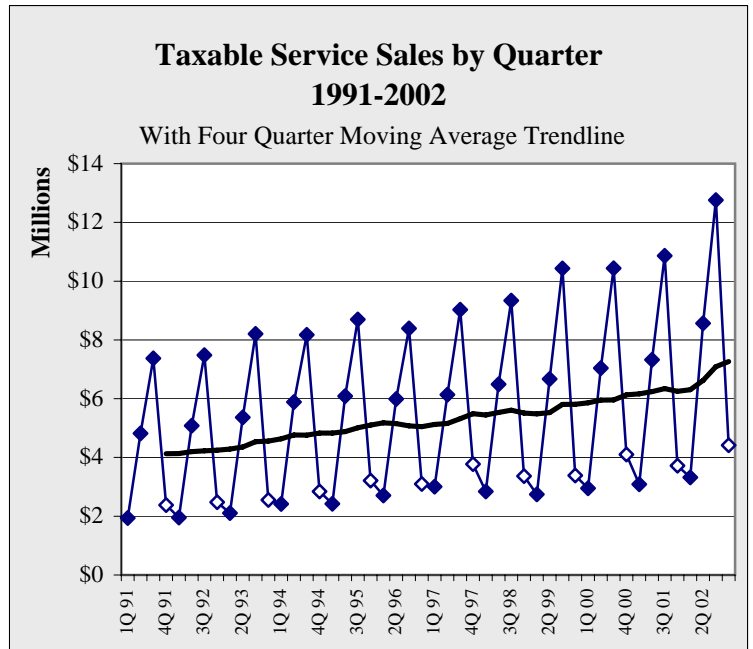


Chart 11.19

Taxable Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	16,992,444	78,393,452	21.7%
1993	18,231,178	82,258,904	22.2%
1994	19,320,160	84,045,458	23.0%
1995	20,419,680	88,195,392	23.2%
1996	20,187,448	89,927,398	22.4%
1997	21,947,741	93,325,925	23.5%
1998	22,035,474	94,441,342	23.3%
1999	23,232,422	98,148,738	23.7%
2000	24,533,604	103,090,607	23.8%
2001	24,997,035	106,907,984	23.4%
2002	29,065,255	120,738,296	24.1%

Table 11.16

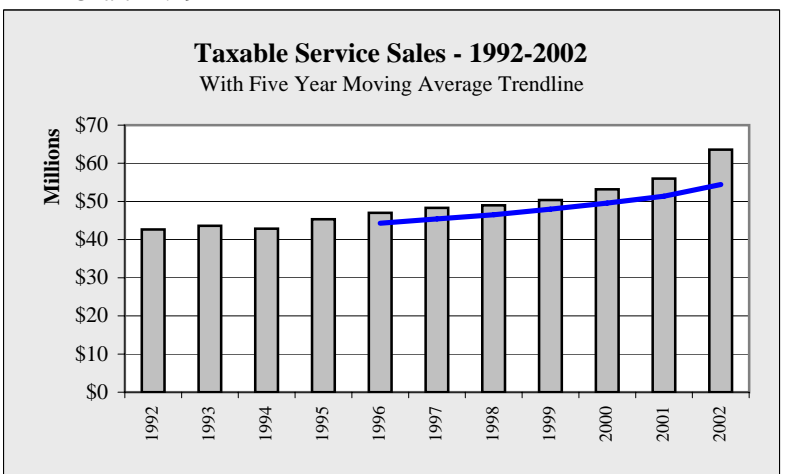


Chart 11.20

KPB Service Industry

Kenai Service Sales

Gross Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	26,773,177	193,017,219	13.9%
1993	24,267,764	216,048,309	11.2%
1994	31,849,248	253,049,861	12.6%
1995	30,667,110	268,097,707	11.4%
1996	31,854,969	248,731,027	12.8%
1997	34,033,796	278,096,377	12.2%
1998	36,094,281	280,079,940	12.9%
1999	32,669,956	270,746,118	12.1%
2000	33,478,463	282,989,776	11.8%
2001	37,469,061	310,427,875	12.1%
2002	41,668,368	279,219,165	14.9%

Table 11.17

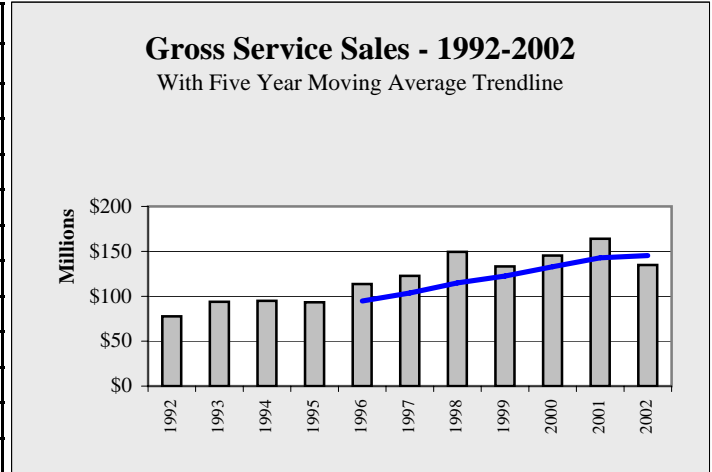


Chart 11.21



Chart 11.22

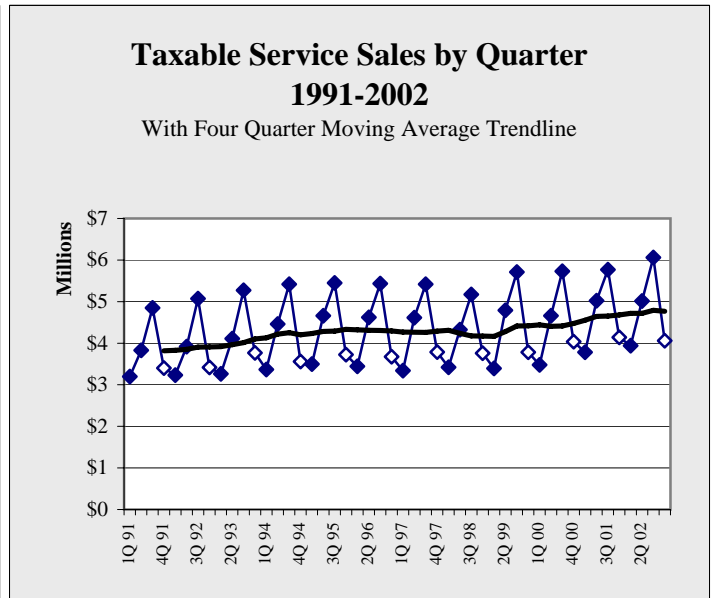


Chart 11.23

Taxable Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	15,642,086	97,116,702	16.1%
1993	16,407,989	113,517,014	14.5%
1994	16,805,851	114,402,035	14.7%
1995	17,331,633	112,591,635	15.4%
1996	17,176,418	116,551,530	14.7%
1997	17,158,080	118,576,754	14.5%
1998	16,680,181	120,030,707	13.9%
1999	17,677,101	124,367,091	14.2%
2000	17,908,016	127,766,626	14.0%
2001	18,713,143	137,046,049	13.7%
2002	19,077,274	136,540,390	14.0%

Table 11.18

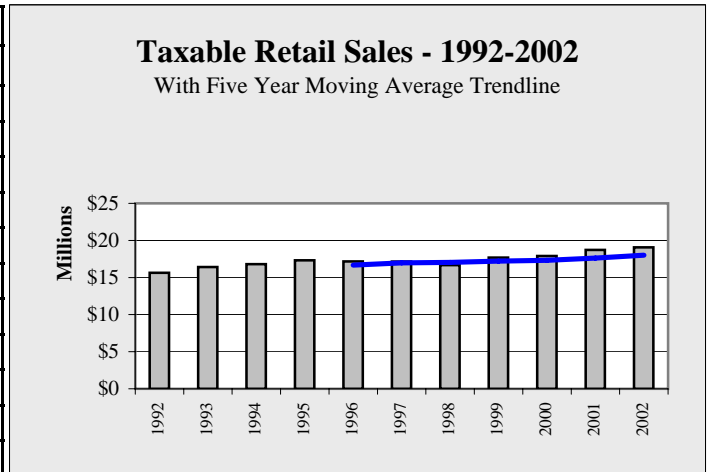


Chart 11.24

KPB Service Industry

Seldovia Service Sales

Gross Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	779,612	5,233,059	14.9%
1993	813,524	4,251,941	19.1%
1994	841,307	5,275,307	15.9%
1995	1,162,799	5,837,861	19.9%
1996	834,602	5,729,992	14.6%
1997	866,800	4,773,255	18.2%
1998	920,470	4,723,739	19.5%
1999	858,272	4,844,770	17.7%
2000	925,068	5,267,325	17.6%
2001	884,899	5,226,307	16.9%
2002	941,088	4,821,639	19.5%

Table 11.19

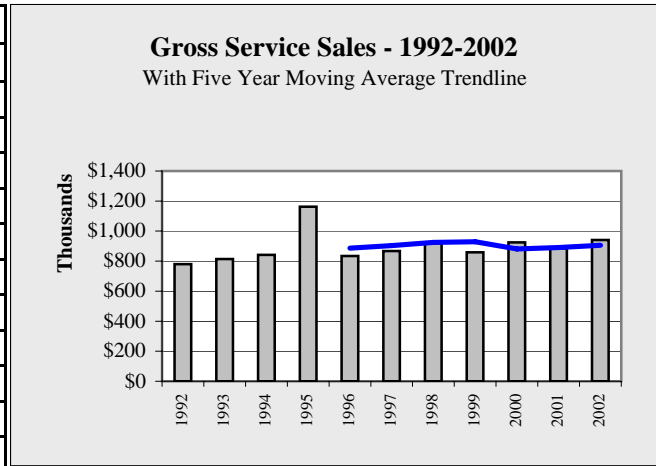


Chart 11.25

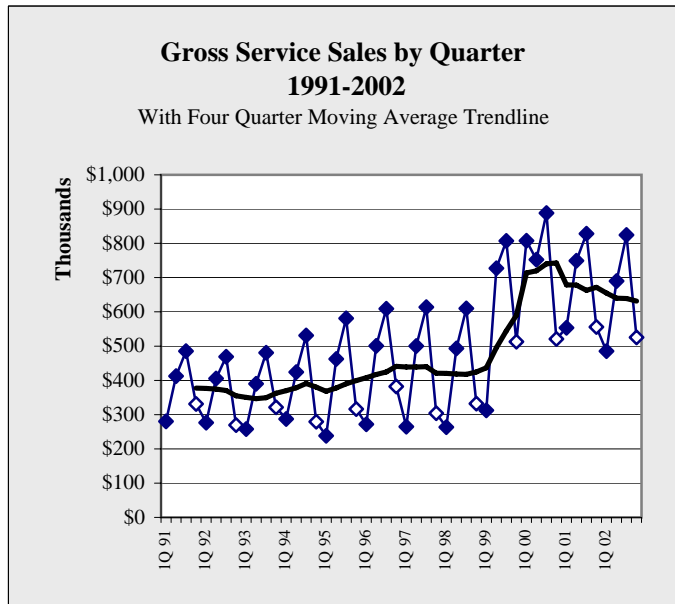


Chart 11.26

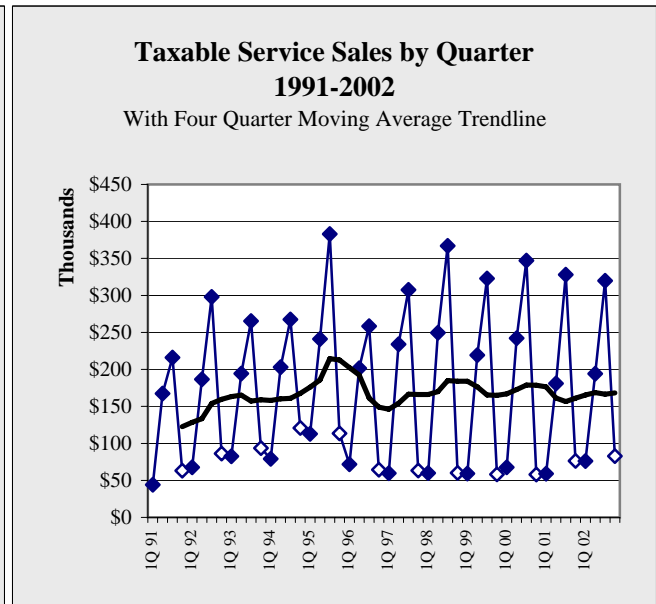


Chart 11.27

Taxable Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	638,413	2,960,303	21.6%
1993	635,969	2,922,385	21.8%
1994	670,602	2,911,600	23.0%
1995	850,699	3,576,948	23.8%
1996	596,368	3,430,309	17.4%
1997	664,505	3,336,023	19.9%
1998	736,321	3,398,293	21.7%
1999	659,563	3,229,249	20.4%
2000	714,840	3,418,123	20.9%
2001	644,328	3,336,115	19.3%
2002	672,895	3,278,114	20.5%

Table 11.20

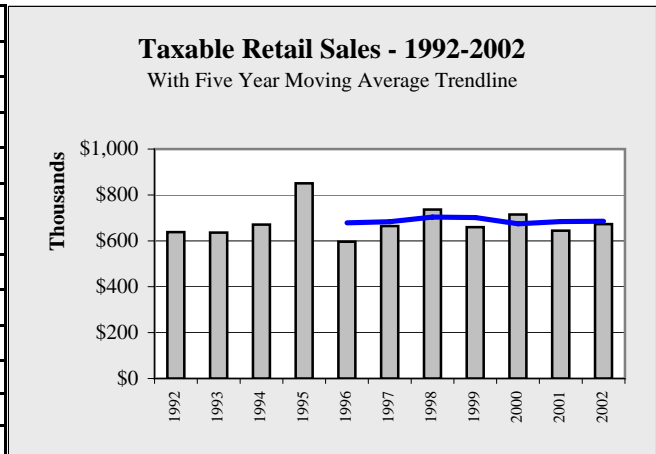


Chart 11.28

Seward Service Sales

Gross Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	22,480,499	87,987,282	25.5%
1993	20,855,260	92,555,922	22.5%
1994	24,360,349	99,875,014	24.4%
1995	28,610,720	127,468,033	22.4%
1996	29,123,447	133,848,642	21.8%
1997	32,948,926	145,547,675	22.6%
1998	34,272,460	132,506,248	25.9%
1999	39,033,862	130,155,521	30.0%
2000	38,360,895	138,318,356	27.7%
2001	42,671,989	148,359,336	28.8%
2002	43,642,975	142,228,716	30.7%

Table 11.21

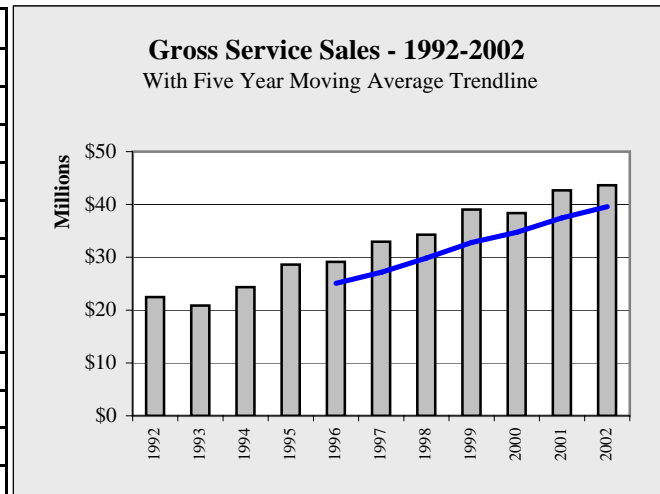


Chart 11.29

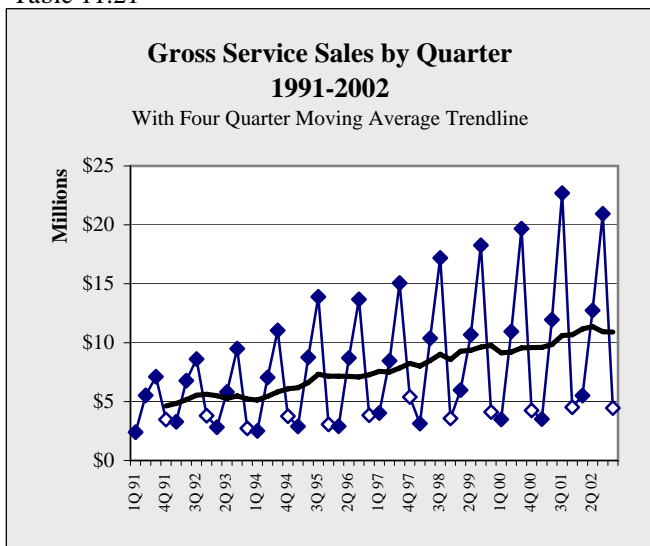


Chart 11.30

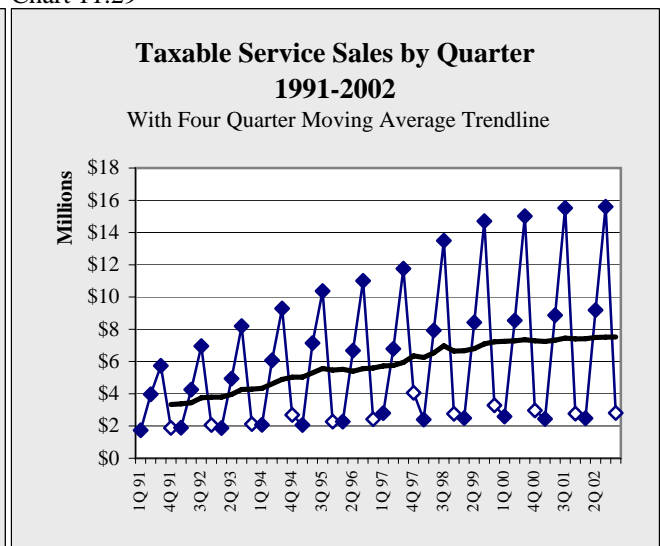


Chart 11.31

Taxable Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	15,164,681	45,219,606	33.5%
1993	17,137,401	48,632,337	35.2%
1994	20,130,275	53,259,177	37.8%
1995	21,851,862	55,756,987	39.2%
1996	22,371,026	57,196,941	39.1%
1997	25,414,981	62,516,024	40.7%
1998	26,580,831	67,278,264	39.5%
1999	28,908,259	71,472,199	40.4%
2000	29,116,113	73,984,076	39.4%
2001	29,595,840	74,224,971	39.9%
2002	30,088,855	75,601,878	39.8%

Table 11.22

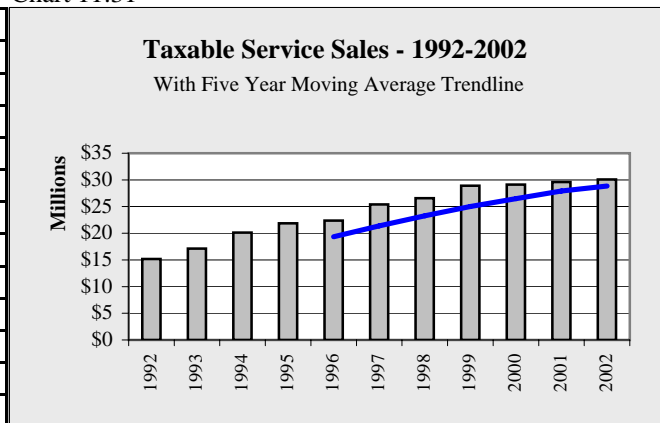


Chart 11.32

KPB Service Industry

Soldotna Service Sales

Gross Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	20,589,766	164,956,587	12.5%
1993	19,767,318	165,539,916	11.9%
1994	22,354,962	194,609,544	11.5%
1995	23,574,882	212,793,589	11.1%
1996	23,840,501	218,250,448	10.9%
1997	26,507,740	232,583,888	11.4%
1998	29,884,044	250,793,664	11.9%
1999	30,622,659	277,588,737	11.0%
2000	32,263,395	286,889,298	11.2%
2001	34,683,298	307,661,628	11.3%
2002	36,285,356	325,357,227	11.2%

Table 11.23

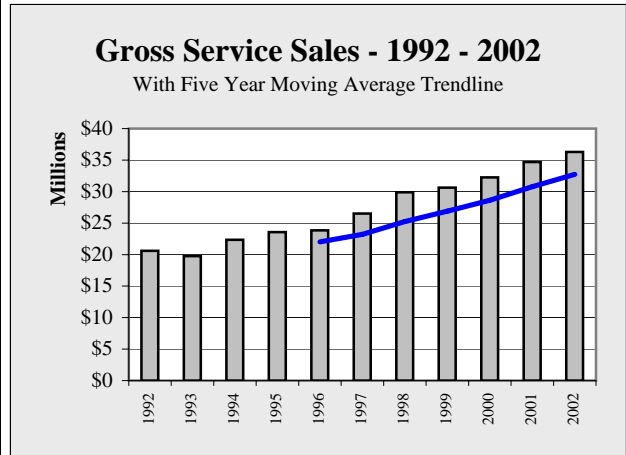


Chart 11.33

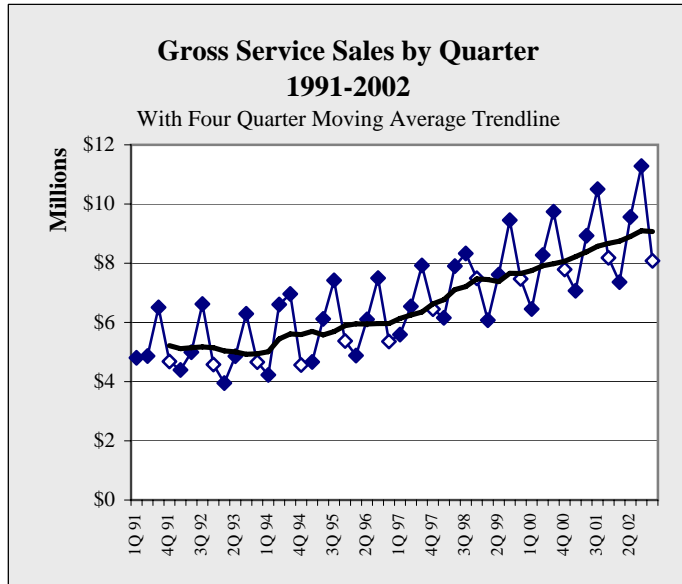


Chart 11.34

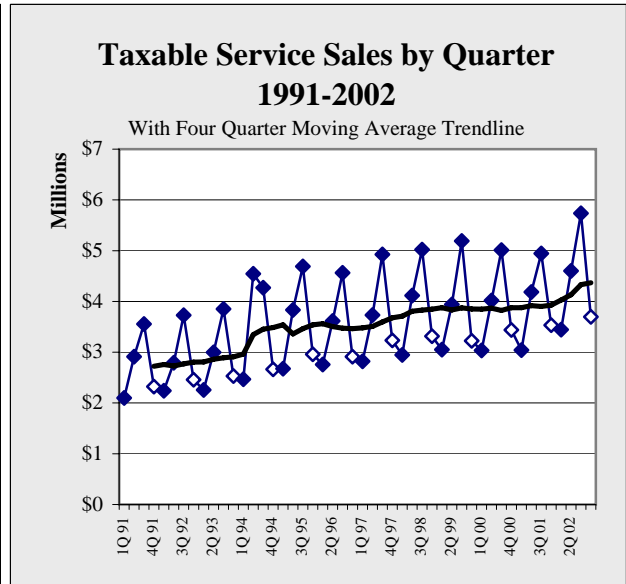


Chart 11.35

Taxable Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	11,222,635	99,094,387	11.3%
1993	11,634,121	98,354,931	11.8%
1994	13,945,959	119,702,481	11.7%
1995	14,158,630	129,069,096	11.0%
1996	13,850,156	133,325,182	10.4%
1997	14,711,144	140,336,676	10.5%
1998	15,398,236	147,789,661	10.4%
1999	15,403,419	155,952,764	9.9%
2000	15,500,259	159,448,652	9.7%
2001	15,706,768	172,397,655	9.1%
2002	17,479,266	176,899,381	9.9%

Table 11.24

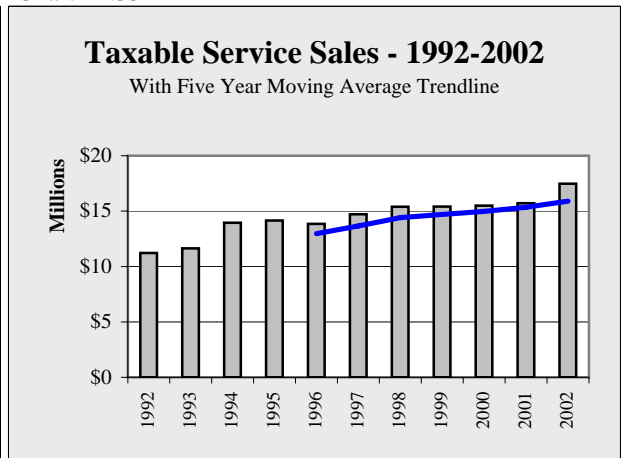


Chart 11.36

KPB Service Industry

KPB Unincorporated Area Service Sales

Gross Service Sales as Percent of Total in \$			
	Service	Other Total	Percent
1992	44,158,440	627,892,503	7.0%
1993	49,841,874	624,484,784	8.0%
1994	57,178,709	664,152,882	8.6%
1995	58,725,736	694,606,708	8.5%
1996	63,363,309	630,276,002	10.1%
1997	67,517,225	729,346,183	9.3%
1998	78,651,481	793,020,393	9.9%
1999	83,322,595	733,148,429	11.4%
2000	96,186,240	708,062,943	13.6%
2001	101,619,344	901,423,803	11.3%
2002	103,733,303	803,322,659	12.9%

Table 11.25

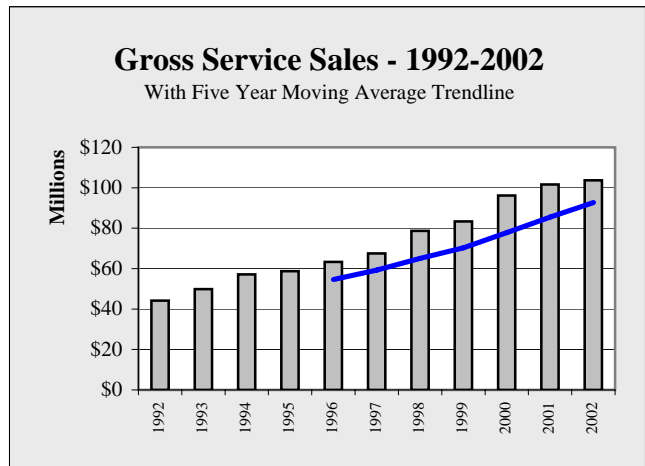


Chart 11.37

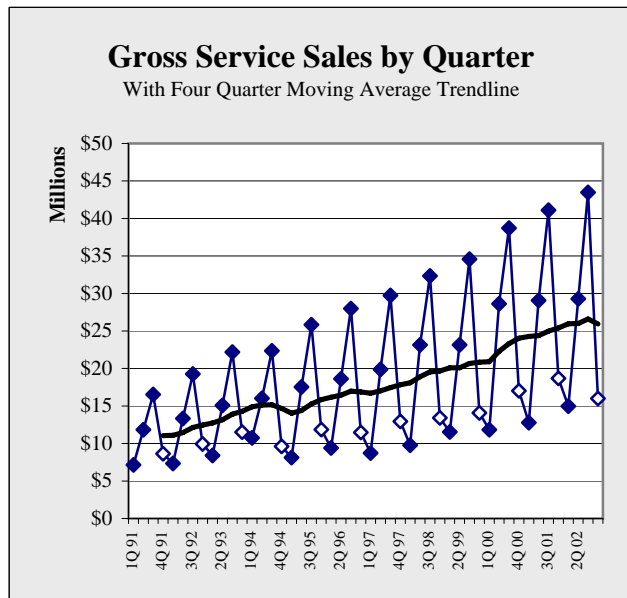


Chart 11.38

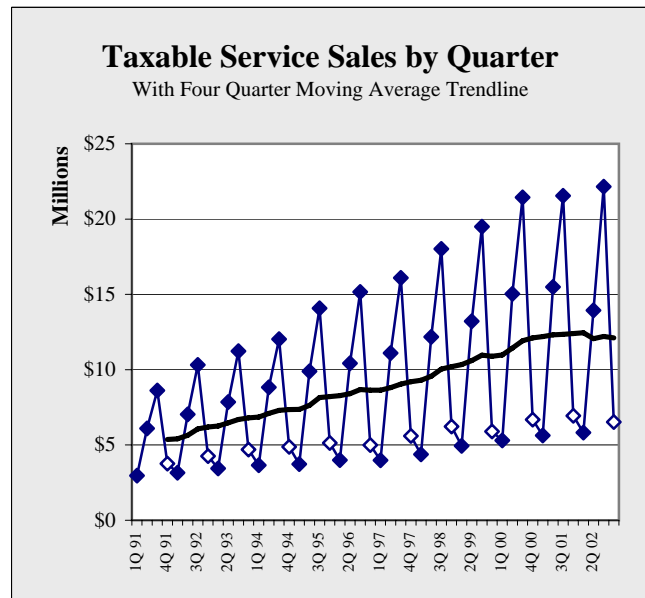


Chart 11.39

Taxable Service Sales as Percent of Total in \$			
	Service	Total	Percent
1992	24,765,324	140,222,526	17.7%
1993	27,214,606	146,610,419	18.6%
1994	29,389,956	152,574,668	19.3%
1995	32,833,285	162,869,715	20.2%
1996	34,566,215	164,438,681	21.0%
1997	36,789,373	172,433,408	21.3%
1998	40,794,714	179,549,334	22.7%
1999	43,554,212	187,394,079	23.2%
2000	48,457,823	199,202,963	24.3%
2001	49,611,123	211,081,859	23.5%
2002	48,439,498	209,335,721	23.1%

Table 11.26

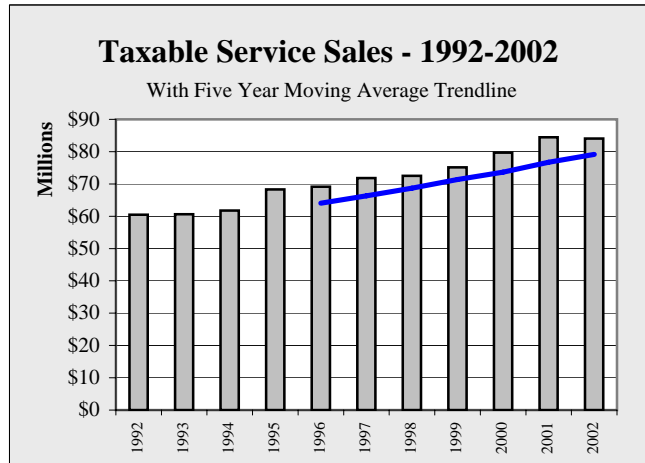


Chart 11.40

This page intentionally left blank.

KPB Timber Industry

Overview



Forested lands are a renewable natural resource providing both direct and indirect economic value to the Kenai Peninsula Borough. Timberlands may provide conditions necessary for salmon spawning as well as food and habitat for birds and wildlife. 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 24,737 square miles of which 16,220.6 square miles (10,381,184 acres) are in land. A spruce bark beetle epidemic has devastated borough timber in recent years, resulting in development of a Spruce Bark Beetle Task Force 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.



"The spread of the Spruce Bark Beetle in Alaska, and particularly the Kenai Peninsula, has continued over the last decade at a level unprecedented to scientific observers. The infestation is considered the largest in North America with aerial surveys indicating that over 1.4 million acres of the Kenai Peninsula Borough have been impacted over the last 10 years. This outbreak has created an extreme wildfire hazard, and has greatly increased the risk of catastrophic loss of life and property across the region.

Concerns regarding the impacts of the spruce beetle infestation to Alaska's forests, public safety, and the ecosystem prompted action in 1998 by the U.S. Senate Appropriation Committee. The U.S. Forest Service was directed to establish a multi-party task force to prepare an action plan to manage the impacts of the Spruce Beetle infestations in Alaska and to rehabilitate the infested areas. The Kenai Peninsula Borough was designated as the lead agency for the Spruce Beetle Task Force.

Public safety and fire protection were the priorities of the task force ...[and]... recommendations were presented to Congress in June 1998. ...

The task force report provided a broad strategy for dealing with spruce bark beetle impact issues. The report also identified over \$13 million dollars in projects designed to mitigate the safety hazards caused by the infestation while lowering the region's wildfire risks. Congressional support for these projects led to the Kenai Peninsula Borough receiving a \$416,000 grant in April, 1999, a \$2 million appropriation in February 2000, and a \$7.5 million appropriation in February 2001 for the purpose of implementing the recommendations of the Task Force's report."

<http://www.borough.kenai.ak.us/sprucebeetle/New/narrative.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 a major wood processor 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 product.



KPB Timber Industry

Participants

The state industry classification system (SIC) lists timber sub-industries that include establishments engaged in logging, sawmills and planing operations, manufacturers of veneers and plywood, prefabricated wood building, 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 spruce bark beetle activity over the past decade has increased our awareness. The State of Alaska issued 26 KPB timber related business licenses valid during 2001, a 64% drop from the 72 valid licenses of 2000. During 1995 there were 197 valid licenses.

2002 Timber Industry Business Licenses by Area, Percent of Area Total

	Timber Tract Operations	Logging	Timber Total	Area Total	Timber as Percent of Area Total
Anchor Point	0	6	6	269	2.2%
Clam Gulch	0	0	0	31	0.0%
Cooper Landing	0	0	0	80	0.0%
Fritz Creek	0	0	0	49	0.0%
Halibut Cove	0	0	0	16	0.0%
Homer	0	5	5	1365	0.4%
Hope	0	1	1	41	2.4%
Kasilof	0	1	1	193	0.5%
Kenai	0	1	1	939	0.1%
Moose Pass	0	0	0	38	0.0%
Nanwalek	0	0	0	4	0.0%
Nikiski	1	1	2	216	0.9%
Nikolaevsk	0	1	1	10	10.0%
Ninilchik	0	2	2	152	1.3%
Port Graham	0	0	0	11	0.0%
Seldovia	0	0	0	81	0.0%
Seward	1	0	1	579	0.2%
Soldotna	0	3	3	1432	0.2%
Sterling	0	3	3	342	0.9%
Tyonek	0	0	0	13	0.0%
Total	2	24	26	5861	0.4%

Table 12.1

KPB Timber Industry

Gross Sales

Gross Logging Sales by Area in \$

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	Total Timber	Total KPB	Annual Change Timber	Annual Change KPB
1991	0	4,525	0	804,978	2,400	1,428,230	2,240,133	1,281,559,318		
1992	431,666		0	248,953		2,641,500	3,322,119	1,242,413,285	48.30%	-3.05%
1993	6,743,555	235	0	604,198	1,596	1,022,850	8,372,434	1,290,969,106	152.02%	3.91%
1994	17,444,048	15,970	0	294,215	32,842	3,375,999	21,163,074	1,384,221,706	152.77%	7.22%
1995	30,518,799	35,136	0	750,421	683	2,447,738	33,752,777	1,506,407,793	59.49%	8.83%
1996	22,107,137	2,798	0	1,908,360	13,630	534,660	24,566,585	1,435,966,969	-27.22%	-4.68%
1997	14,516,799	4,070	0	697,952	14,532	8,789,445	24,022,798	1,593,547,248	-2.21%	10.97%
1998	14,631,325	19,420	0	453,408	8,187	11,401,162	26,513,502	1,673,566,601	10.37%	5.02%
1999	10,593,962	2,976	0	312,203	4,780	2,802,062	13,715,983	1,620,326,050	-48.27%	-3.18%
2000	845,893	283,133	0	463,495	13,515	2,785,477	4,391,513	1,644,495,161	-67.98%	1.49%
2001	1,394,761	543,360	0	248,777	23,407	2,056,670	4,266,975	1,966,591,037	-2.84%	19.59%
2002	1,327,086	385,627	0	401,551	6,071	2,360,591	4,480,926	1,876,434,612	5.01%	-4.58%
2003	1,264,907	411,830	0	245,685	13,130	2,272,239	4,207,791	1,918,030,619	-6.10%	2.22%

Table 12.2

Gross Logging Sales v KPB Total Sales in \$

	Timber Sales	KPB Total Sales	Timber Percent of KPB
1991	2,240,133	1,281,559,318	0.2%
1992	3,322,119	1,242,413,285	0.3%
1993	8,372,434	1,290,969,106	0.6%
1994	21,163,074	1,384,221,706	1.5%
1995	33,752,777	1,506,407,793	2.2%
1996	24,566,585	1,435,966,969	1.7%
1997	24,022,798	1,593,547,248	1.5%
1998	26,513,502	1,673,566,601	1.6%
1999	13,715,983	1,620,326,050	0.8%
2000	4,391,513	1,644,495,161	0.3%
2001	4,266,975	1,966,591,037	0.2%
2002	4,480,926	1,876,434,612	0.2%
2003	4,207,791	1,918,030,619	0.2%

Table 12.3

KPB Logging Industry Gross Sales 1991-2003

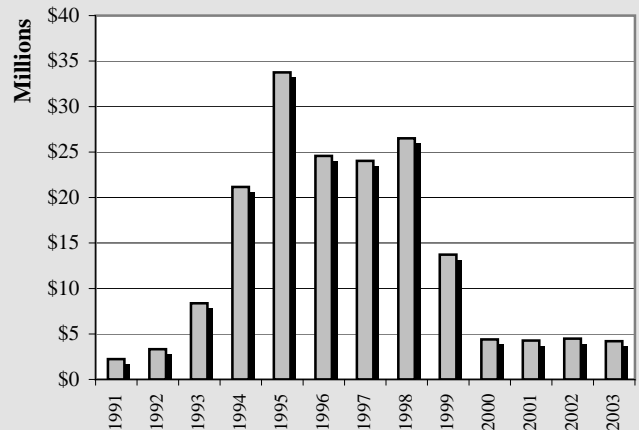


Chart 12.1

Timber Gross Sales as Percent of KPB Total Sales - 1991-2003

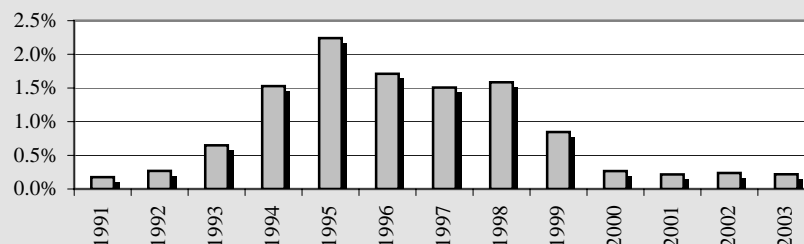


Chart 12.2

KPB Timber Industry

Taxable Sales

KPB Taxable Logging Sales by Area in \$

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	Total 2411	Total KPB	Annual Change Timber	Annual Change KPB
1991	0	0	0	46,909	0	79,428	126,337	444,275,598		
1992	1,500	0	0	40,771	0	64,975	107,246	462,969,058	-15.1%	NA
1993	3,000	235	0	50,454	986	34,232	88,907	492,285,205	-17.1%	6.3%
1994	15,000	0	0	39,556	1,000	67,823	123,379	527,101,004	38.8%	7.1%
1995	26,575	500	0	48,867	683	87,310	163,935	552,059,773	32.9%	4.7%
1996	45,455	670	0	69,937	0	62,784	178,846	564,870,041	9.1%	2.3%
1997	25,093	100	0	50,780	0	93,280	169,253	590,524,810	NA	4.5%
1998	28,854	2,975	0	43,943	1,370	123,277	200,419	612,487,601	NA	3.7%
1999	25,228	150	0	54,248	4,450	98,205	182,281	640,564,120	-9.1%	4.6%
2000	34,779	13,525	0	40,444	4,825	88,659	182,232	667,000,172	0.0%	4.1%
2001	13,164	19,970	0	32,604	2,905	99,917	168,560	705,255,160	-7.5%	5.7%
2002	13,965	9,480	0	30,751	3,700	129,246	187,142	723,827,580	11.0%	2.6%
2003	21,462	15,465	0	33,050	6,365	116,780	193,122	732,141,065	3.2%	1.1%

Table 12.4

Taxable Logging Sales v KPB Total Taxable Sales in \$

	Timber	KPB	Percent of KPB Total
1991	126,337	444,275,598	0.03%
1992	107,246	462,969,058	0.02%
1993	88,907	492,285,205	0.02%
1994	123,379	527,101,004	0.02%
1995	163,935	552,059,773	0.03%
1996	178,846	564,870,041	0.03%
1997	169,253	590,524,810	0.03%
1998	200,419	612,487,601	0.03%
1999	182,281	640,564,120	0.03%
2000	182,232	667,000,172	0.03%
2001	168,560	705,255,160	0.02%
2002	187,142	723,827,580	0.03%
2003	193,122	732,141,065	0.03%

Table 12.5

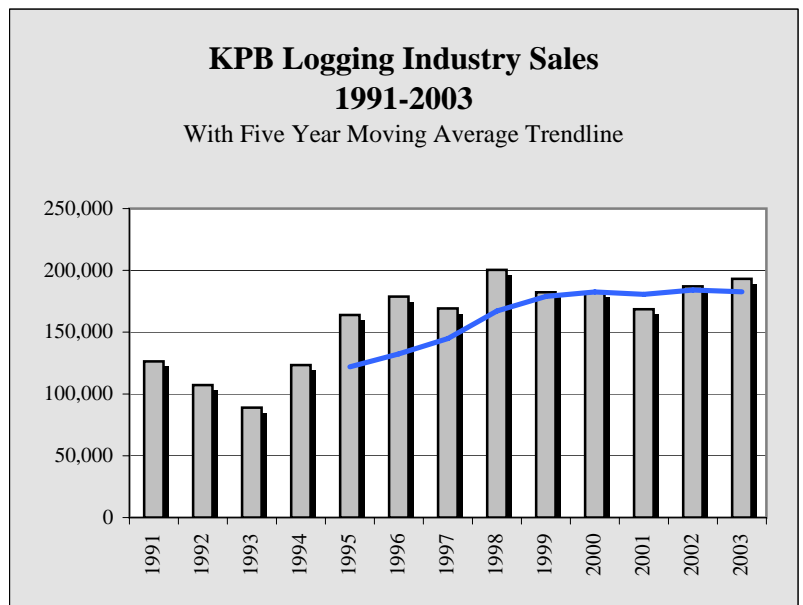


Chart 12.3

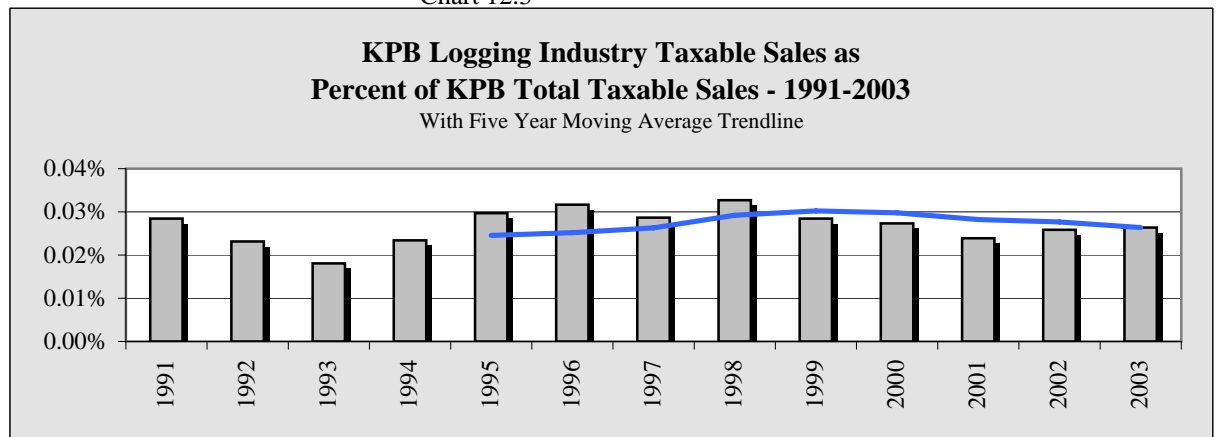


Chart 12.4

KPB Timber Industry

KPB Logging Sales

Homer is the center of the timber industry for the Kenai Peninsula Borough, although areas outside the incorporated cities have had an impact. Seward activity is also noted. Sales in Kenai and Soldotna are minimal so are not evident on the chart below. As the spruce bark beetle continues ravaging the forested lands, much of the timber has deteriorated in quality to the point where it is useful only as chipped wood or firewood. Efforts have been made to remove hazardous trees to mitigate fire hazards and to harvest useful trees for various value-added products.

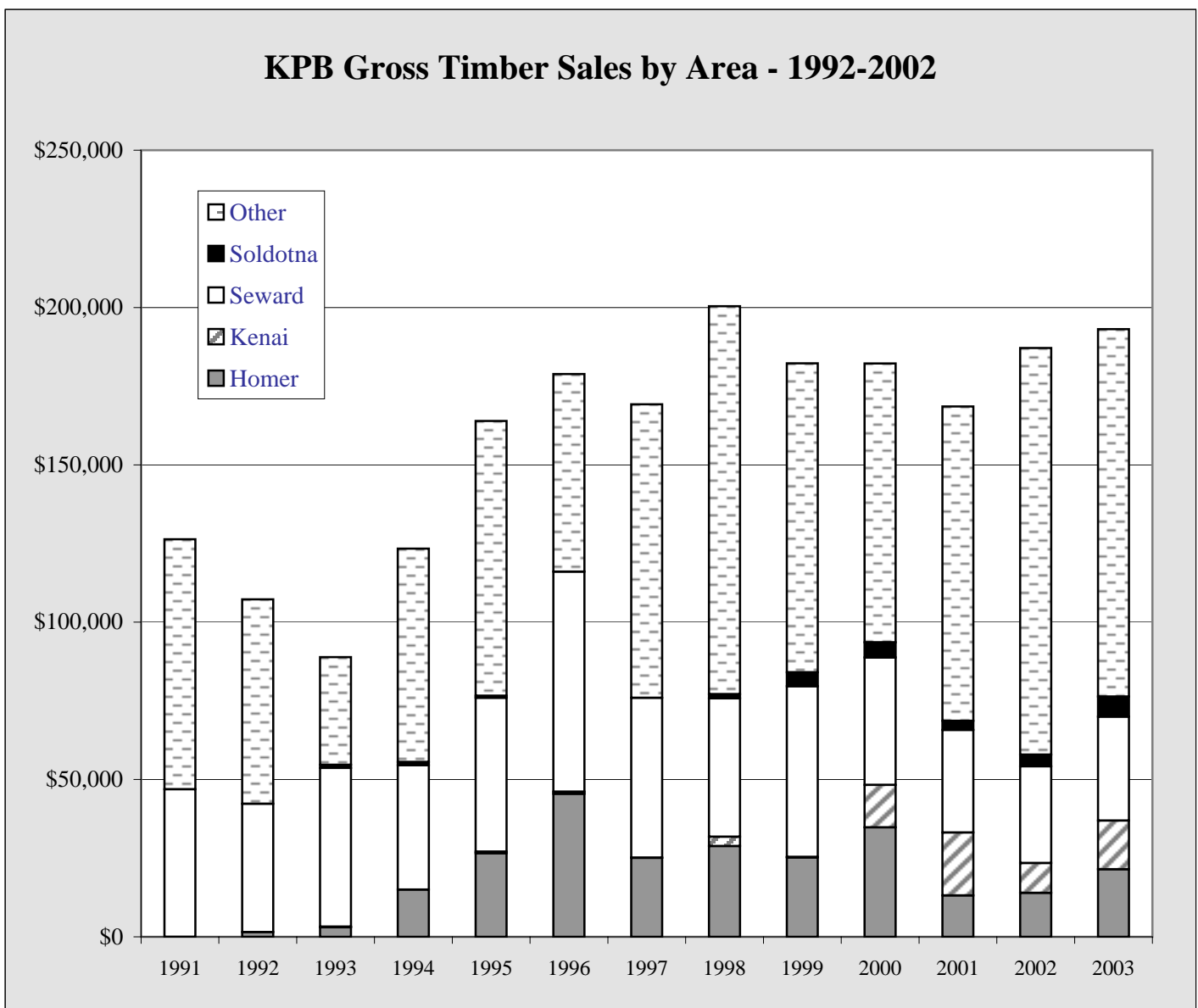


Chart 12.5

KPB Timber Industry

Employment and Earnings

Historical timber industry data, which includes the industry classification #24 - lumber and wood products, has not been a big player of the KPB economic scene. Employee earnings are generally slightly above the borough average although wages during the mid 80's were lower. During the late 80's to early 90's, wages were confidential due to the low number of participants. The number of employees in the industry is minimal. Data for 2002 cannot be trended with prior year data because of the switch to the NAICS system which provides different classifications.

Timber, KPB - Annual Average Monthly Earnings in \$

	Timber	KPB
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
2000	2,333	2,794
2001	2,665	2,732
2002	NA	NA
2003		

Table 12.6



Chart 12.6

Timber, KPB - Annual Average Monthly Employment

	Timber	Borough
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
2000	112	17,315
2001	85	17,367
2002	NA	NA
2003		

Table 12.7

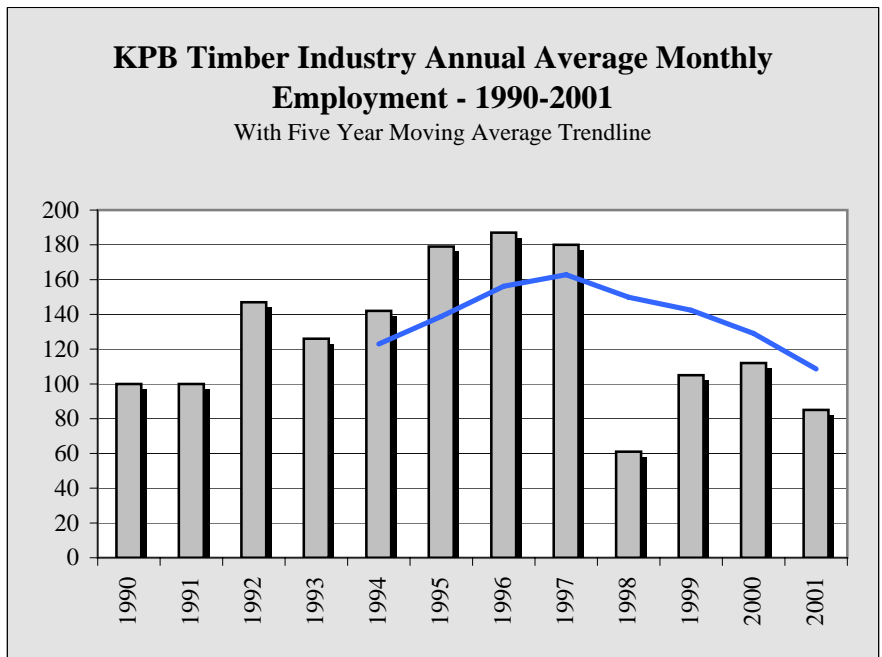
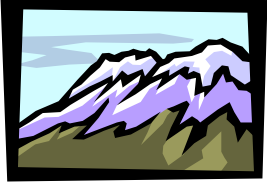


Chart 12.7

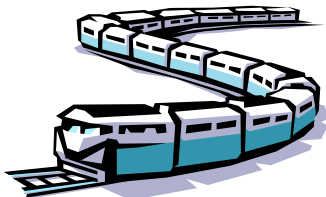
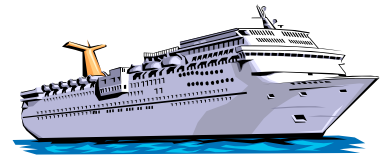
KPB Visitor Industry

Overview



The KPB Visitor Industry has emerged into a dynamic sector of the borough economy. Scenic beauty, a pristine setting, and unique geographic location add to the allure, drawing tourists to the area. The Kenai Peninsula Borough has something to offer 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, hunting, skiing and snowmachining, to name a few.

As competition entered the picture, both the marketing climate and passenger characteristics changed. Private marketing budgets increased dramatically while government marketing dollars declined. Thirdly, the typical passenger is no longer retired and wanting to experience Alaska vicariously with preplanned schedules. The industry now caters 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, adding to demand for the varied activities.



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 popularity of cruise vacations 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 developed around the casino, making every effort to give the passenger an excuse to keep their cash on board. Separation of economic activity due to the visitor industry from year-round activity is difficult because many businesses provide year-round services with substantial increases during the summer tourist season.



KPB Visitor Industry

Employment

Prior to 2002, visitor industry employment information was reported to the Alaska Department of Labor and Workforce Development (DOLWD) as part of other sectors. Beginning with 2002 data, employment within the visitor industry can be more accurately stated due to the change to NAICS coding which provides a classification called "Accommodation and Food Services". Reported information does not include self-employed individuals who are exempt from reporting requirements of the DOLWD.



KPB Visitor Industry Employment 1980-2002

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
2000	603	239	16,342
2001	591	252	17,367
	Accommodation	Eating and Drinking	KPB Total Employment
2002	602	1,292	17,614

Table 13.1

Two categories in the Service sector are included in visitor industry data, Hotels & Other Lodging and Amusement & Recreation.

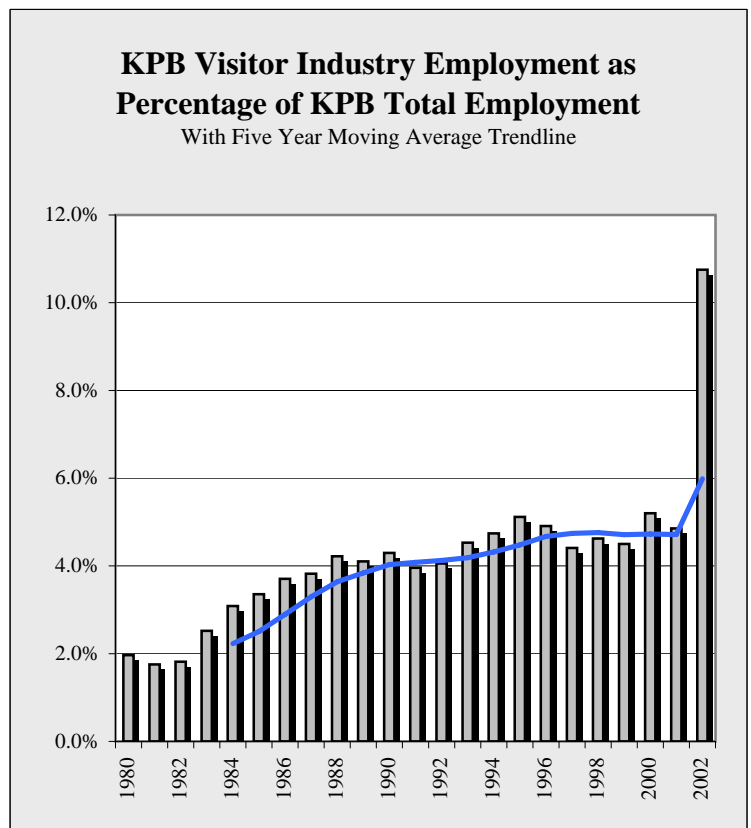


Chart 13.1

Note - 2002 data reflects the change in industry coding to the NAICS system, providing more accurate data.

KPB Visitor Industry

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 2000, employees could expect to earn approximately half the borough average monthly income. Employment in the sector is highly seasonal, providing summer employment for high school and college students.

KPB Annual Average Monthly Earnings in \$			
	Lodging Services	Recreational Services	KPB Average
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
2000	1,422	1,100	2,794
2001	1,385	1,153	2,732
	Accommodation	Eating and Drinking	
2002	1,401	977	2,798

* - Confidential

Table 13.2

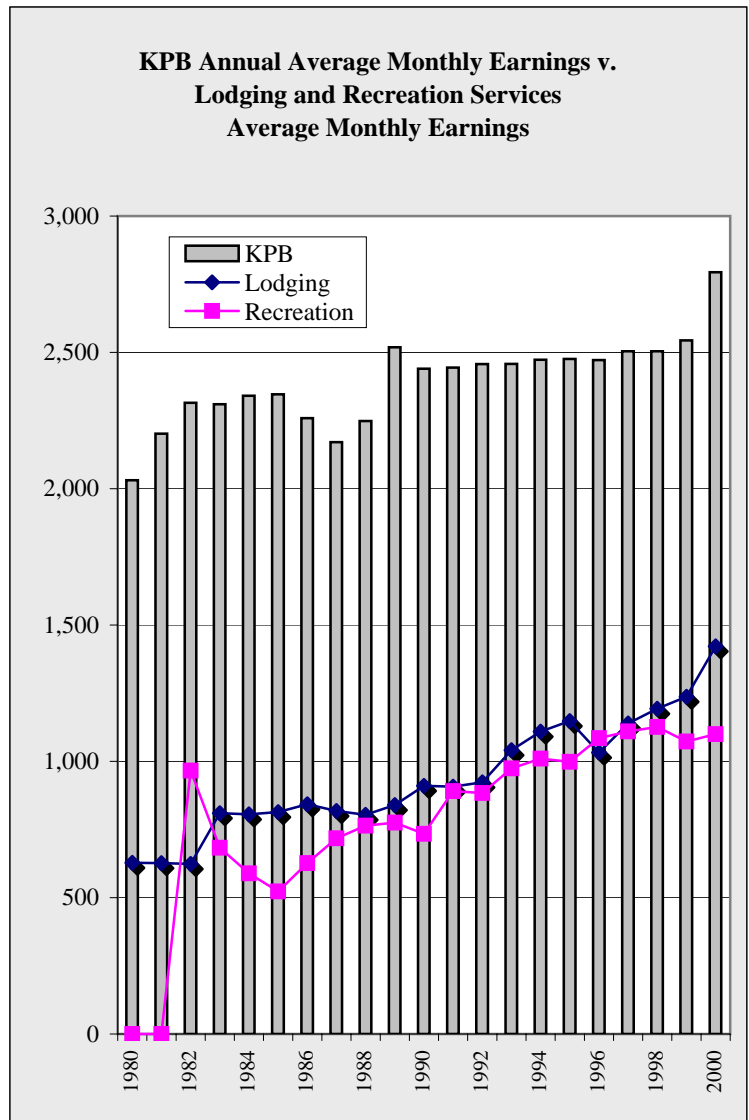


Chart 13.2

KPB Visitor Industry

Participants

With implementation of the North America Industry Classification System (NAICS) codes, business licenses in the tourism sector are more easily tracked. Comparison to prior years would not be valid due to the changes.

Information presented here is approximate as a valid business license does not indicate business activity and no effort was made to delete duplicate entries in the massive data base.

Business licenses not specifying primary activities were not included in the data.



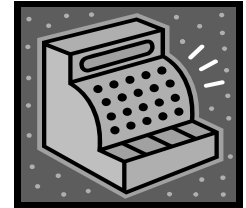
	Accommodations/ Food Service	4871-4872-4879 - Scenic Sightseeing Transportation - Land, Water, Other	7139 - Other Amusement, Recreation - includes tourist guides, skiing facilities	7140 - Fishing Guides and Fishing Charters	7211 - Traveler Accommo/ dations	7212 - RV Parks and Recreational Camps	Tourism Total	Area Total Business Licenses	Tourism as Percent of Area Total
Anchor Point	38		6	25	18	13	100	375	26.67%
Clam Gulch	7		3	4	4	1	19	44	43.18%
Cooper Landing	30	4	2	9	20	1	66	119	55.46%
Fritz Creek	5	2	4	4	3	0	18	68	26.47%
Halibut Cove	2		0	1	1	0	4	45	8.89%
Homer	205	16	29	93	125	8	476	1,924	24.74%
Hope	10		5	2	5	0	22	62	35.48%
Kasilof	27		7	29	14	3	80	311	25.72%
Kenai	114		18	48	56	5	241	1,496	16.11%
Moose Pass	16	1	1	0	13	2	33	50	66.00%
Nanwalek	1		0	0	1	0	2	4	50.00%
Nikiski	20		1	9	11	0	41	300	13.67%
Nikolaevsk	2	1	0	0	0	0	3	21	14.29%
Ninilchik	41		1	42	23	4	111	216	51.39%
Port Graham	2		0	0	2	0	4	14	28.57%
Seldovia	16		4	10	10	0	40	99	40.40%
Seward	168	3	14	43	112	10	350	809	43.26%
Soldotna	205	1	41	184	132	10	573	2,223	25.78%
Sterling	47	2	5	45	28	9	136	456	29.82%
Tyonek	2		0	2	0	0	4	20	20.00%
Total	958	30	141	550	578	66	2323	8,656	26.84%

Table 13.3

KPB Visitor Industry

Gross Sales

Sales in the Visitor industry are an important source of municipal revenues, as most sales do not meet exemption qualifications. The city and borough government use collected sales taxes to support school and government operations.



Sales by Travel Agencies and Tour Operators as well as Hotel and Lodging sales, and sales by area hunting and fishing guides in the area are included because over 90% of their sales occur during 2nd and 3rd quarter, the strong visitor season.

Visitor Related Gross Sales by Area - 1992-2002 - in \$

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	KPB Total Visitor Sales
1992	11,164,299	4,892,238	461,091	8,627,331	4,059,655	17,349,583	46,554,197
1993	11,884,882	5,585,159	443,707	10,080,290	3,881,361	19,412,694	51,288,093
1994	12,774,162	5,452,140	484,592	12,795,367	6,377,530	23,327,033	61,210,824
1995	13,704,451	5,836,608	567,449	14,692,373	5,307,514	25,845,058	65,953,453
1996	12,986,935	5,624,808	373,678	15,517,324	4,371,285	27,820,237	66,694,267
1997	14,073,956	6,207,814	435,935	18,478,877	4,410,408	30,001,762	73,608,752
1998	13,790,387	5,868,216	536,885	21,125,811	4,969,828	33,145,853	79,436,980
1999	15,176,850	5,994,832	438,958	25,756,186	4,445,062	36,404,862	88,216,750
2000	15,377,499	5,621,259	530,672	23,116,675	4,518,541	41,262,899	90,427,545
2001	17,532,452	5,885,702	423,583	23,926,828	4,804,581	42,028,768	94,601,914
2002	20,699,126	5,596,965	420,804	25,247,370	5,741,966	41,431,074	99,137,305

Table 13.4

Visitor Gross Sales as Percent of KPB Total

1992	3.7%
1993	4.0%
1994	4.4%
1995	4.4%
1996	4.6%
1997	4.6%
1998	4.7%
1999	5.4%
2000	5.5%
2001	5.0%
2002	5.5%

Table 13.5

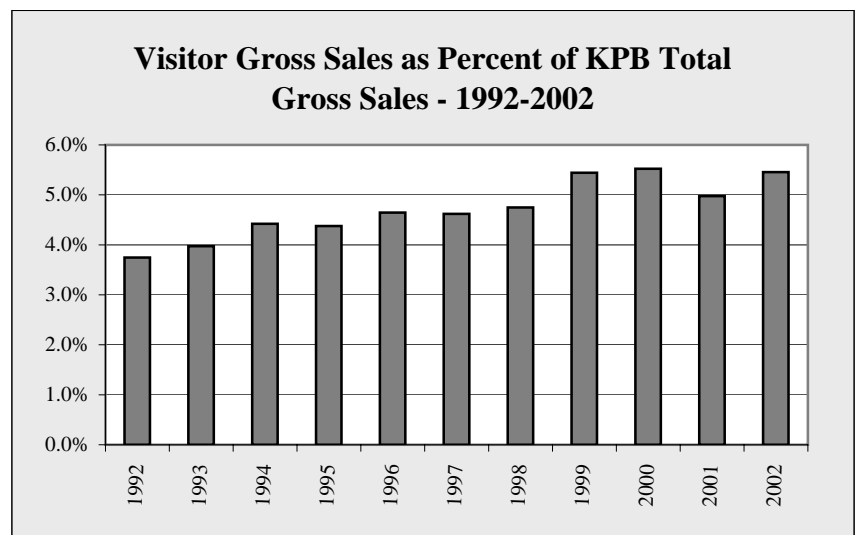


Chart 13.3

KPB Visitor Industry

Gross Sales Charts

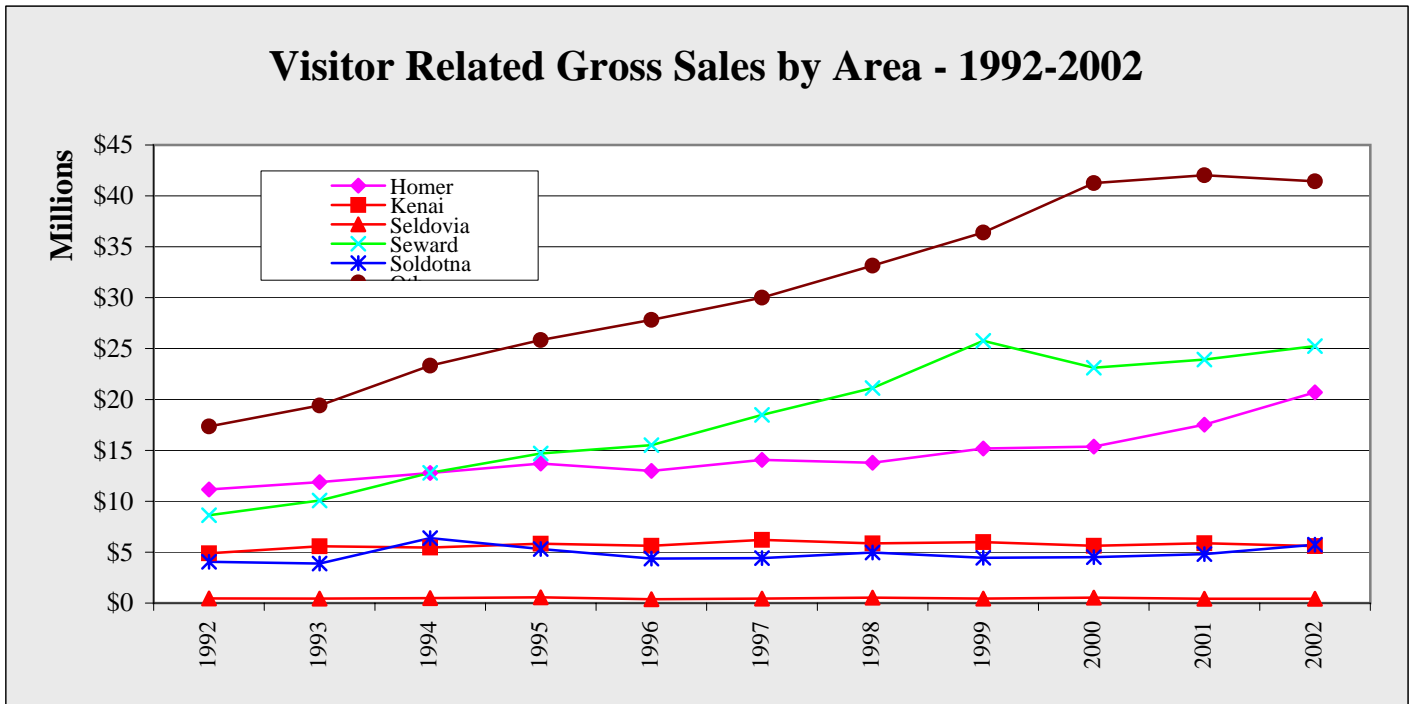


Chart 13.4

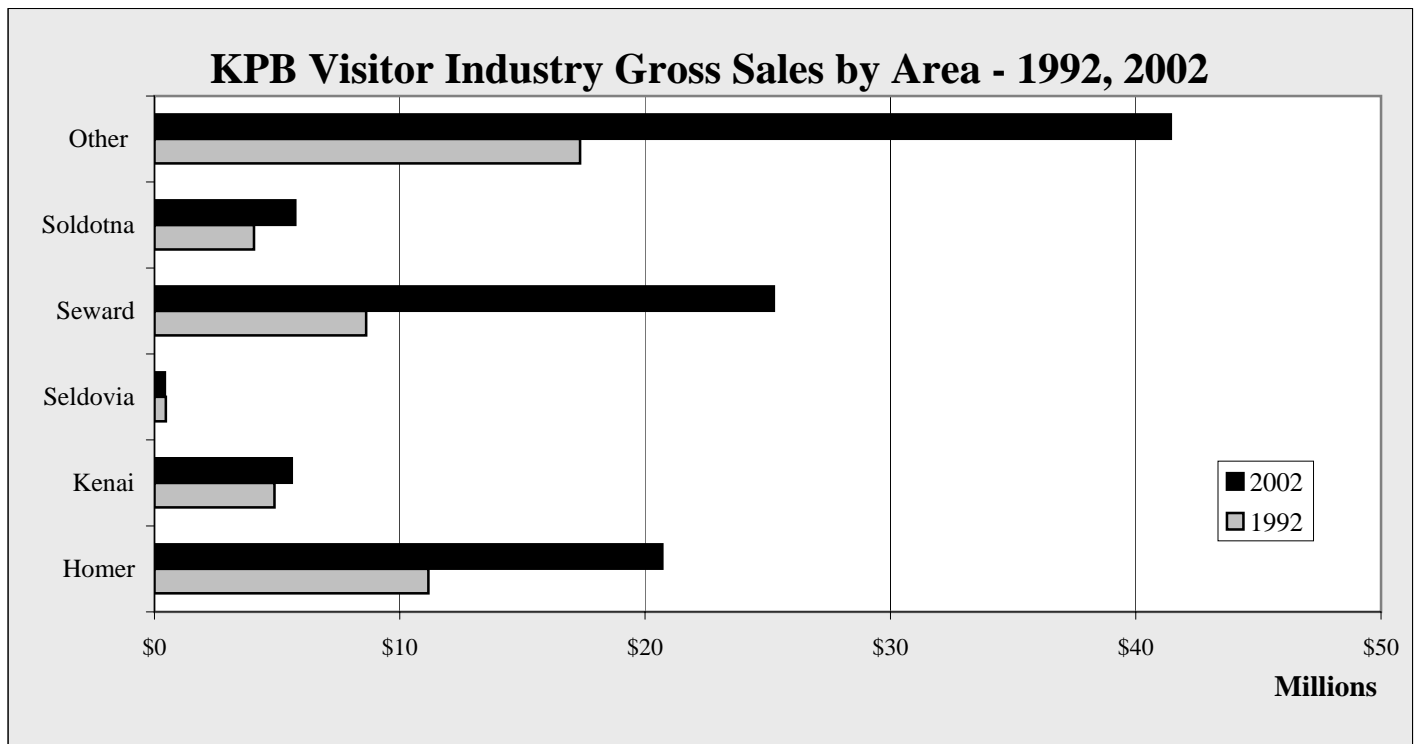


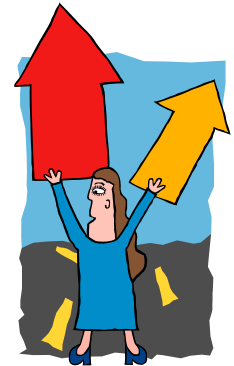
Chart 13.5

KPB Visitor Industry

Taxable Sales

Visitor industry sales are an important source of municipal revenues, as most industry sales do not qualify for sales tax exemption. Borough sales taxes are used to support the school district and sales taxes imposed by the cities are used to support municipal operations.

Data reported here provides an extremely conservative measure of the economic impact of tourism because of difficulty in separating sales in such items as groceries, fuel, and gifts from other consumers. These sales increase during the summer as tourists, commercial fishing crews, and construction crews are each seen as seasonal industries in the KPB.



Visitor Related Taxable Sales by Area - 1992-2002 - in \$

	Homer	Kenai	Seldovia	Seward	Soldotna	Other	KPB Total
1992	8,887,030	4,237,132	378,281	7,722,847	2,855,129	11,147,612	35,228,031
1993	9,485,668	4,999,642	363,362	9,214,484	3,136,137	13,263,799	40,463,092
1994	10,030,721	4,885,019	401,177	11,511,328	5,261,591	15,411,917	47,501,753
1995	10,734,085	5,043,186	488,258	12,756,967	4,382,897	17,666,254	51,071,647
1996	10,288,272	4,908,940	292,228	13,151,061	3,459,998	18,506,106	50,606,605
1997	11,162,701	5,277,444	359,805	14,740,863	3,643,717	20,085,178	55,269,708
1998	10,967,673	4,985,464	458,889	16,920,906	4,062,194	22,253,500	59,648,626
1999	12,074,332	5,200,508	372,226	19,004,399	3,357,407	25,163,818	65,172,690
2000	12,184,303	4,826,407	440,636	19,261,841	3,196,729	28,017,304	67,927,220
2001	12,543,737	5,088,686	323,809	19,364,757	3,435,443	27,559,788	68,316,220
2002	13,827,457	4,698,787	315,411	20,108,975	4,322,713	27,567,475	70,840,818

Table 13.6

Tourism Taxable Sales as Percent of KPB Total

1992	7.6%
1993	8.2%
1994	9.0%
1995	9.3%
1996	9.0%
1997	9.4%
1998	9.7%
1999	10.2%
2000	10.2%
2001	9.7%
2002	9.8%

Table 13.7

Visitor Taxable Sales as Percent of KPB Total Taxable Sales - 1992-2002

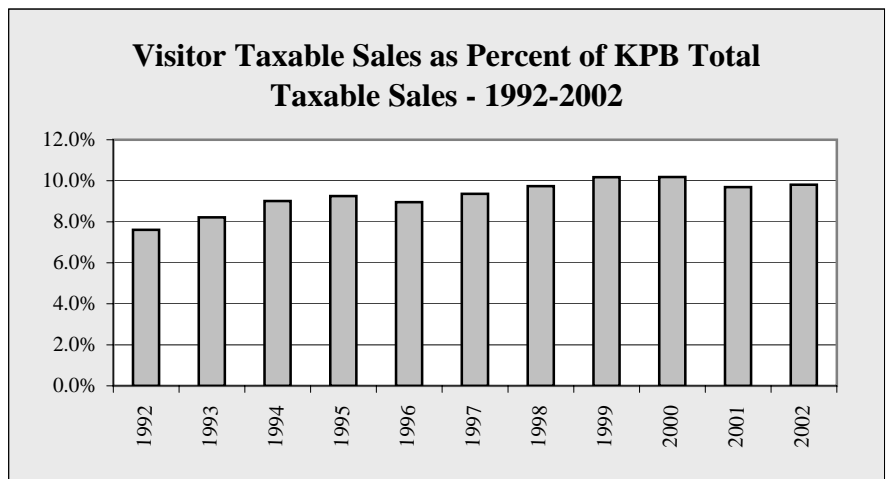


Chart 13.6

KPB Visitor Industry

Taxable Sales Charts

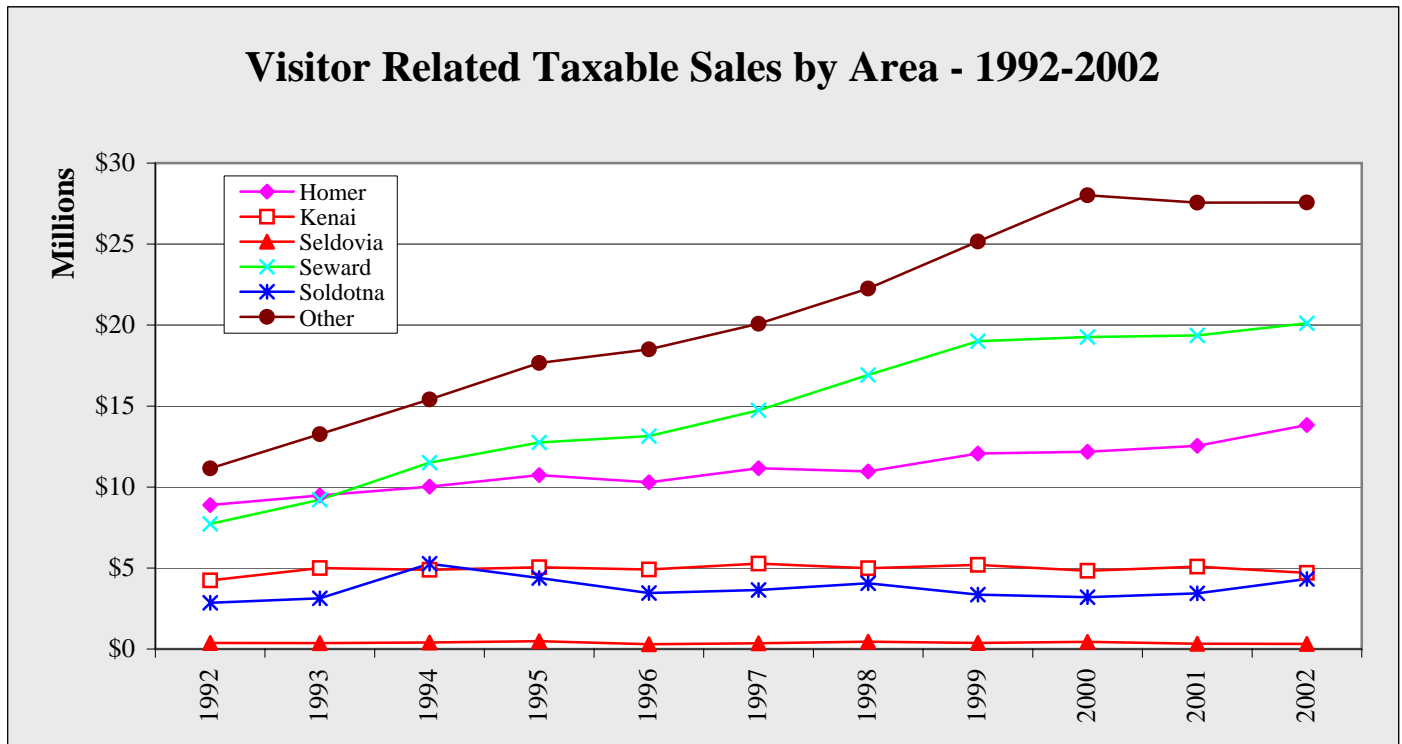


Chart 13.7

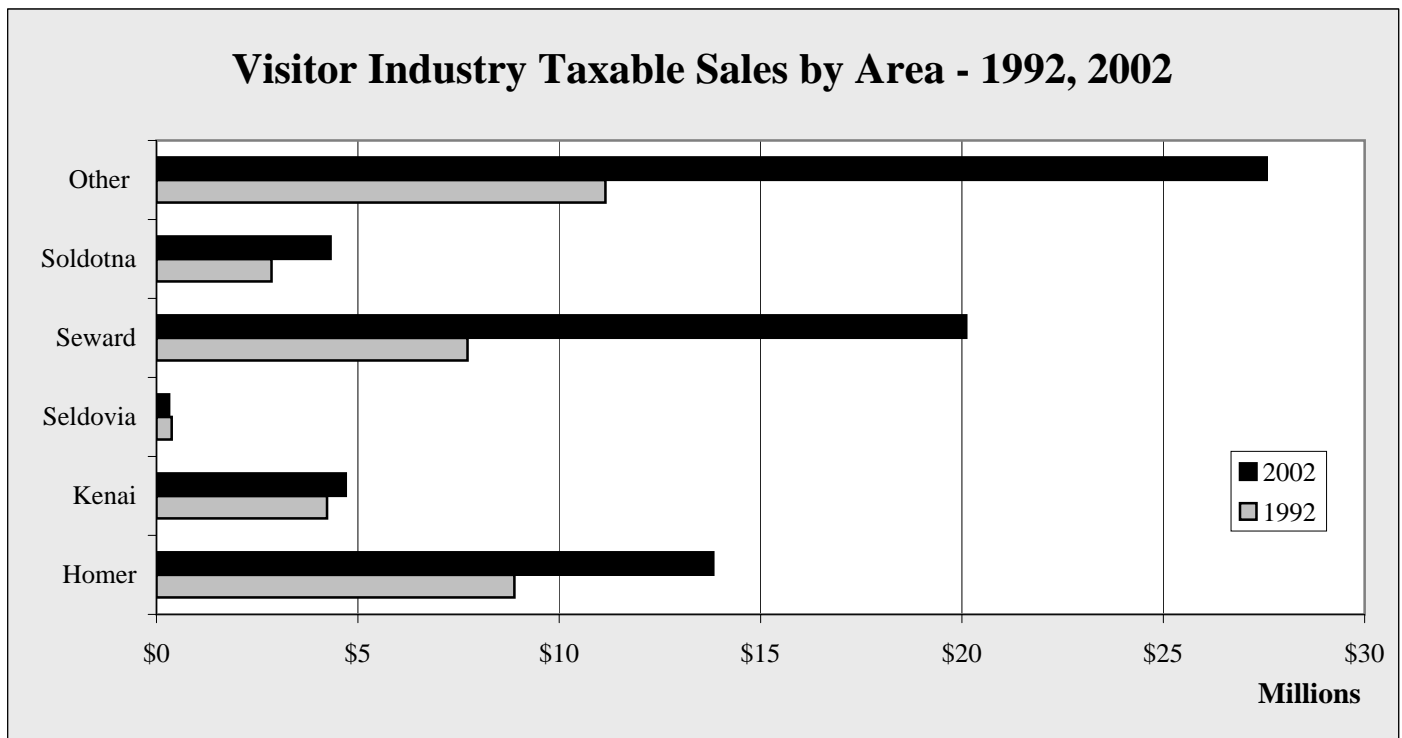


Chart 13.8

KPB Visitor Industry

Industry Sales by Quarter

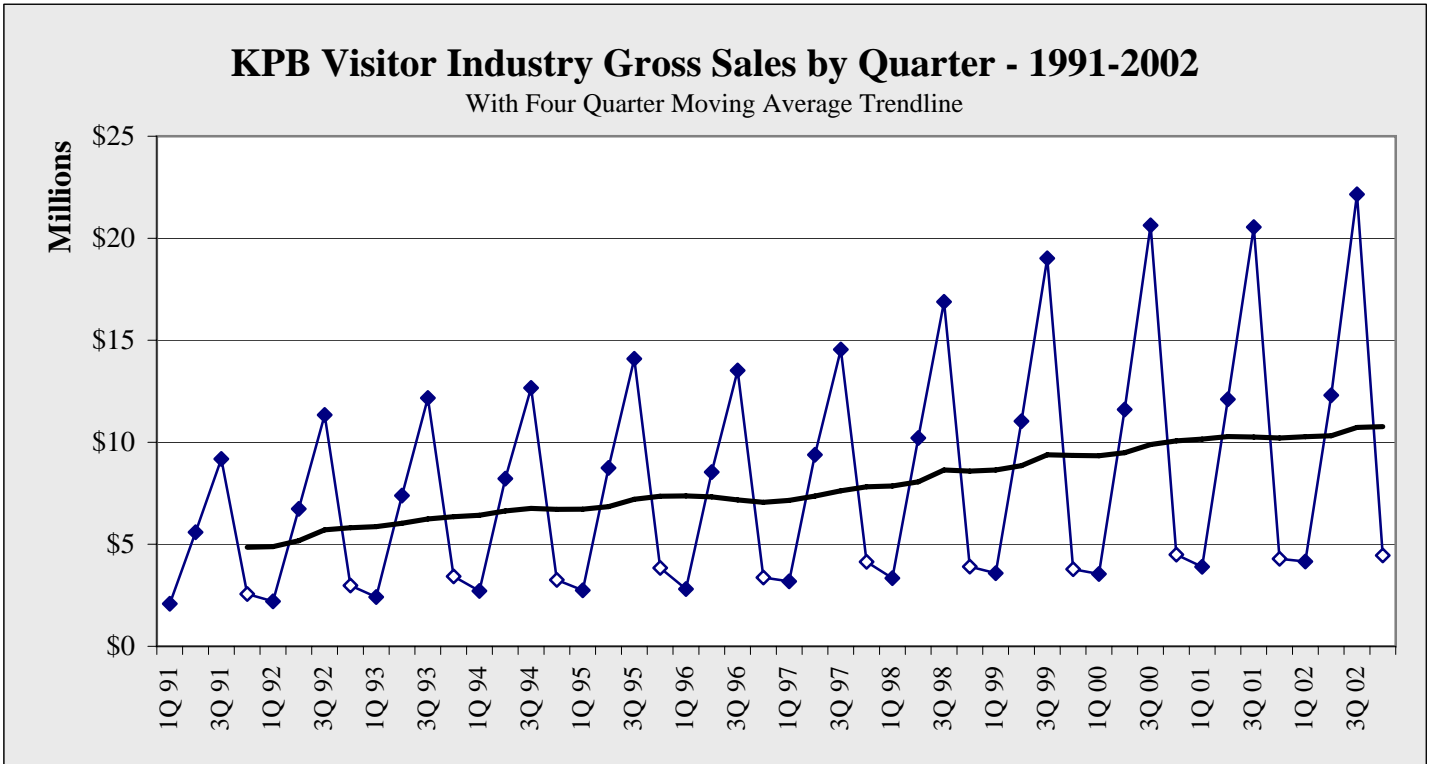


Chart 13.9

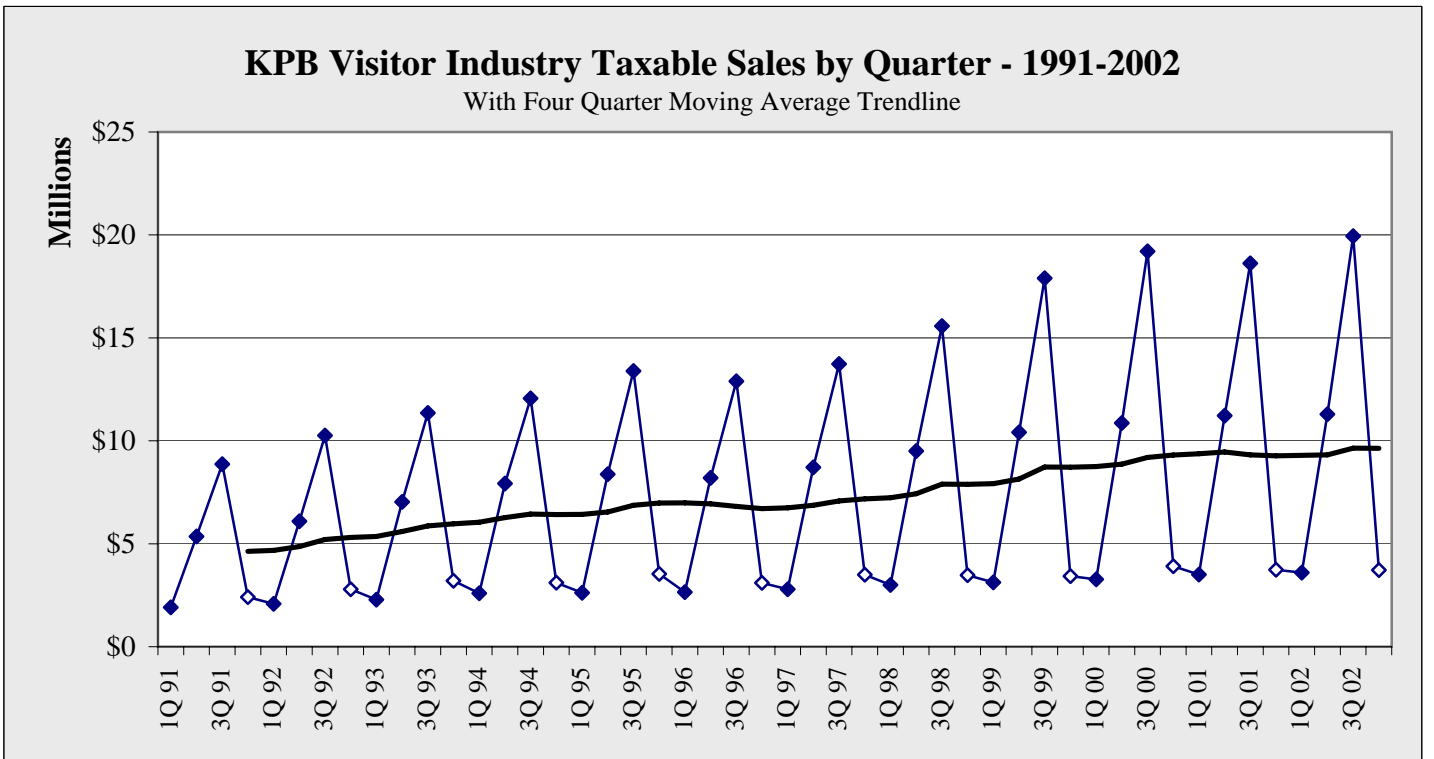


Chart 13.10

KPB Visitor Industry

Visitors to the Kenai Peninsula

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. However, trends are important in evaluating marketing techniques and for planning business activities.

Tourism on the Kenai Peninsula is not limited to visitors from the other forty-nine states and foreign countries. A 1999 Anchorage Daily News report stated 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 and 32% came for sightseeing. Some trips were multipurpose and multi-destination trips as 58% visited Soldotna and 48% visited Kenai. Seward received 47% and Homer 38% of Anchorage visitors.

June through August 2002 Visitor Counts at Select KPB Sites

	Homer	Kenai	Seward	Soldotna	Total
June	2,022	9,924	2,180	9,638	23,764
July	3,831	16,009	2,061	16,955	38,856
August	2,890	11,075	8,097	9,415	31,477
Total	8,743	37,008	12,338	36,008	94,097

Table 13.8

June through August Visitor Counts at Select KPB Sites - 1996-2002

	1996	1997	1998	1999	2000	2001	2002	Annual Change
Homer	1,225	9,449	10,975	12,729	7,901	7,891	8,743	10.8%
Kenai	41,892	46,969	44,348	45,769	41,623	37,776	37,008	-2.0%
Seward	18,034	30,000	13,590	24,590	21,065	26,374	12,338	-53.2%
Soldotna	42,109	48,415	39,511	44,316	63,567	50,270	36,008	-28.4%
Total	103,260	134,833	108,424	127,404	134,156	122,311	94,097	-23.1%

Table 13.9

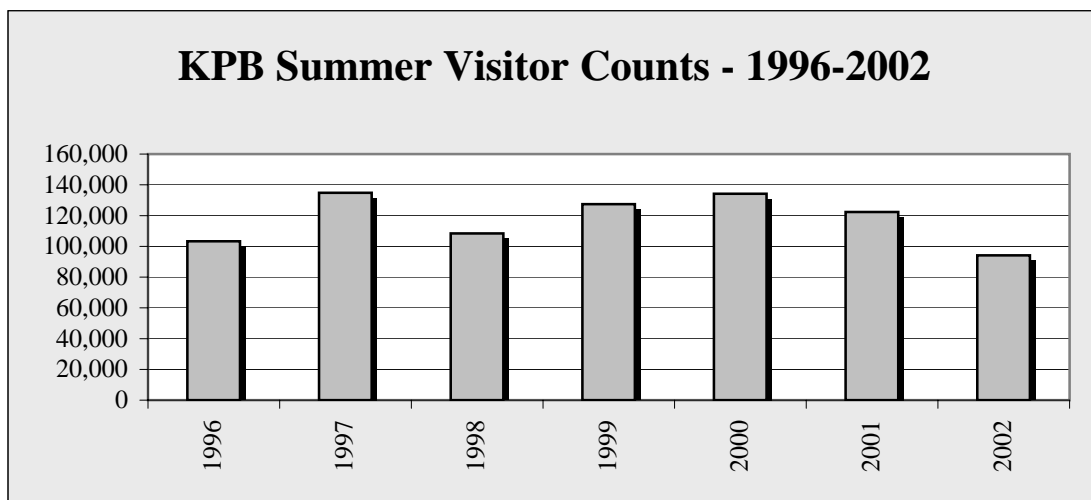


Chart 13.11

KPB Visitor Industry

Homer Visitors



Homer Visitor Center Counts - 1996-2002

	1996	1997	1998	1999	2000	2001	2002	Annual Change
May							288	NA
June	3132	2,637	2,997	3,378	2,187	2,446	2,022	-17.3%
July	5460	3,999	4,575	5,441	3,301	3,239	3,831	18.3%
August	3633	2,813	3,403	3,910	2,413	2,206	2,890	31.0%
Summer Total	12,225	9,449	10,975	12,729	7,901	7,891	8,743	10.8%

Table 13.10

Disembarking Ferry Traffic		
	Passengers	Vehicles
1993	5,547	2,033
1994	5,864	2,089
1995	5,466	2,133
1996	5,782	2,032
1997	6,909	2,379
1998	6,883	2,522
1999	7,193	2,679
2000	7,698	2,798
2001	7,405	2,787
2002	8,497	3,022

Table 13.11

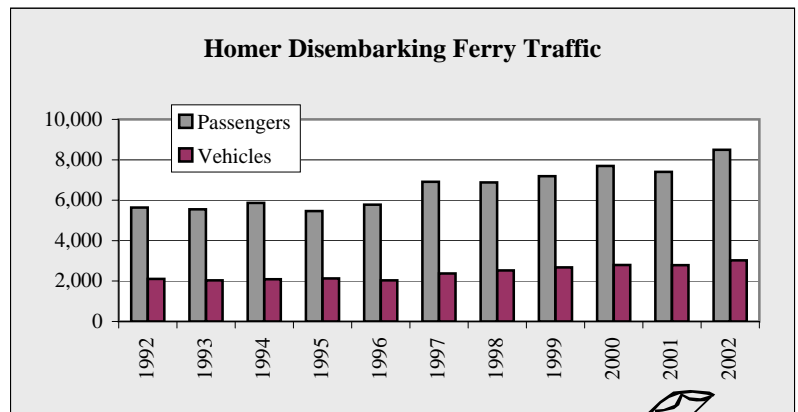
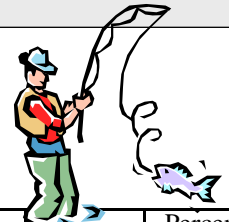


Chart 13.12

Kenai Visitors



Kenai Convention & Visitors Bureau Visitors - 1993-2002

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	Percent Change
Jan	934	987	1,079	2,190	1,243	1,965	824	1,098	1,188	1,086	-8.6%
Feb	1,089	695	987	2,473	1,457	1,137	1,562	1,268	1,321	1,057	-20.0%
Mar	1,459	1,397	1,502	2,811	2,004	2,012	1,684	1,724	1,349	1,297	-3.9%
Apr	1,523	1,503	3,180	2,262	3,842	1,779	1,584	2,038	1,485	1,107	-25.5%
May	3,595	3,526	4,316	6,383	5,314	4,763	3,946	6,169	5,622	4,879	-13.2%
Jun	9,091	11,101	11,748	12,166	12,484	11,786	12,007	11,903	10,374	9,924	-4.3%
Jul	16,934	19,349	19,951	18,180	21,008	19,844	21,114	19,196	17,451	16,009	-8.3%
Aug	9,107	11,059	12,531	11,546	13,477	12,718	12,648	10,524	9,951	11,075	11.3%
Sep	3,693	3,741	4,273	4,729	5,282	4,072	4,341	3,818	3,063	4,323	41.1%
Oct	1,068	1,314	1,607	2,008	1,823	1,620	1,824	1,111	1,059	1,218	15.0%
Nov	1,197	775	1,076	1,520	1,288	1,197	1,918	770	1,052	919	-12.6%
Dec	816	881	1,320	1,003	1,238	930	964	856	767	919	19.8%
Total	50,506	56,328	63,570	67,271	70,460	63,823	64,416	60,475	54,682	53,813	-1.6%
Percent Change		11.5%	12.9%	5.8%	4.7%	-9.4%	0.9%	-6.1%	-9.6%	-1.6%	

Table 13.12

KPB Visitor Industry

Kenai Municipal Airport Activity

Kenai Municipal Airport Take-offs and Landings - 1991-2002

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
January	5,439	6,998	5,437	5,324	5,618	4,473	4,055	4,810	4,335	3,257	3,687	2,380
February	5,716	6,255	5,560	5,335	5,589	4,360	4,423	4,928	4,081	4,611	3,298	2,909
March	6,273	7,329	6,581	6,443	6,286	5,451	5,476	6,628	5,531	4,508	3,822	3,579
April	7,809	8,457	7,209	7,320	6,522	6,789	7,266	6,777	6,691	5,513	5,306	3,704
May	10,043	8,745	7,074	8,149	7,507	7,386	8,793	8,009	7,062	7,347	6,600	5,796
June	10,015	8,618	8,052	7,602	7,332	7,617	9,019	7,336	7,693	8,068	6,657	5,225
July	10,276	9,755	7,788	7,646	8,257	9,040	9,885	8,192	7,637	8,841	6,132	5,629
August	8,694	7,924	6,761	7,212	8,600	7,531	8,311	6,727	7,297	8,096	6,132	4,243
September	7,828	7,069	6,380	6,161	6,532	5,466	6,694	6,717	5,839	6,802	4,335	3,880
October	6,862	7,130	6,522	5,683	6,376	4,799	6,406	5,688	4,516	4,620	3,603	3,812
November	5,767	5,180	5,252	4,878	4,681	4,464	4,464	5,056	4,773	3,850	3,185	3,175
December	5,453	5,765	5,645	4,606	4,611	4,135	4,179	3,974	3,560	2,210	2,144	3,030
Total	90,175	89,225	78,261	76,359	77,911	71,511	78,971	74,842	69,015	67,723	54,901	47,362

Table 13.13

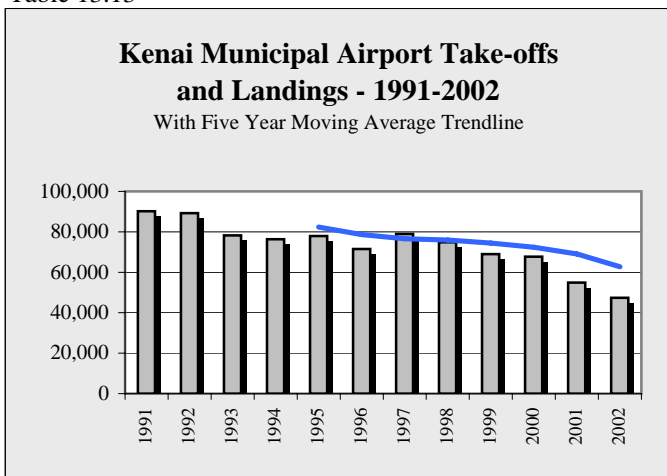


Chart 13.13

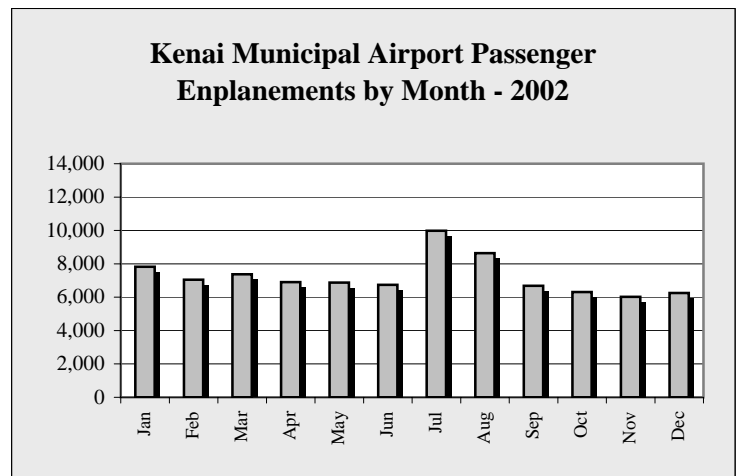


Chart 13.14

Kenai Municipal Airport Passenger Enplanements - 1991-2002

	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Jan	8,358	7,958	7,645	8,211	9,570	8,263	7,937	8,423	7,862	7,859	8,300	7,829
Feb	7,147	7,797	6,851	7,023	9,348	7,776	7,286	7,520	6,994	7,815	7,137	7,046
Mar	8,457	9,463	7,637	9,012	11,350	8,419	7,838	8,625	8,901	7,657	8,216	7,371
Apr	8,571	8,627	7,097	7,386	9,610	7,786	7,483	7,930	6,862	6,409	7,058	6,902
May	9,473	8,009	7,781	8,626	10,028	8,507	8,386	8,600	7,354	7,531	4,143	6,880
Jun	10,818	9,394	9,402	10,600	11,268	10,204	10,577	10,114	9,091	9,086	9,044	6,740
Jul	12,069	11,684	11,654	12,294	14,498	13,545	14,958	13,070	11,934	12,736	12,093	9,979
Aug	11,758	11,315	11,375	12,375	12,979	11,888	12,465	10,777	10,882	11,049	10,807	8,644
Sep	8,557	8,565	9,513	10,653	10,844	8,963	9,916	8,172	8,301	8,994	6,334	6,684
Oct	8,590	7,813	8,888	10,389	11,026	9,263	9,581	7,884	8,267	8,464	7,582	6,309
Nov	8,623	7,913	9,083	10,585	11,580	8,471	9,009	7,816	8,237	7,612	7,345	6,023
Dec	8,422	8,252	9,078	10,535	8,254	8,026	9,299	7,743	7,832	7,968	7,494	6,249
Total	110,843	106,790	106,004	117,689	130,355	111,111	114,735	106,674	102,517	103,180	95,553	86,656

Table 13.14

KPB Visitor Industry

Seldovia Visitors

Seldovia Harbor Passenger Arrivals

	Excursion Boat	Disembarking Ferry Passengers	Total
1997	8,450	2,303	10,753
1998	7,459	2,134	9,593
1999	6,179	2,396	8,575
2000	6,243	2,619	8,862
2001	3,834	2,471	6,305
2002		2,359	2,359

Table 13.15

Seward Visitors

Seward Chamber of Commerce Visitor Count - 2002

January	51
February	89
March	284
April	306
May	1,319
June	7,001
July	9,770
August	9,603
September	2,348
October	735
November	475
December	240
Total	32,221

Table 13.16

Tourism is an important factor in the Seward economic picture, as noted from the thousands of individuals who pass through the city each year. The rest of the peninsula benefits as these visitors tour the area, taking part in the varied tourist activities.

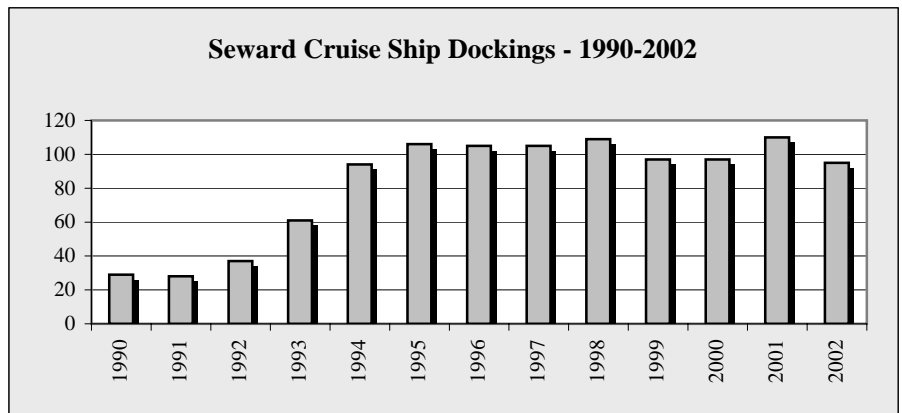


Chart 13.15

Year	VISITOR COUNT HISTORY							Cruise Ship		Railroad
	Chamber	Harbor	Disembarking Ferry Passengers	Railcar	Kenai Fjords National Park	Exit Glacier	SeaLife Center	Passengers	Dockings	Ridership
1990	10,260			7,944					29	13,708
1991	18,777			10,473					28	14,555
1992	18,889		3,237	11,242					37	15,827
1993	13,975		3,289	10,408					61	17,675
1994	13,948	11,416	2,570	10,599					94	18,558
1995	21,948	6,345	2,378	9,467					106	21,621
1996	22,052	7,500	2,593	8,670					105	23,687
1997	20,000		2,750						105	24,351
1998	17,436		3,357	closed	265,748		198,000	225,000	109	30,734
1999	30,723		3,638		290,673		161,286	NA	97	32,393
2000	25,664		4,044	4,485	135,859	117,296	141,160	254,793	97	NA
2001	32,221		3,773	3,892	163,445	121,454	143,893	314,825	110	28,714
2002	16,138		3,986	5,985	250,643	120,941	150,918	309,042	95	28,714

Table 13.17

KPB Visitor Industry

Soldotna Visitors

Soldotna Visitor Center Visits by Month

	1997	1998	1999	2000	2001*	2002*	% Change
May	4,368	2,936	5,359	7,280	6,870	4,822	-42.5%
June	10,294	10,289	10,658	15,846	13,730	9,638	-42.5%
July	21,579	18,544	19,205	32,472	22,514	16,555	-36.0%
Aug	9,763	10,678	14,453	15,249	14,026	9,415	-49.0%
Sept	1,821	4,573	4,655	4,587	3,935	3,282	-19.9%
Total	47,825	47,020	54,330	75,434	61,075	43,712	-39.7%
% Change		-1.70%	15.50%	38.80%	-19.04%	-28.43%	

Table 13.18

Due to a broken data counter, data was estimated for May and June of 2002 and for September 2001.

Kenai Fjord National Park Visitors

National Park Visitor Comparisons

		Recreational Visitors	One Year % Change
Kenai Fjords	2000	254,790	
	2001	262,353	
	2002	251,799	-12.00%
Denali	2000	363,983	
	2001	360,191	
	2002	311,335	-4.80%
Grand Canyon	2000	4,460,228	
	2001	4,104,809	
	2002	4,001,974	-2.80%
Lincoln Memorial	2000	4,009,145	
	2001	3,968,357	
	2002	3,551,973	-5.50%
Yellowstone	2000	2,838,233	
	2001	2,758,526	
	2002	2,973,677	-6.80%

Table 13.19

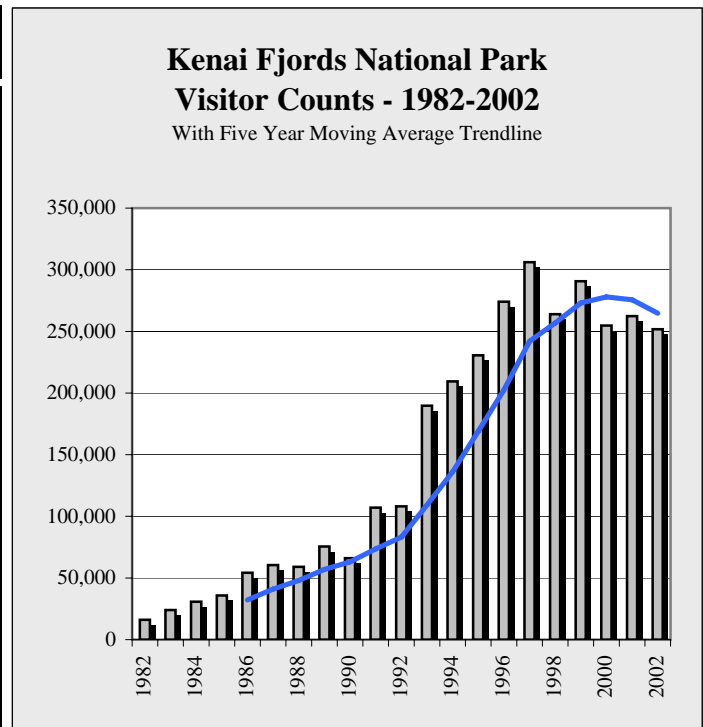


Chart 13.16

KPB Visitor Industry

Traffic Counts

Annual Average Daily Traffic Counts At Select KPB Sites

	Homer	Anchor River	Soldotna	Kenai	Moose Pass	Placer River Bridge	Potter Flats
1990	3,892	1,794	5,055	6,335	1,326	2,851	5,857
1991	3,819	1,733	5,155	6,564	1,369	2,801	6,620
1992	3,976	1,815	5,700	6,986	1,455	3,039	6,929
1993	4,222	2,009	5,898	7,426	1,551	3,171	7,366
1994	4,196	2,153	6,165	7,793	1,608	3,206	7,571
1995	4,268	2,482	6,406	7,751	1,531	3,307	7,565
1996	4,219	2,469	6,526	7,696	1,568	3,285	7,464
1997	4,245	2,505	6,871	7,963	1,606	3,320	7,574
1998	4,022	2,517	7,278	8,203	1,766	3,509	8,296
1999	4,009	2,435	7,335	8,332	1,692	3,599	8,294
2000	4,011	2,413	7,344	8,433	1,661	3,479	8,309
2001	4,023	2,485	7,731	8,668	1,640	3,702	8,514
2002	4,107	2,622	8,238	8,704	1,618	3,845	9,311

Table 13.20

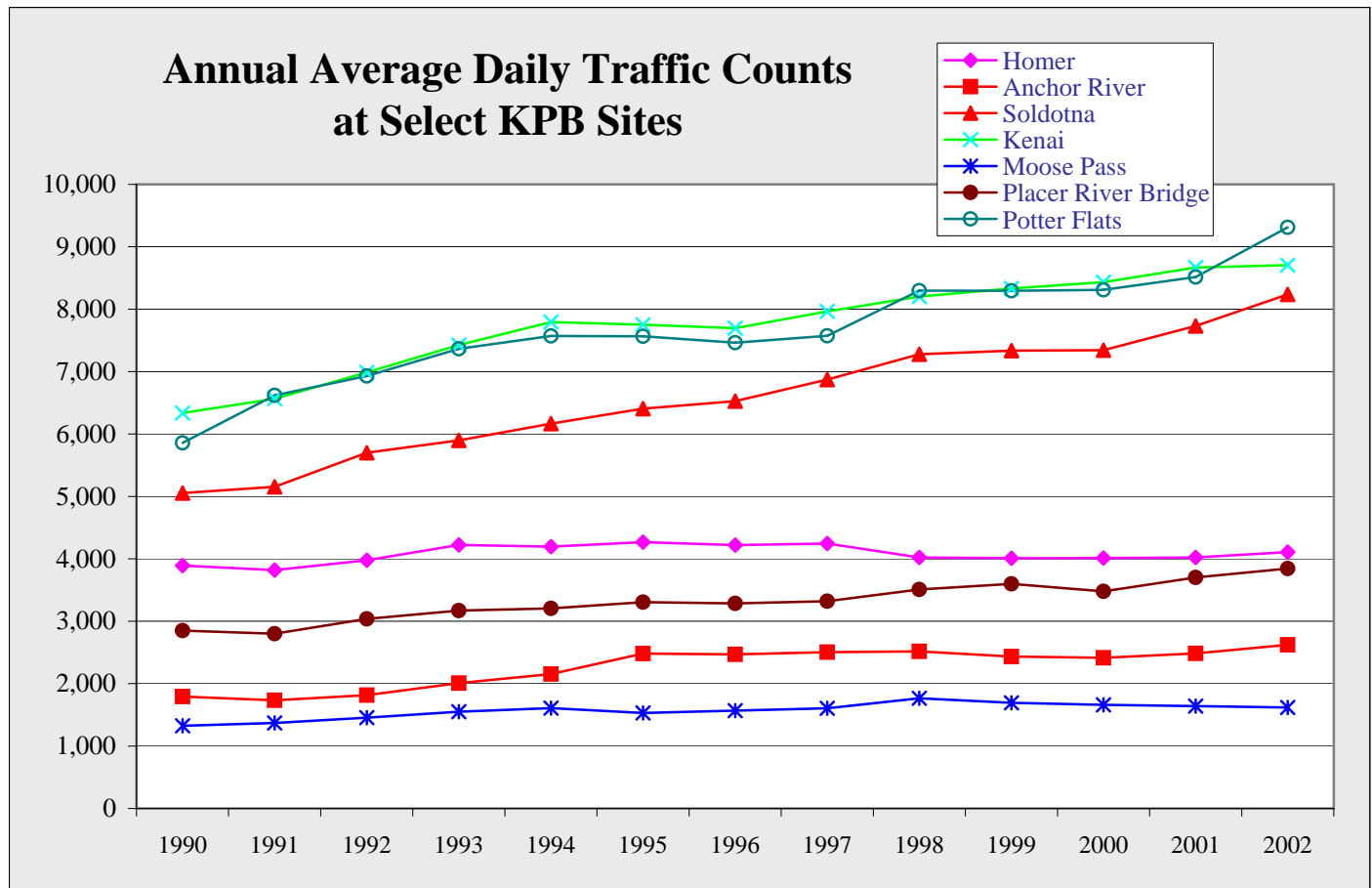


Chart 13.17

KPB Visitor Industry

Border Crossings

2002	ALCAN		DALTON CACHE		TOTAL	
	Vehicles	Passengers	Vehicles	Passengers	Vehicles	Passengers
January	1,055	2,866	813	1,757	1,868	4,623
February	1,063	1,939	703	1,335	1,766	3,274
March	1,338	2,602	1,022	2,127	2,360	4,729
April	3,124	4,274	1,218	2,440	4,342	6,714
May	5,332	9,756	1,636	3,496	6,968	13,252
June	9,453	19,008	3,343	7,079	12,796	26,087
July	9,412	19,919	3,827	9,312	13,239	29,231
August	6,564	14,053	3,949	9,256	10,513	23,309
September	3,409	6,685	2,210	4,722	5,619	11,407
October	1,855	3,401	1,663	3,499	3,518	6,900
November	1,292	2,321	838	1,657	2,130	3,978
December	1,029	1,977	671	1,437	1,700	3,414
TOTAL	44,926	88,801	21,893	48,117	66,819	136,918

2001	ALCAN		DALTON CACHE		TOTAL	
	Vehicles	Passengers	Vehicles	Passengers	Vehicles	Passengers
January	1,651	2,844	713	1,534	2,364	4,378
February	1,699	2,956	583	1,261	2,282	4,217
March	2,311	3,934	811	1,676	3,122	5,610
April	3,582	6,260	1,309	2,797	4,891	9,057
May	6,916	13,112	1,583	3,386	8,499	16,498
June	11,686	25,247	3,334	7,532	15,020	32,779
July	11,005	25,255	3,079	7,873	14,084	33,128
August	7,807	17,946	3,967	9,568	11,774	27,514
September	4,687	9,415	2,111	4,473	6,798	13,888
October	2,741	5,010	1,357	2,759	4,098	7,769
November	2,045	3,566	907	1,889	2,952	5,455
December	1,557	2,548	836	1,546	2,393	4,094
TOTAL	57,687	118,093	20,590	46,294	78,277	164,387

2000	ALCAN		DALTON CACHE		TOTAL	
	Vehicles	Passengers	Vehicles	Passengers	Vehicles	Passengers
January	899	1,775	690	1,330	1,589	3,105
February	865	1,572	661	1,308	1,526	2,880
March	1,834	3,244	809	1,684	2,643	4,928
April	2,535	4,899	1,236	2,547	3,771	7,446
May	5,261	9,901	1,746	3,671	7,007	13,572
June	12,621	27,627	3,485	7,698	16,106	35,325
July	10,843	25,557	4,086	9,601	14,929	35,158
August	6,973	16,818	3,605	7,704	10,578	24,522
September	3,756	7,996	2,177	4,913	5,933	12,909
October	1,791	3,246	1,242	2,524	3,033	5,770
November	1,279	2,508	760	1,545	2,039	4,053
December	992	1,910	616	1,163	1,608	3,073
TOTAL	49,649	107,053	21,113	45,688	70,762	152,741

Table 13.21

KPB Visitor Industry

Alaska Arrivals

Arrivals in Alaska by Highway - Passenger Vehicles Only

	Haines			Alcan			Total		Annual Change
	Vehicles	Passengers		Vehicles	Passengers		Vehicles	Passengers	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	6.5%
1989	19,708	46,560		43,600	109,132		63,308	155,692	2.6%
1990	22,283	52,722		47,709	115,866		69,992	168,588	8.3%
1991	21,860	51,623		48,731	117,875		70,591	169,498	0.5%
1992	23,730	54,085		47,697	113,128		71,427	167,213	-1.3%
1993	24,488	56,425		48,674	111,796		73,162	168,221	0.6%
1994	24,272	55,356		50,634	119,877		74,906	175,233	4.2%
1995	24,641	55,148		54,508	121,566		79,149	176,714	0.8%
1996	23,016	52,330		50,891	118,520		73,907	170,850	-3.3%
1997	20,069	44,161		55,335	118,408		75,404	162,569	-4.8%
1998	21,127	50,080		49,280	106,749		70,407	156,829	-3.5%
1999	22,414	48,555		51,888	110,571		74,302	159,126	1.5%
2000	21,113	45,688		49,649	107,053		70,762	152,741	-4.0%
2001	20,590	46,294		57,687	118,093		78,277	164,387	7.6%
2002	21,893	48,117		44,926	88,801		66,819	136,918	-16.7%

Table 13.22

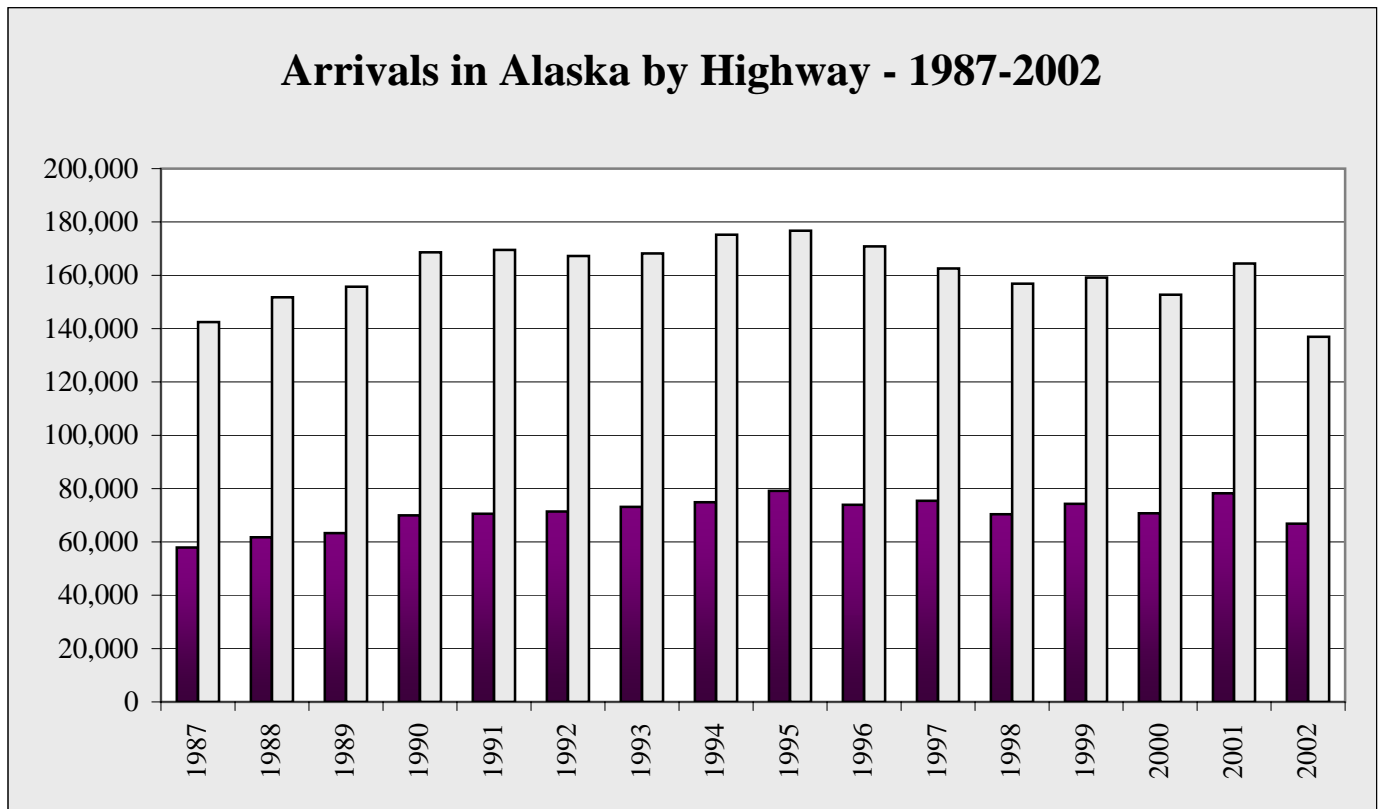


Chart 13.18

KPB Visitor Industry

Recreational Fishing

The Kenai Peninsula Borough provides a variety of recreational fishing opportunities. Salt water fishing ranges from halibut, cod or any of the five types of salmon, digging for razor or butter clams, or putting out pots for crab or shrimp. Fresh water fishing includes the variety of salmon and trout in the numerous rivers and lakes in the area. Several major rivers exist in the borough, often flowing from the Harding Icefield and its glacial arms. These include the Kenai and Kasilof Rivers, both the target of large numbers of Cook Inlet salmon returning to spawn. On the west side of Cook Inlet, three major rivers provide opportunities for salmon fishing; the Susitna, Crescent, and Fish Creek. Other rivers and lakes too numerous to mention add to the fisherman's allure.

Kenai River Registered Guides

The Kenai River is a beautiful river flowing from glacier fed Kenai Lake through rushing canyons, into and out of Skilak Lake, through Soldotna and on to Cook Inlet through the mouth of the river in the City of Kenai. The river is teeming with life, whether it be fish, waterfowl, plant life or even the occasional moose or caribou swimming across or the seal or beluga whale following salmon runs upstream. The river is the center of political controversy as each user group attempts to maintain or increase their share of the plentiful and renewable resource.

The number of registered Kenai River guides increased from 171 during 1985 to 400 during 1997 but has decreased slightly over the succeeding years, to 383 guides during 2002. There were nine fewer guides on the Kenai River during 2002 than 2001 and six fewer guides during the 2001 season than during 2000. Of the 383 guides permitted during 2002, 53 were first year guides and 95 had been registered between 2 and 5 years.

Kenai River Registered Guides

	Resident	Non resident	Total	% Resident
1985	131	40	171	77%
1986	148	5	198	75%
1987	188	44	232	81%
1988	191	77	268	71%
1989	212	100	312	68%
1990	234	96	330	71%
1991	214	10	315	68%
1992	194	181	275	71%
1993	196	67	263	75%
1994	224	80	304	74%
1995	260	97	357	73%
1996	287	88	375	77%
1997	306	94	400	77%
1998	292	68	360	81%
1999	295	73	368	80%
2000	296	84	380	78%
2001	287	87	374	77%
2002	291	92	383	76%

Table 13.23

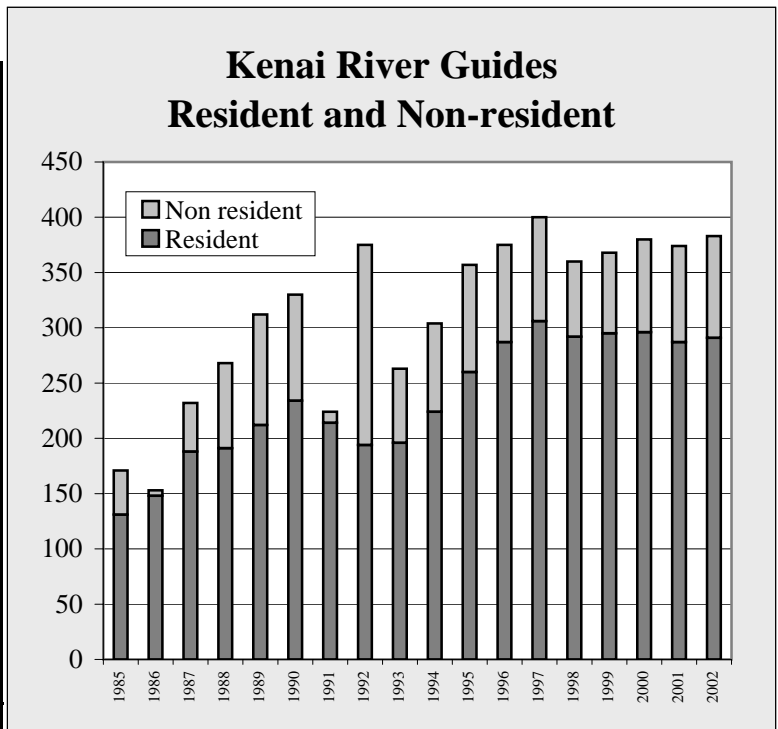


Chart 13.19

KPB Visitor Industry

Kenai River Guides - Motorized or Drift



Each year, between 5% and 15% of Kenai River guide permits are for purposes other than fishing. During 2002, 35 permits were issued for non-fishing purposes, 9% of total permits issued. This follows 2001 when 39 guides received permits for the Kenai River for purposes other than guiding fishermen.



Kenai River Registered Guides

	Total	Motorized	Drift	% Motorized
1985	171			
1986	198	131	40	77%
1987	232	138	60	70%
1988	268	155	77	67%
1989	312	184	84	69%
1990	330	215	97	69%
1991	315	243	87	74%
1992	275	229	86	73%
1993	263	212	63	77%
1994	304	194	69	74%
1995	357	214	90	70%
1996	375	263	94	74%
1997	400	292	83	78%
1998	360	312	88	78%
1999	368	278	82	77%
2000	380	288	80	78%
2001	374	300	80	79%
2002	383	304	79	79%

Table 13.24

Residency of KPB Fresh Water Sport Fishing Guides - 2002

	KPB Local Address	KPB Permanent Address	*Other Alaskan Address	Out of State
Anchor Point	13	13	0	0
Clam Gulch	3	2	0	1
Cooper Landing	13	9	3	1
Homer	21	20	1	0
Hope	2	2	0	0
Kasilof	24	23	0	1
Kenai	35	29	0	6
Nikiski	10	7	1	2
Ninilchik	12	10	2	0
Seldovia	1	1	0	0
Seward	3	2	1	0
Soldotna	156	142	3	11
Sterling	38	33	2	3
Tyonek	2	2	0	0
Total	333	295	13	25

* - may be elsewhere within KPB, but are within Alaska

Table 13.25

http://www.sf.adfg.state.ak.us/statewide/sfguides/html/presearch.cfm?area=fci&ds=Guides02_SQL&year=2002

KPB Visitor Industry

Saltwater Guiding

According to the Alaska Department of Fish and Game, 294 individuals registered as recreational guide businesses for saltwater guiding with local addresses from within the Kenai Peninsula Borough during 2001. The greatest majority of these guides, 89.5%, report a permanent address on the Kenai Peninsula, while 3.1% report permanent addresses from out of state. The remaining 7.5% live either elsewhere in the Borough (i.e.: live in Kenai, fish in Anchor Point) or somewhere in the state of Alaska. Total does not equal 100% due to rounding.

These guides may serve clients hoping to catch one of the plentiful sockeye (red) salmon, a chinook (king) salmon responding to instincts drawing them to their home spawning grounds, or maybe the feisty silver (coho) salmon that travel the river in late summer and fall months. Many guides favor halibut fishing, motoring far into Cook Inlet or Prince William Sound as they seek monsters from the deep, which periodically weigh in excess of 300 pounds.

Residency of KPB Salt Water Sport Fishing Guides - 2001

	KPB Local Address	KPB Permanent Address	*Other Alaskan Address	Out of State
Anchor Point	26	23	2	1
Clam Gulch	6	5	0	1
Cooper Landing	2	2	0	0
Fritz Creek	3	3	0	0
Homer	84	80	3	1
Kasilof	10	8	0	2
Kenai	20	17	0	3
Ninilchik	41	39	0	2
Seldovia	7	1	4	2
Seward	37	36	0	1
Soldotna	79	73	3	3
Sterling	18	15	1	2
Tyonek	1	1	0	0
Total	334	303	13	18

* - may be elsewhere within KPB, but are within Alaska

Table 13.26