

The Kenai Peninsula Borough Economy and How it Relates to Anchor Point

Presented to
Anchor Point Chamber of Commerce
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Discussion Items

- Demographics
 - Age, Race, Schools
- Comparative Characteristics
 - Income, Education, Housing
 - County Business Patterns
- Sales
 - Gross, Taxable, Nontaxable
 - Retail, Tourism
 - Other Lines of Business
- Employment

Population/Demographics





Anchor Point CDP
Source – U.S. Census Bureau

Population of Economic Impact Areas - 2006

Greater Kenai – 13,910

Kenai.....6,864
Nikiski.....4,179
Ridgeway.....1,961
Salamatof.....906

Greater Homer – 12,303

Anchor Point.....1,803
Diamond Ridge.....690
Fritz Creek.....1,723
Fox River.....639
Halibut Cove.....24
Happy Valley.....472
Homer.....5,454
Kachemak City.....458
Nanwalek.....228
Nikolaevsk.....297
Port Graham.....136
Seldovia.....379

KPB Total – 51,350

Greater Seward – 4,989

Bear Creek.....1,922
Crown Point.....81
Lowell Point.....76
Moose Pass.....204
Primrose.....79
Seward.....2,627

Greater Soldotna – 13,422

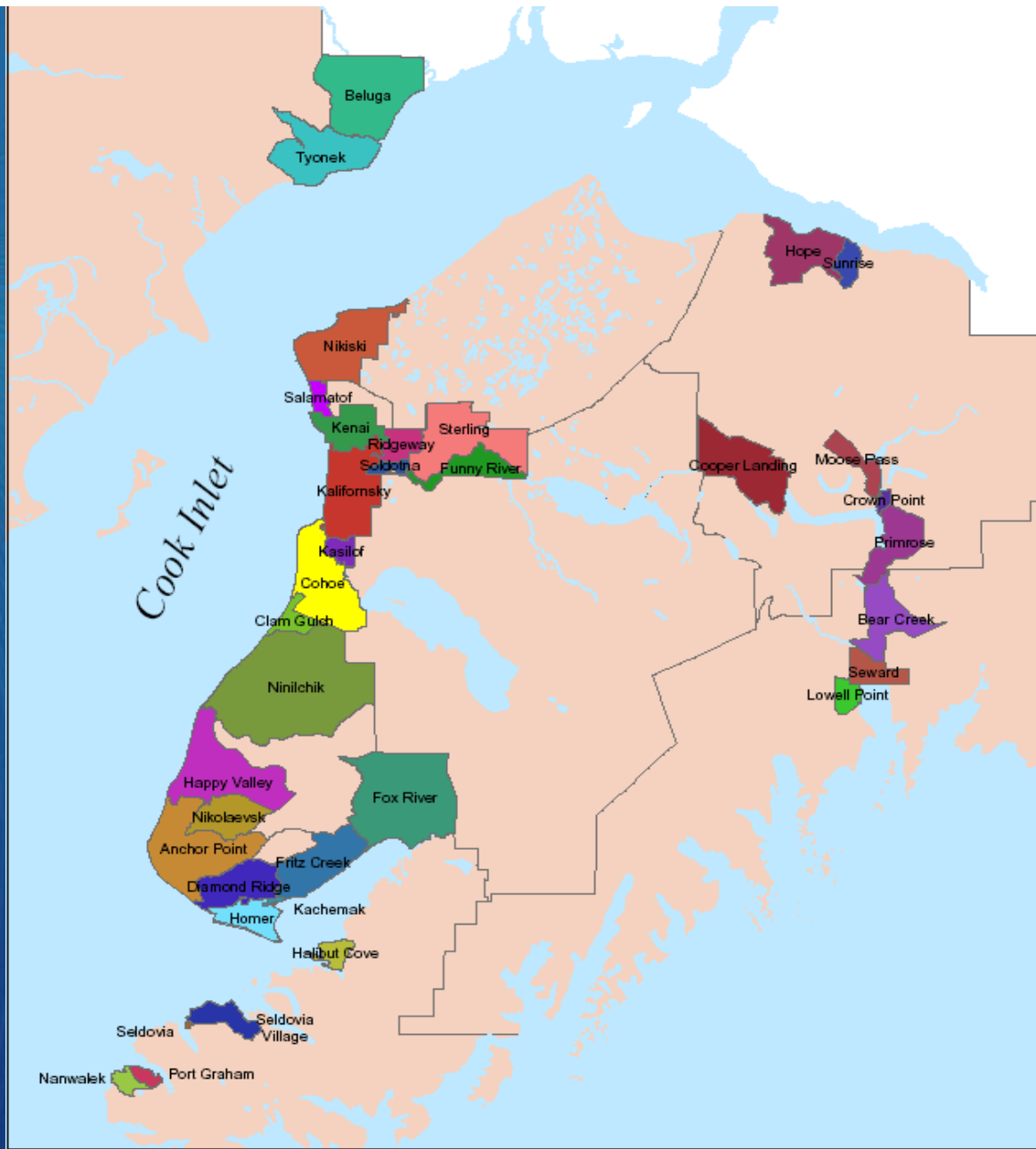
Clam Gulch.....165
Cohoe.....1,260
Funny River.....729
Kalifornsky.....6,914
Kasilof.....547
Soldotna3,807

Treat separately – 6,177

Cooper Landing - 357
Ninilchik - 784
Sterling – 5,036

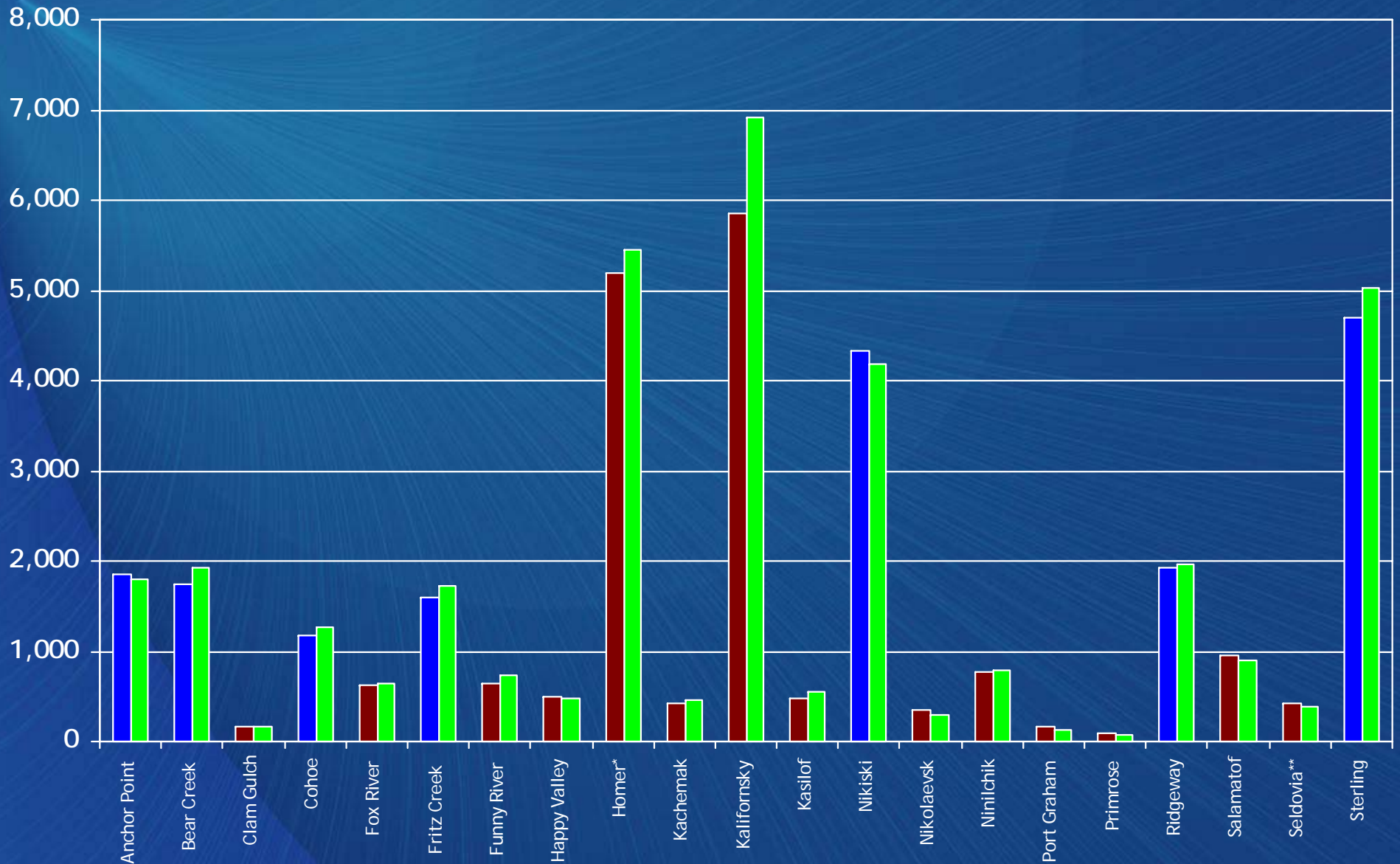
Others - 549

Beluga - 21
Hope – 143
Sunrise – 22
Tyonek – 199
At Large - 164



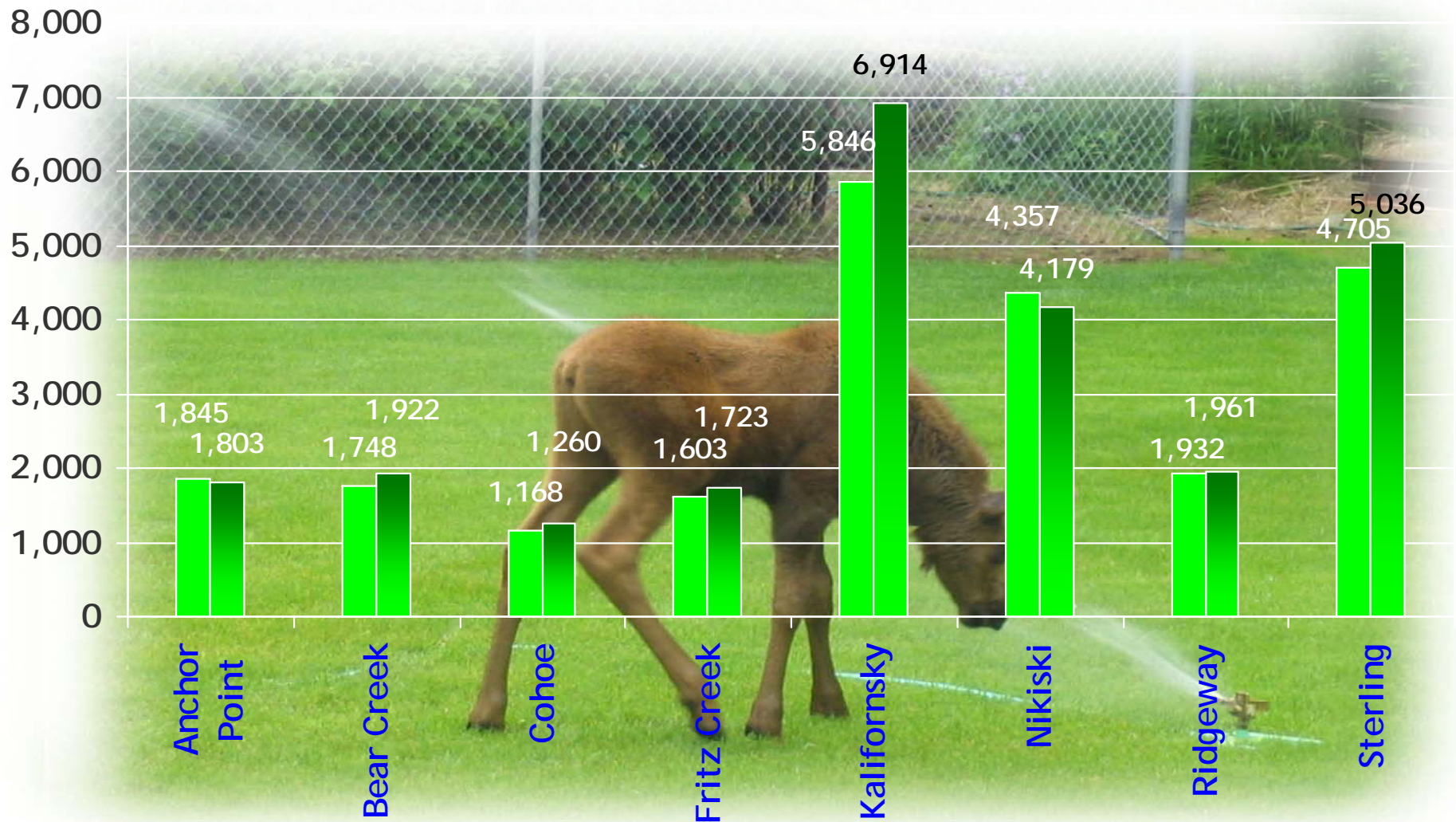
KENAI PENINSULA BOROUGH
CENSUS DESIGNATED PLACES

Population by CDP - 2000 v 2006 (Green)



Source – United States Census Bureau, Alaska Department of Labor and Workforce Development

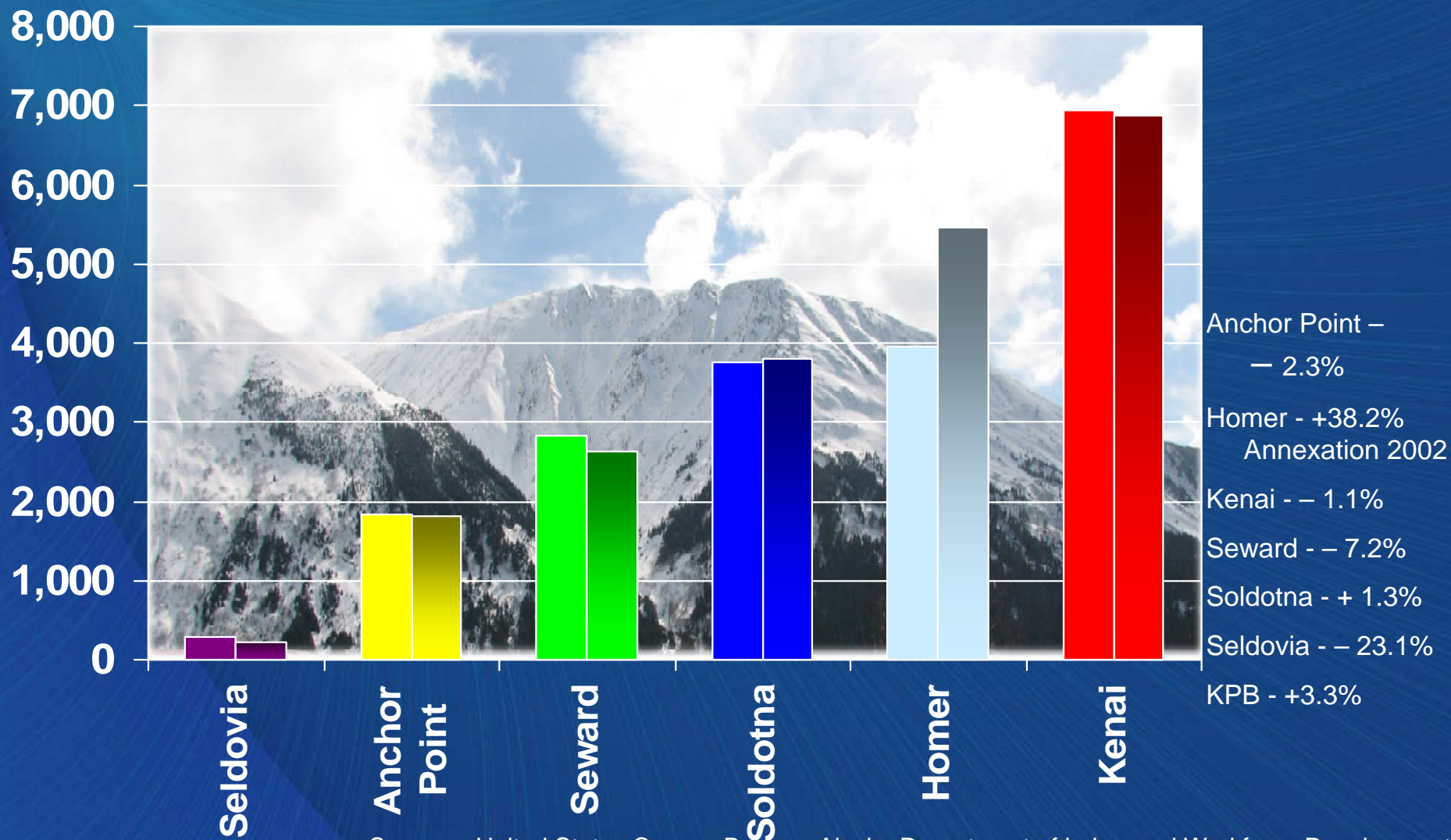
Population Estimates of Similar CDP's 2000 (Bold) v 2006 (Shaded)



Source – United States Census Bureau, Alaska Department of Labor and Workforce Development

Population Change

from Census 2000 (Bold) to 2006 estimate (Shaded)
Anchor Point, Homer, Kenai, Seldovia, Seward, Soldotna

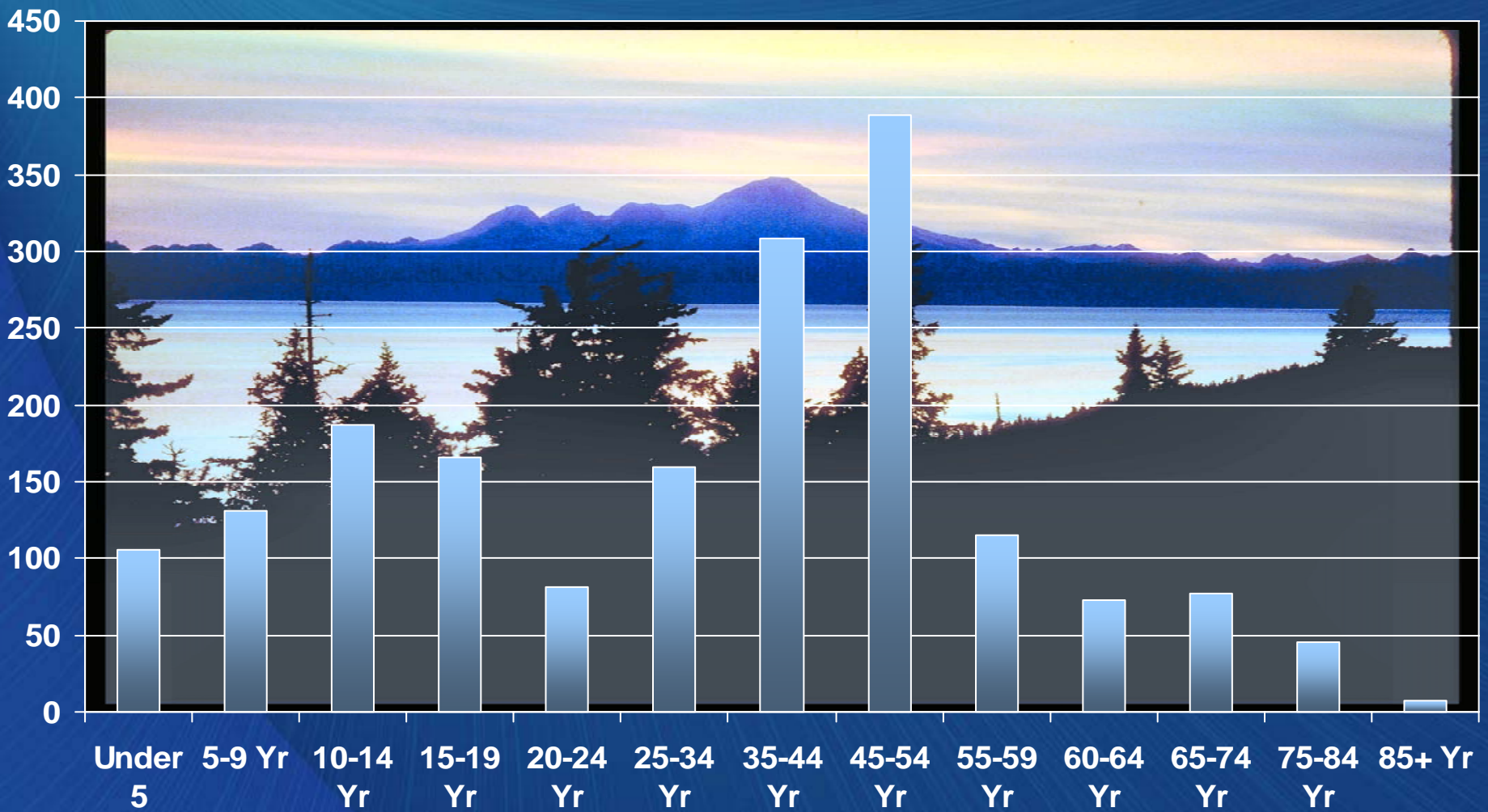


Source - United States Census Bureau, Alaska Department of Labor and Workforce Development

Anchor Point - Age – Census 2000

Total Population 1,845
Male 988 – 53.6%
Female 857 – 46.4%

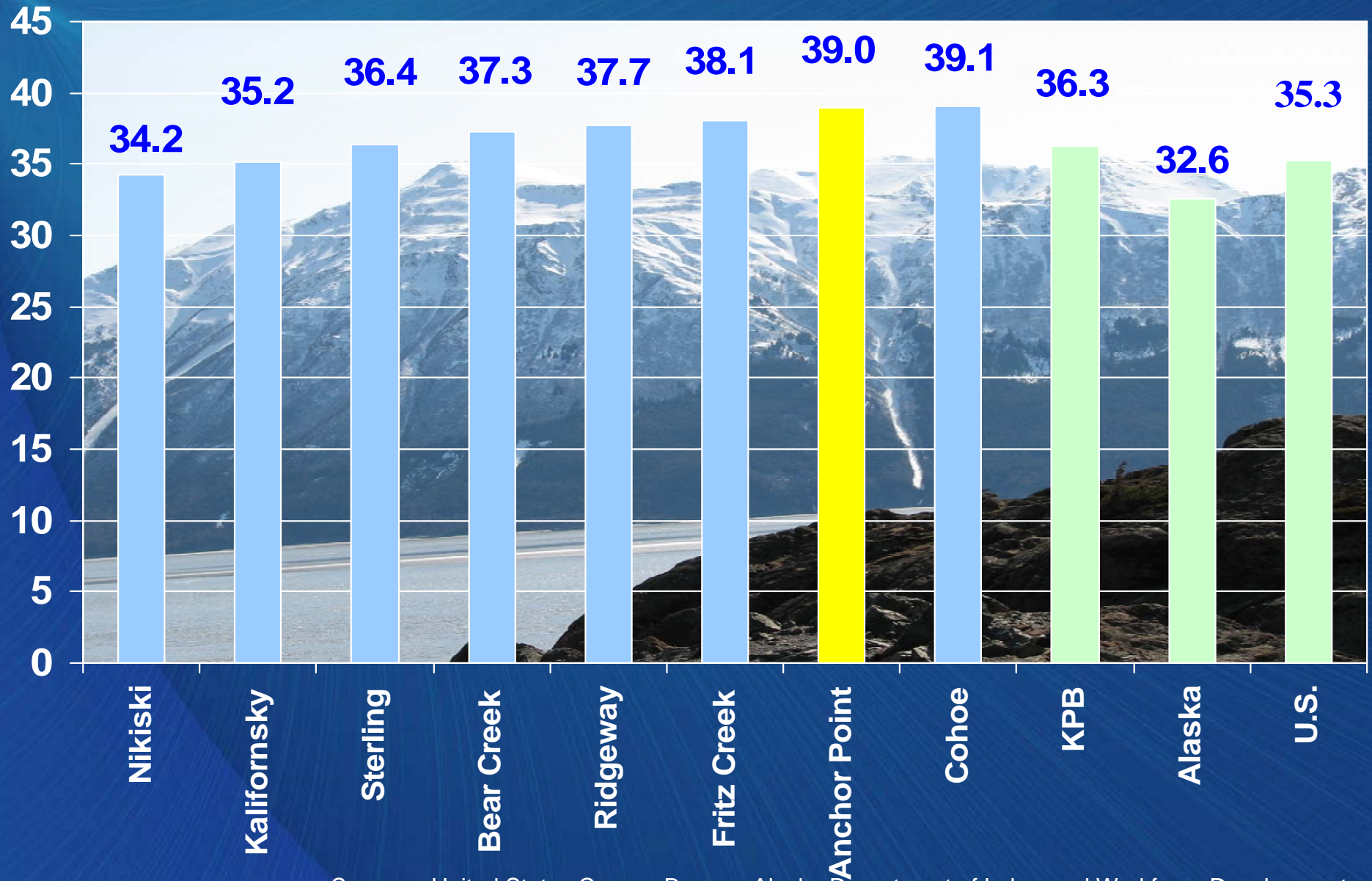
Anchor Point Median Age – 39.0 Years
KPB Median Age – 36.3 Years
Alaska Median Age – 32.4 Years



Source – U.S. Census Bureau

Median Age of Similar CDP's

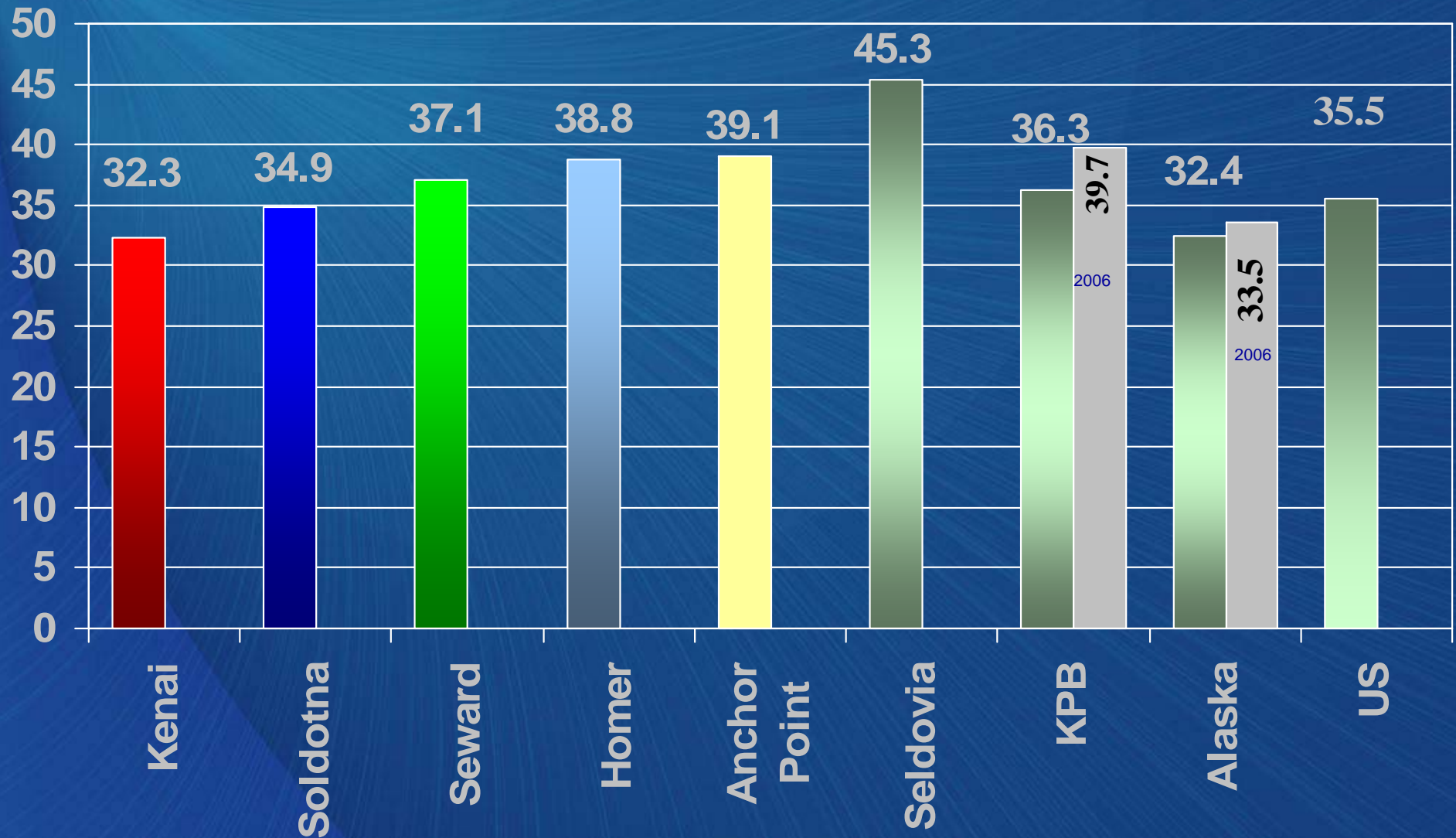
Census 2000



Source – United States Census Bureau, Alaska Department of Labor and Workforce Development

Median Age - KPB Cities - Census 2000

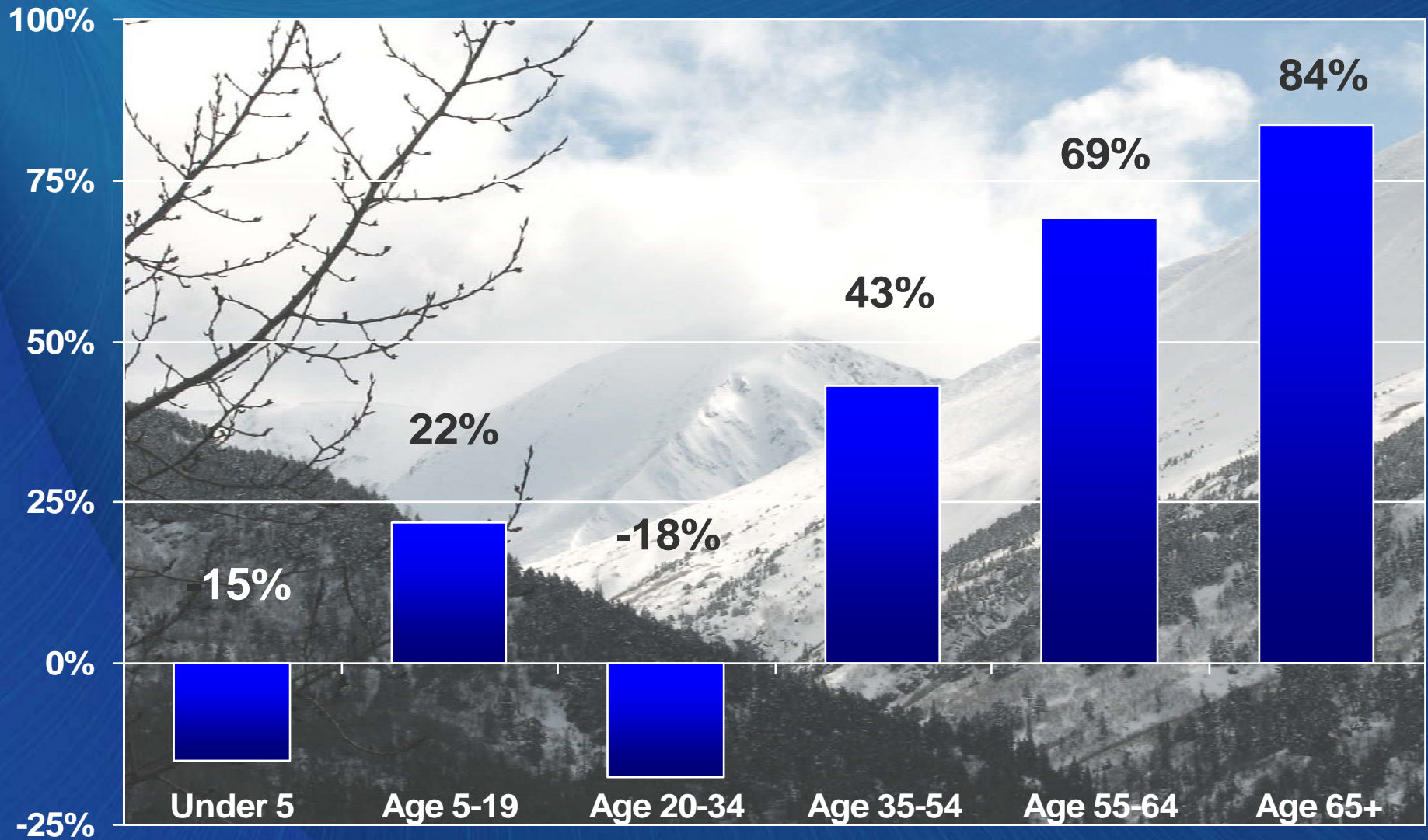
2006 – KPB, Alaska



Source – United States Census Bureau, Alaska Department of Labor and Workforce Development

KPB Percentage Change by Age Cohort

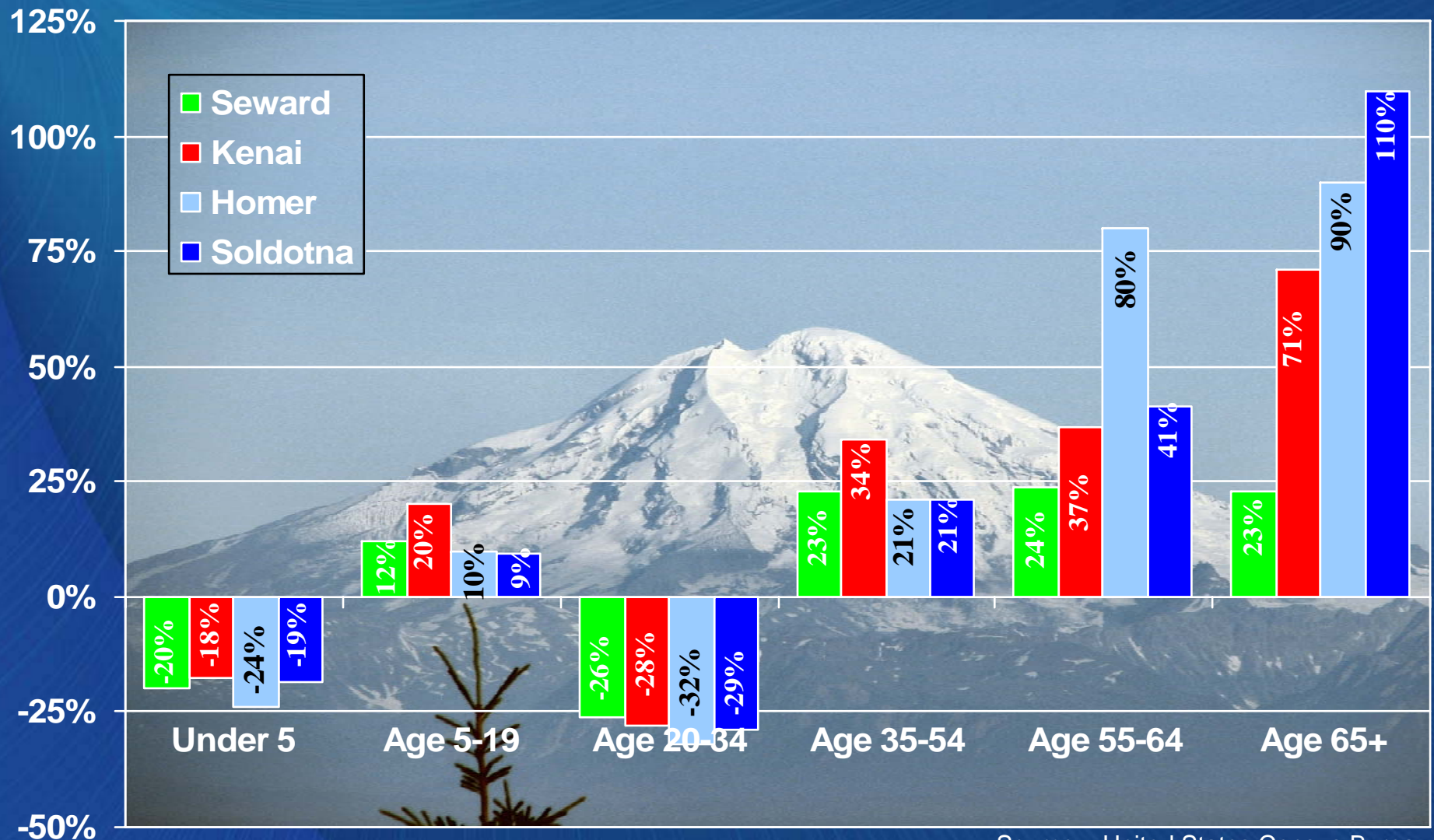
Census 1990 to Census 2000



Source – United States Census Bureau

Percentage Change by Age Cohort

Cities, KPB - Census 1990 to Census 2000



Source – United States Census Bureau

Anchor Point CDP - Race – Census 2000

Total Population	1,845	
One race	1,775	96.2%
Two or more races	70	3.8%
White	1,694	
American Indian and Alaska Native..	62	
Black or African American	2	
Asian	6	
Some Other Race	11	

	Anchor Point	KPB
White	91.8%	86.2%
Black or African American	0.1%	0.5%
Asian	0.3%	1.0%
Some Other Race	0.6%	0.8%
Two or more races	3.8%	3.9%

Anchor Point Housing – Census 2000

Total Housing Units	979	
Occupied Units	711	- 72.6%
Vacant Units	268	- 27.4%
Seasonal, recreational ...	190	- 19.4%

Homeowner vacancy rate	5.8%
Rental vacancy rate	14.5%

Occupied Units	711	
Owner occupied units	605	– 85.1%
Renter occupied units	106	– 14.9%

Average household size:
 Owner occupied – 2.59 persons
 Renter occupied – 2.62 persons

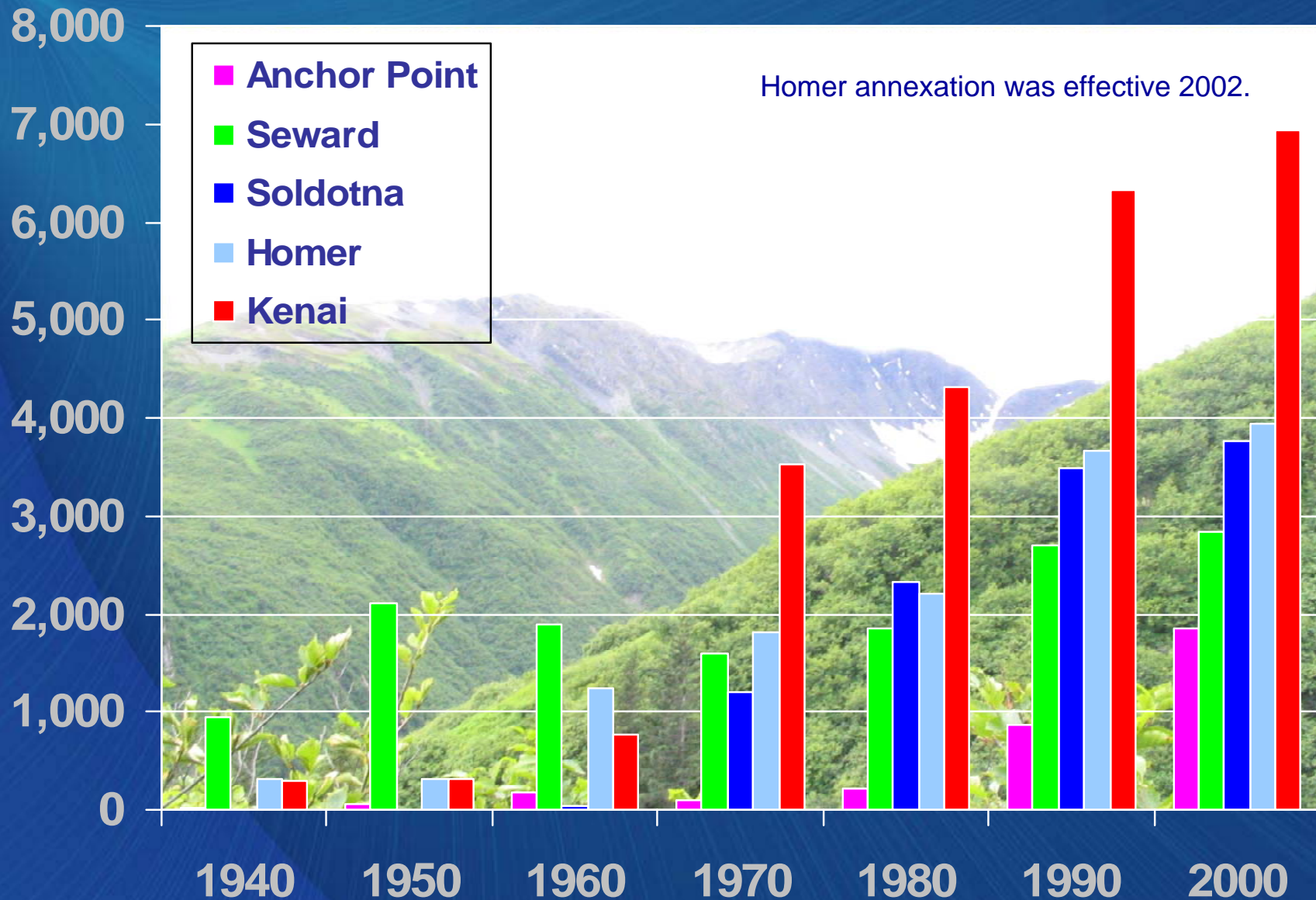
Comparative Housing – Census 2000

	Housing Units	Occupied Units	Vacant Units	Seasonal, recreational vacancies	Owner occupied	Owner occupied -persons	Renter occupied -persons
Anchor Point	979	72.6%	27.4%	19.4% (8.0% vacant)	85.1%	2.59	2.62
Bear Creek	806	85.1%	14.9%	6.5% (8.4% vacant)	72.9%	2.63	2.32
Cohoe	630	70.6%	29.4%	21.0% (8.4% vacant)	<u>87.2%</u>	2.62	2.58
Fritz Creek	854	77.4%	22.6%	7.1% (4.8% vacant)	78.2%	2.56	1.94
Kalifornsky	2,479	85.4%	14.6%	5.3% (7.5% vacant)	83.2%	2.82	2.32
Nikiski	1,766	<u>85.7%</u>	14.3%	5.3% (9.0% vacant)	81.2%	<u>2.86</u>	<u>2.84</u>
Ridgeway	938	76.2%	23.8%	17.4% (6.4% vacant)	80.4%	2.74	2.56
Sterling	2,554	65.6%	<u>34.4%</u>	<u>27.6%</u> (6.8% vacant)	84.7%	2.84	2.59
Homer	1,873	85.4%	14.6%	6.9% (7.7% vacant)	61.7%	2.55	2.16
KPB	24,871	74.1%	25.9%	18.3% (7.6% vacant)	73.7%	2.74	2.30

Source – U.S. Census Bureau – DP-1

Population Change by Census

Anchor Point, Homer, Kenai, Seward, Soldotna



Source – United States Census Bureau

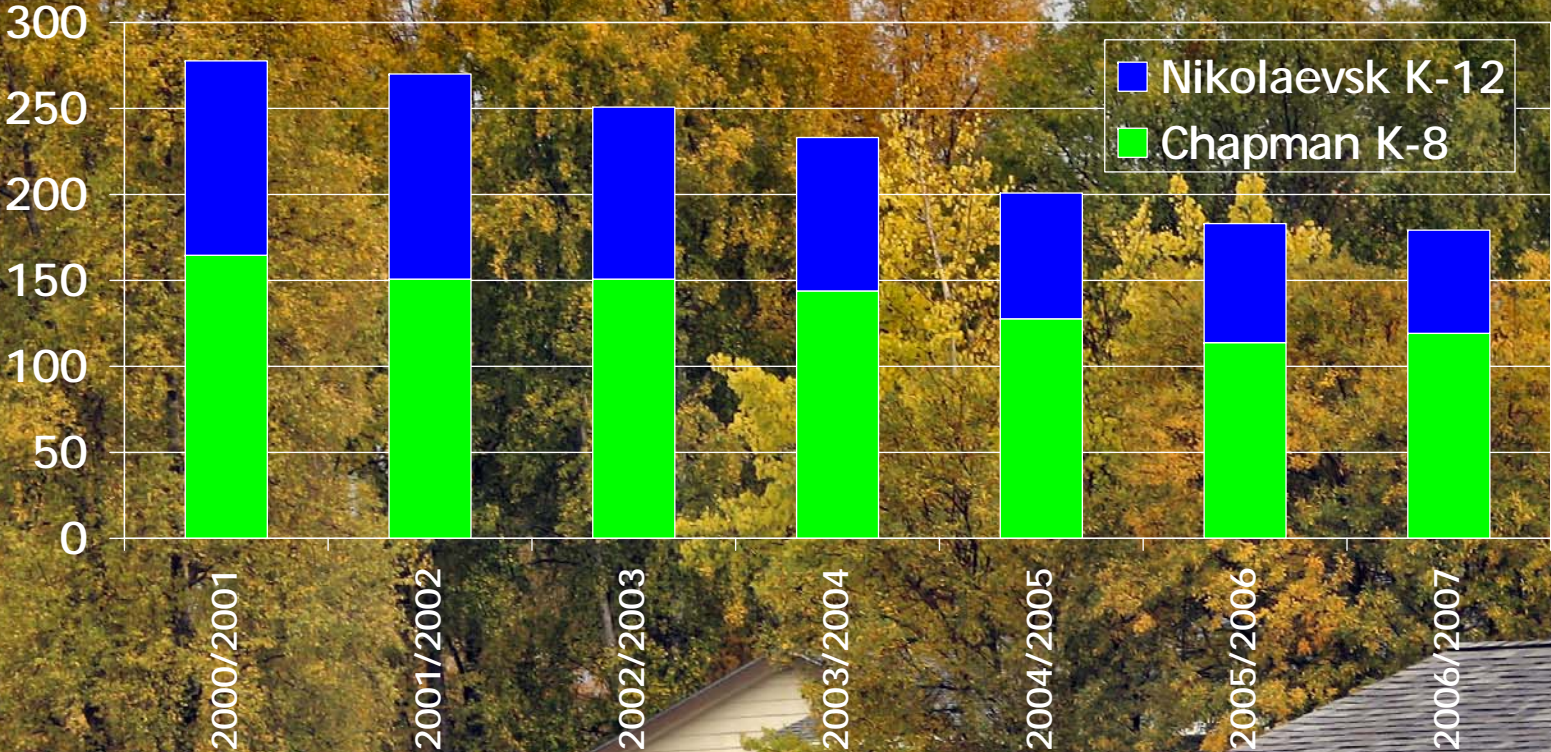
Comparative Demographics by CDP

2000

	Anchor Point	Bear Creek	Cohoe	Fritz Creek	Kaliforn-sky	Nikiski	Ridgeway	Sterling	Homer	KPB
Total Population	1,845	1,748	1,168	1,603	5,846	4,327	1,932	4,705	3,946	49,691
Median Age	39.0	37.3	39.1	38.1	35.2	34.2	37.7	36.4	38.8	36.3
Bachelor's Degree + (over 25)	10.5%	16.8%	9.8%	23.9%	13.9%	12.5%	16.1%	12.5%	18.5%	20.3%
Individuals in Poverty	11.9%	5.0%	12.1%	9.6%	7.9%	11.4%	9.4%	10.0%	9.3%	10.0%
Median Family Income \$	49,821	57,167	44,167	49,881	58,750	55,969	56,985	53,889	53,571	54,106
Median Household Income \$	41,094	53,800	38,542	41,400	54,865	51,176	50,625	47,700	42,821	46,397
Per Capita Income \$	18,668	20,947	19,059	18,937	23,898	20,129	23,225	20,741	21,823	20,949

Source – United States Census Bureau

School Enrollment



Business Activity and Sales



99556 Zip Code Business Patterns

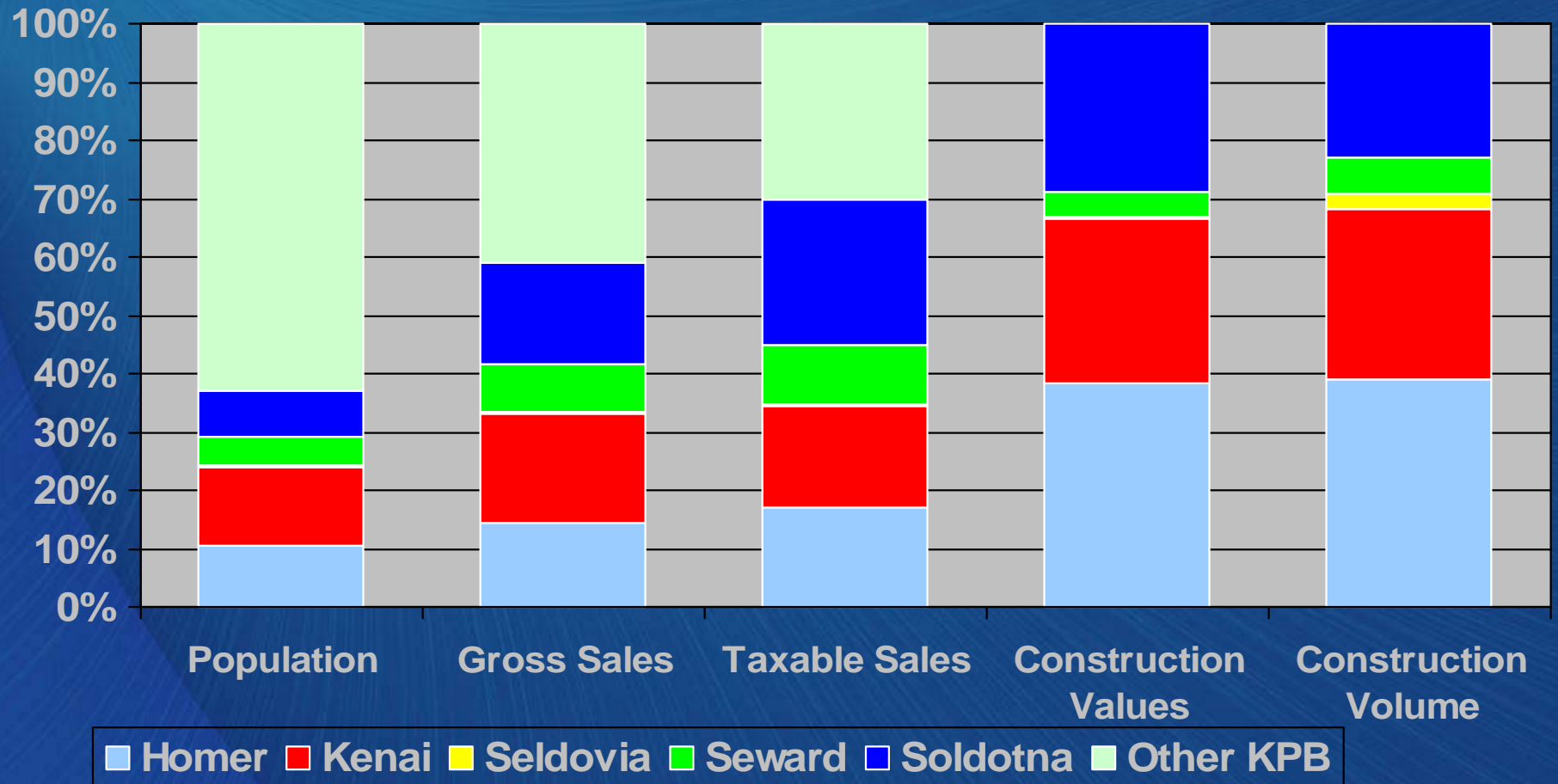
Anchor Point

	2004	2005
# Establishments	49	52
Annual Payroll	\$3,399,000	\$4,207,000
# Employees	99 – avg \$34,333	143 – avg \$29,420
Largest Line of Business	Construction – 9 establishments	Construction – 12 establishments
Second Largest LOB	Accommodation & Food Services – 8 establishments	Retail Trade – 7 establishments
Third Largest LOB	Retail; Forestry, Hunting, Fishing & Agriculture; and Transportation & Warehousing – each with 5 establishments	Forestry, Hunting, Fishing & Agriculture – 6 establishments
Fourth Largest LOB	Health Care & Social Services; and Other Services -each with 3 establishments	Accommodation & Food Services; and Transportation & Warehousing – each with 5

County Business Patterns Comparison by Zip Code - 2005

	# Establishments	Annual Payroll	# Employees	Largest Line of Business – by # Establishments	Second Largest Line of Business – by # Establishments
Anchor Point	52	\$4,207,000	143	Construction – 12	Retail Trade – 7
Kalifornsky	41	\$2,810,000	79	Construction – 13	Accommodation & Food Services – 6
Nikiski	52	\$12,417,000	299	Construction – 12	Retail Trade – 8
Sterling	54	\$6,720,000	151	Construction – 20	Retail Trade – 6 Accommodation & Food Services – 6
Homer	461	\$79,907,000	2,447	Retail Trade - 65	Construction - 63
KPB	1,914	\$457,008,000	12,612	Construction - 283	Retail - 268

Share of the 2006 Kenai Peninsula Borough Economy



Sales



Taxable Sales

KPB Sales Exempt from Sales Tax Assessments:

Sales outside the borough;

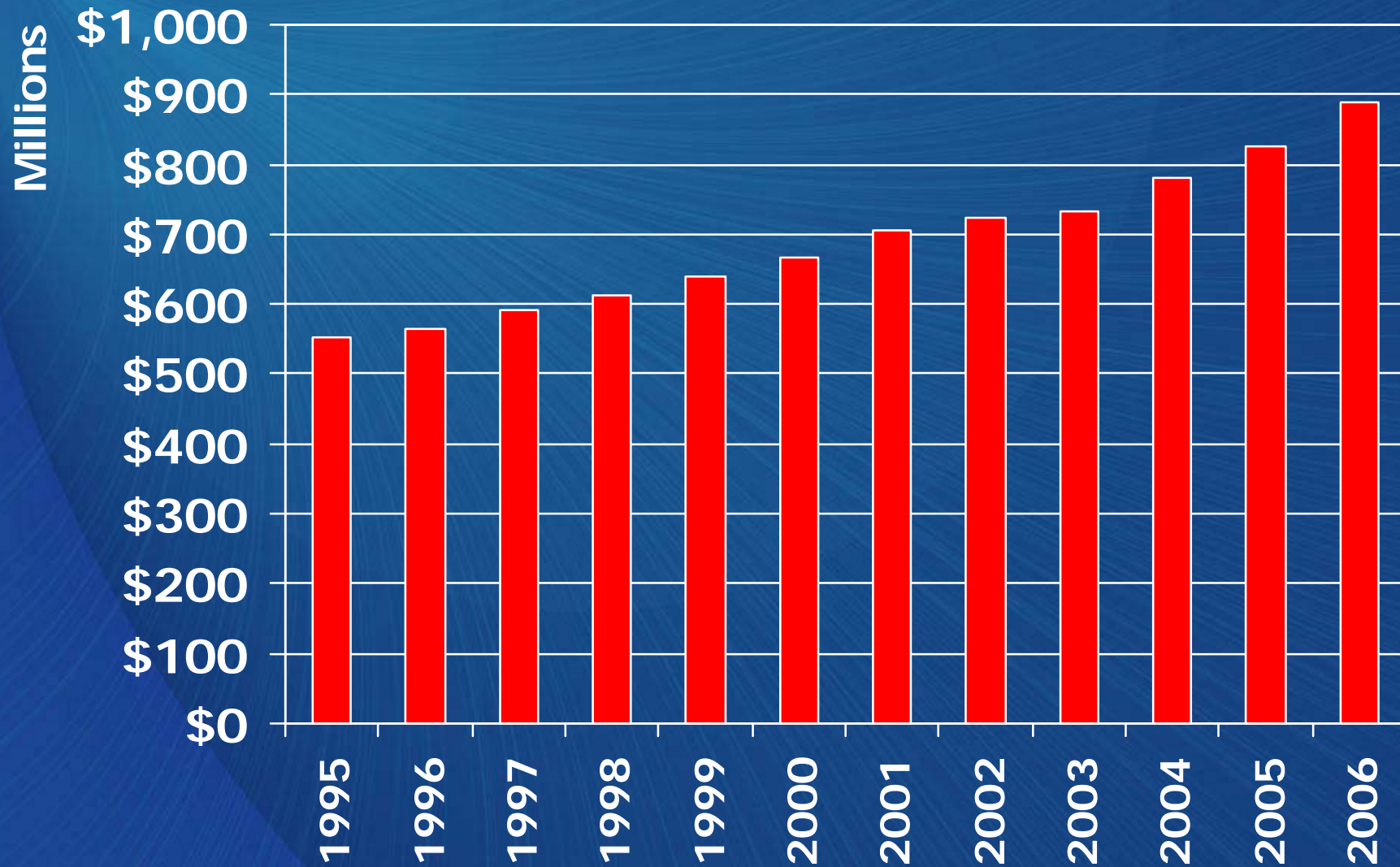
Sales for resale;

Sales to government agencies;

Sales to tax exempt organizations; and

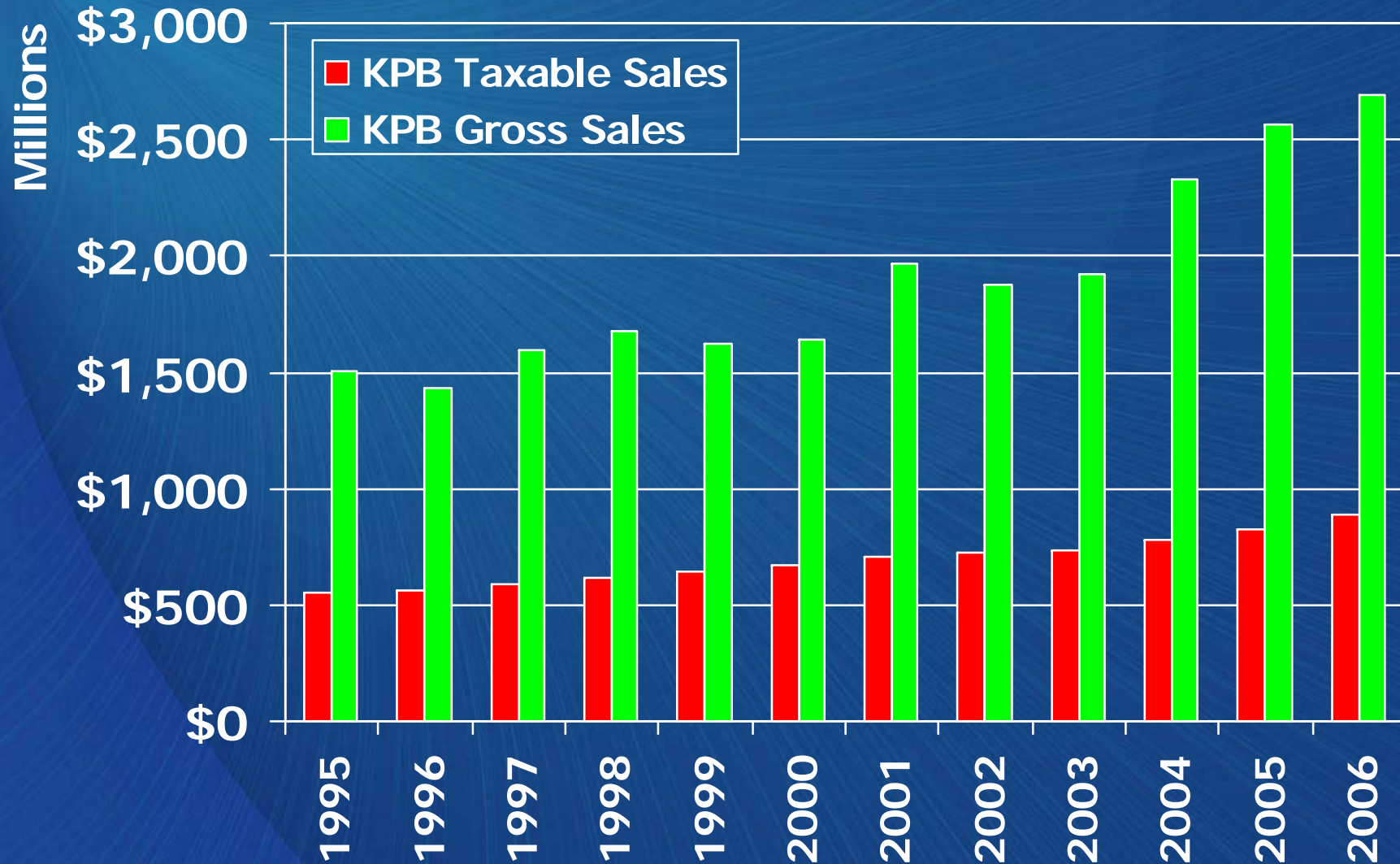
Sales in excess of \$500.

KPB Taxable Sales



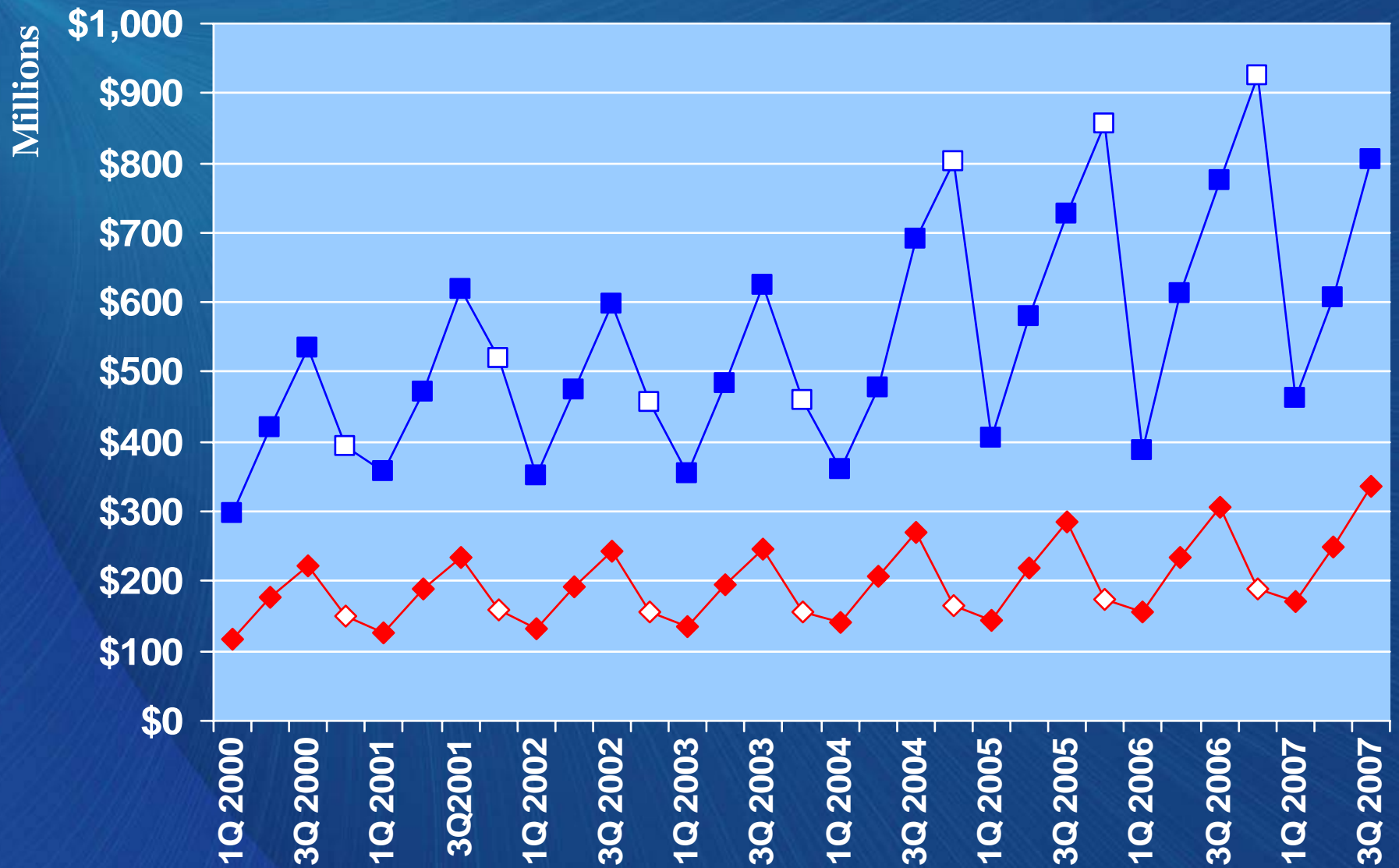
Source – KPB Finance Department

KPB Sales – Gross v Taxable



Source – KPB Finance Department

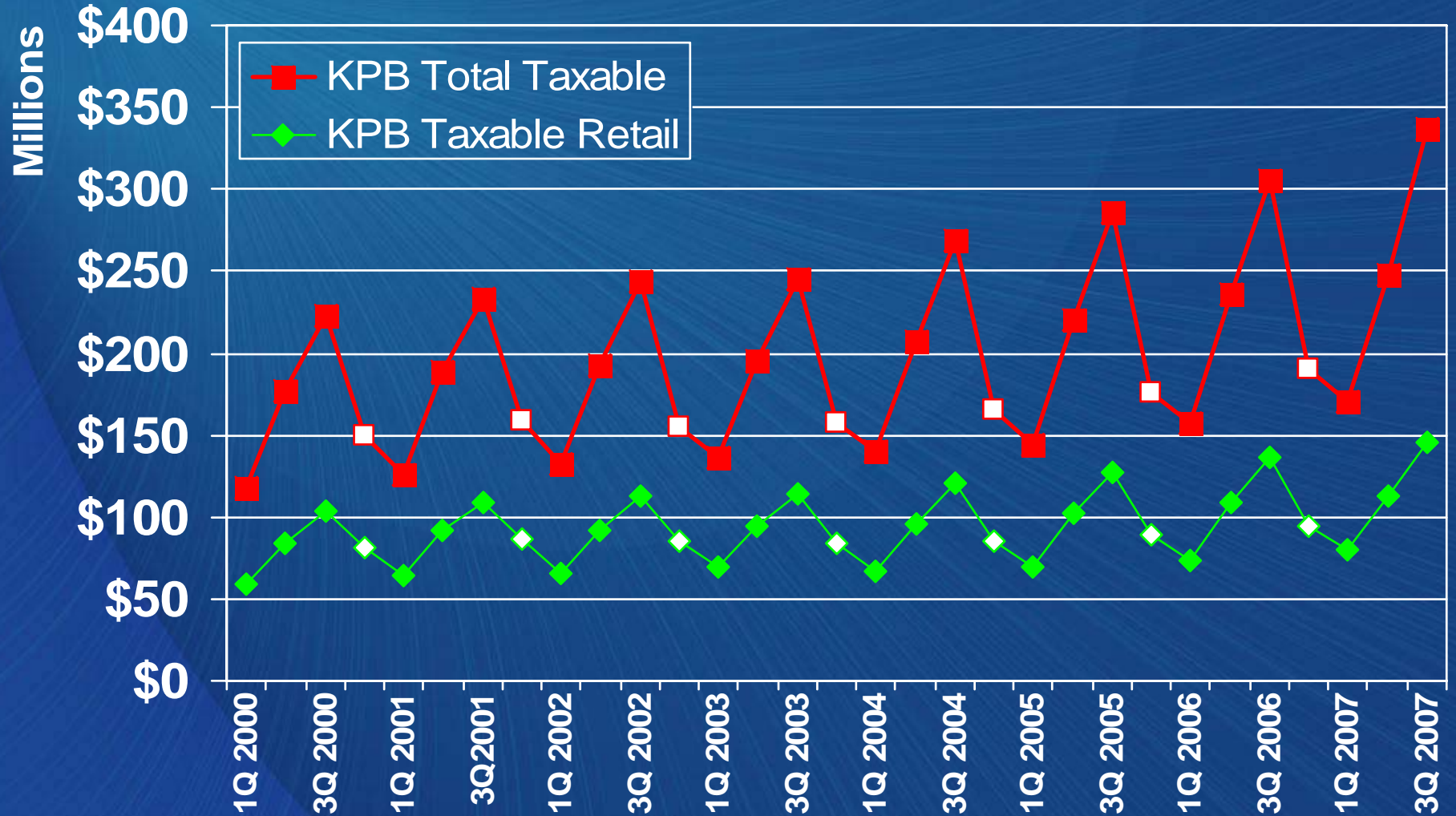
KPB Gross and Taxable Sales by Quarter



Source – KPB Finance Department

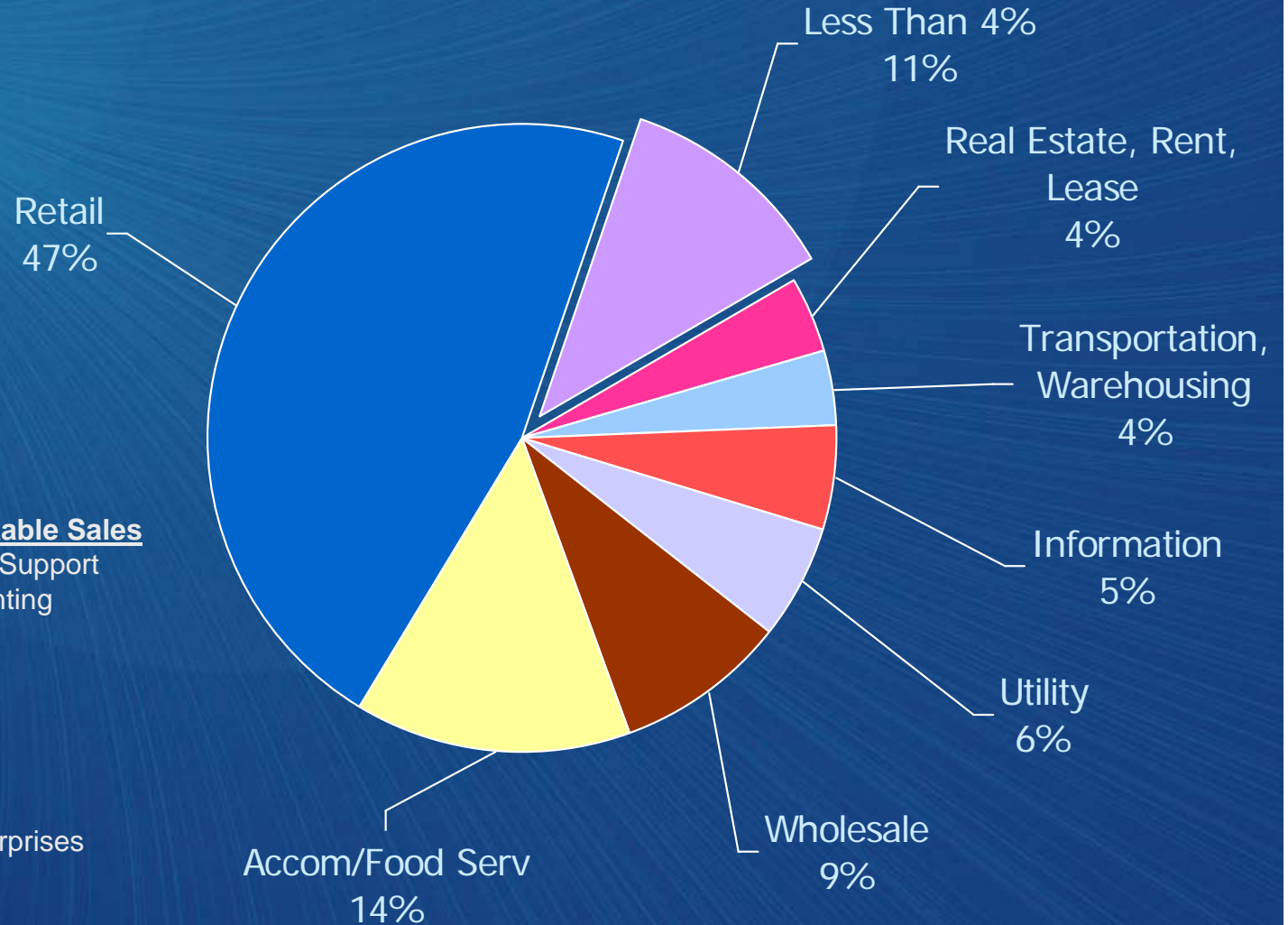
KPB Taxable Sales - Retail as a Portion

2000-2006 (2007 1Q) NAICS



Source - KPB Finance Department

Taxable Sales – 2006



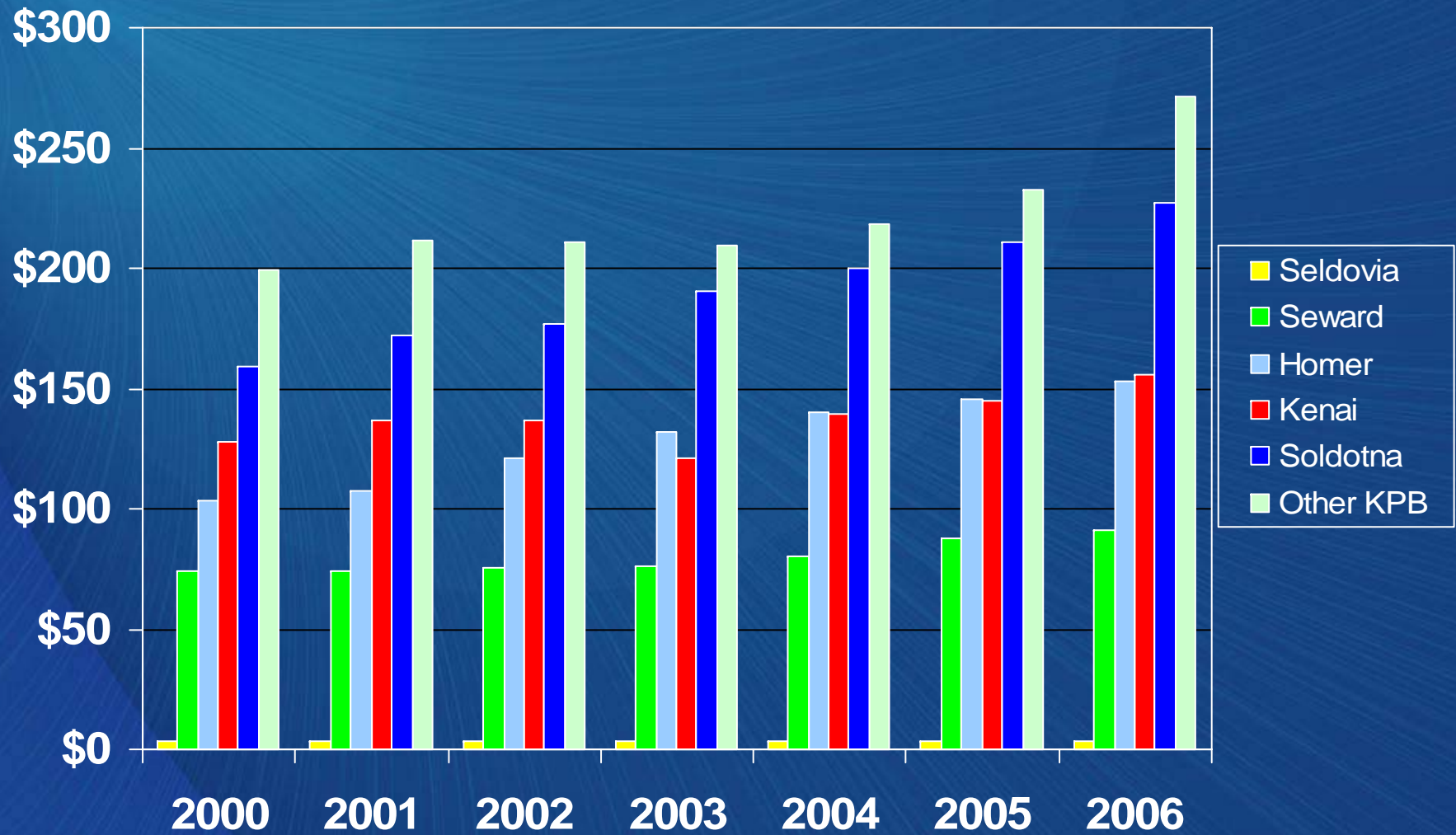
Less Than 4% of KPB Total Taxable Sales

Admin, Waste Mgt, Remediation, Support
Agriculture, Forestry, Fishing, Hunting
Arts, Entertainment, Recreation
Construction
Education Services
Finance, Insurance
Health, Social Services
Manufacturing
Management of Companies, Enterprises
Mining
Other Services
Professional, Scientific, Technical
Public Administration

Source – KPB Finance Department

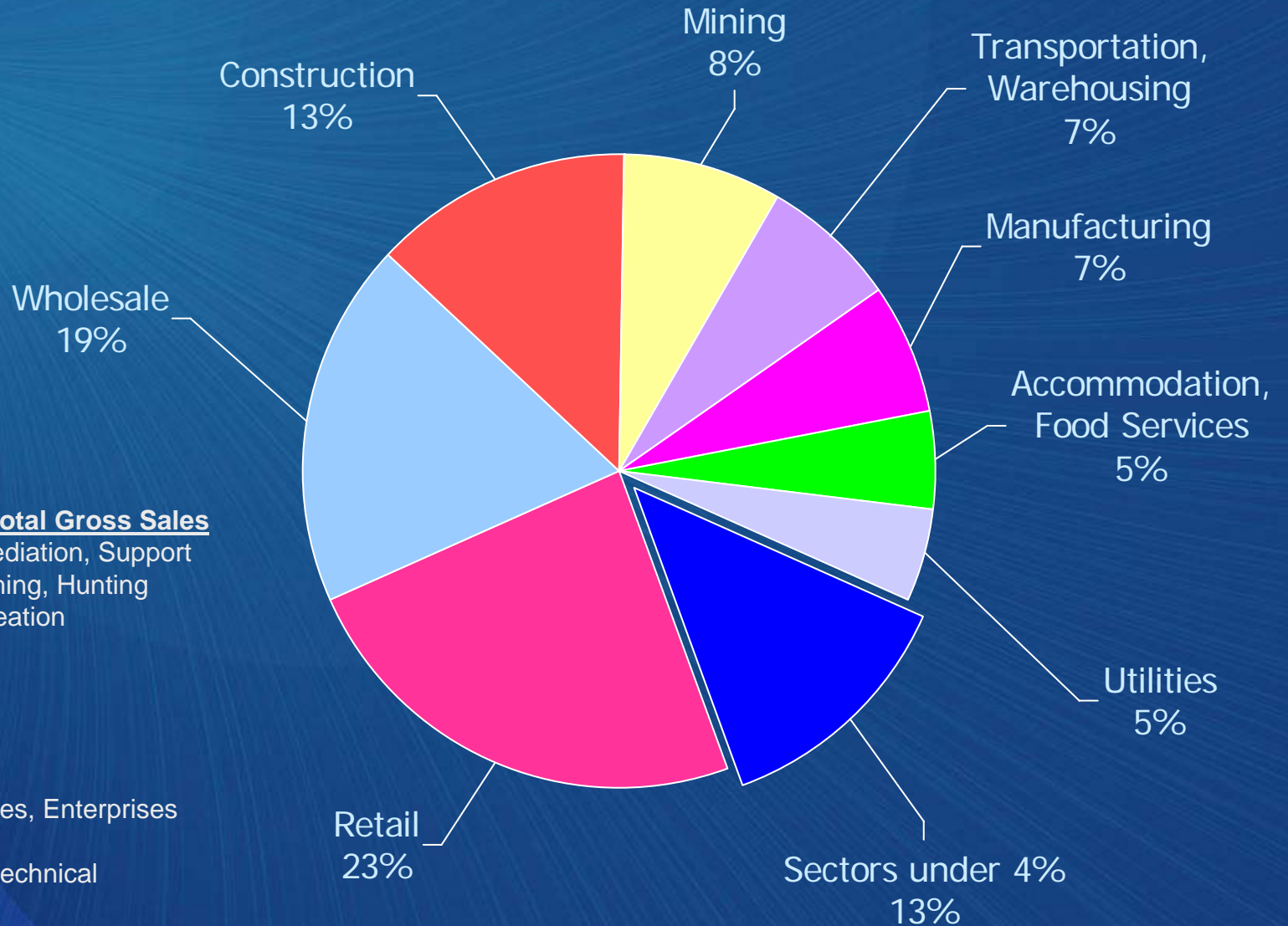
Taxable Sales by Area

in Millions \$



Source – KPB Finance Department

Gross Sales - 2006



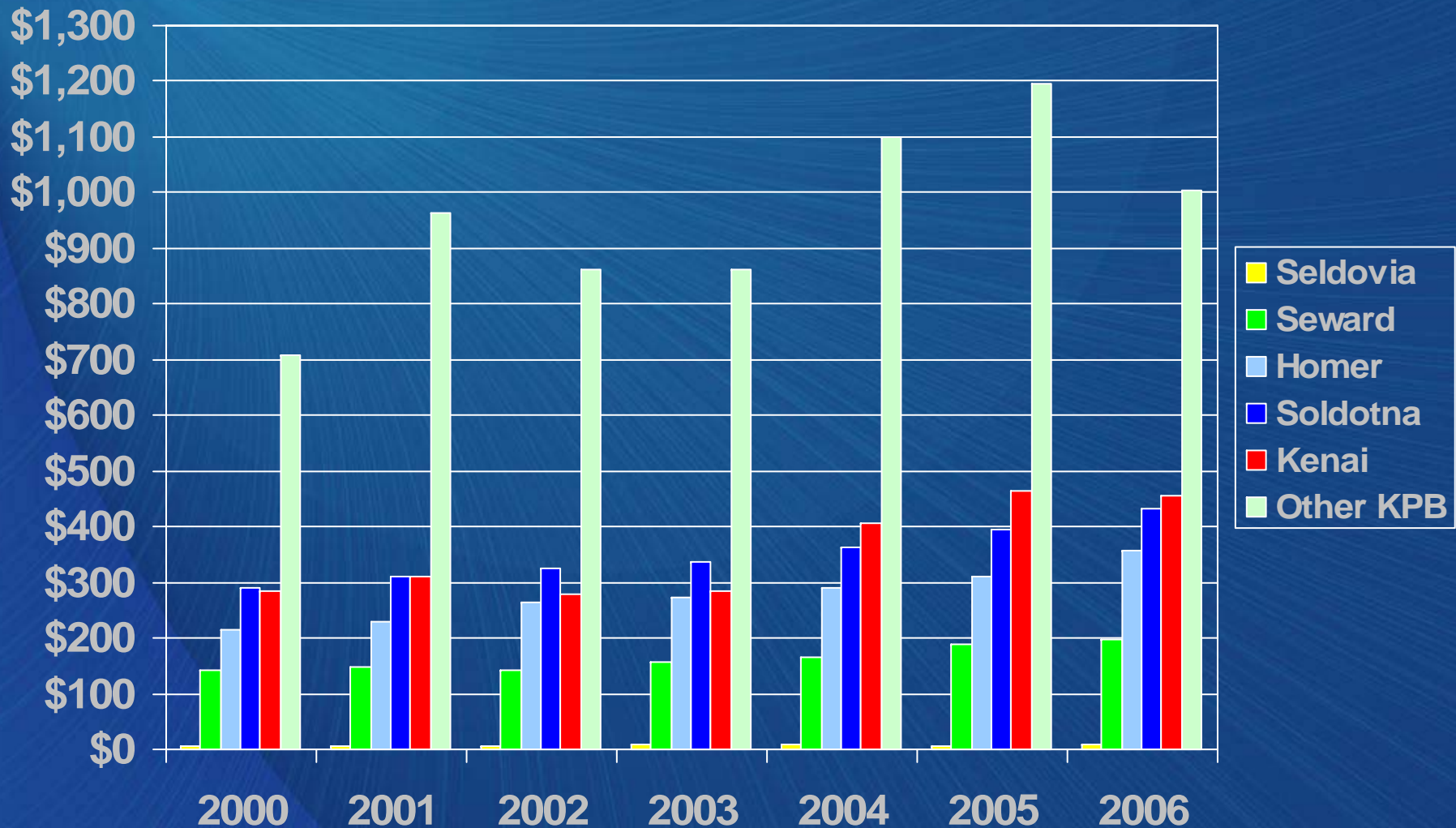
Less Than 4% of KPB Total Gross Sales

- Admin, Waste Mgt, Remediation, Support
- Agriculture, Forestry, Fishing, Hunting
- Arts, Entertainment, Recreation
- Construction
- Education Services
- Finance, Insurance
- Health, Social Services
- Information
- Management of Companies, Enterprises
- Other Services
- Professional, Scientific, Technical
- Public Administration
- Real Estate

Source – KPB Finance Department

Gross Sales by Area

in Millions \$



Source – KPB Finance Department

Tourism



Primary (90% Model) Tourism Activity SIC

– A Subset of Service and TCPU

SIC Codes Selected as Primary Tourism Industry – requires that the business activity is tourist related and that 90% or more of annual sales occur between April 1 and September 30.



- **Transportation**

- 4141 - Local Bus Charter Service
- 4499 - Water Transportation Services NEC
- 4724 - Travel Agencies
- 4725 - Tour Operators

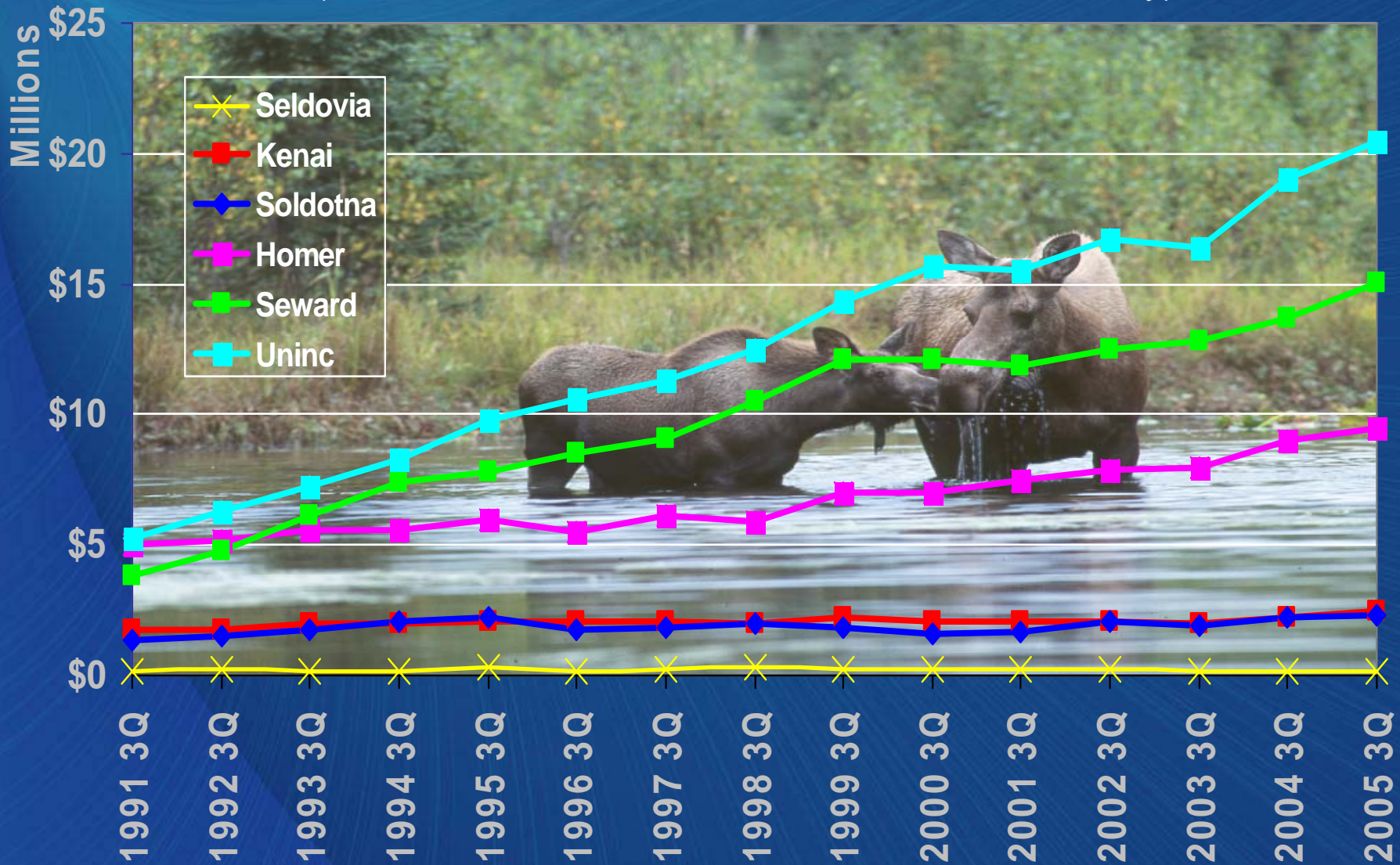
- **Services**

- 7000 - Hotels and Other Lodging Places
- 7011 - Hotels, Motels, Tourist Courts
- 7021 - Rooming & Boarding Houses
- 7032 - Sporting & Recreational Camps
- 7033 - RV Parks & Campsites
- 7041 - Hotels, Lodging House/Members
- 7519 - Utility Trailer and RV Rental
- 7999 - Amusement, Recreation Svc, NEC - Includes Guides



3rd Quarter Tourism Sales - SIC - 90% Model

(Third Quarter Provides KPB Peak Tourism Activity)



Source – KPB Finance Department, Sales Tax Division

KPB Expanded (60% Model) Tourism Sales

A More Realistic Measure

-Additional SIC Code Data – now includes some retail sales

SIC Codes that could be impacted by tourism and 60% or more of annual sales occur during the April thru September main tourist season.

Transportation

- 4130 – Intercity Bus Transport**
- 4493 – Marinas**
- 4500 – Air Transportation**
- 4512 – Air Transportation – Scheduled**
- 4522 – Nonscheduled Air Transportation**

Services

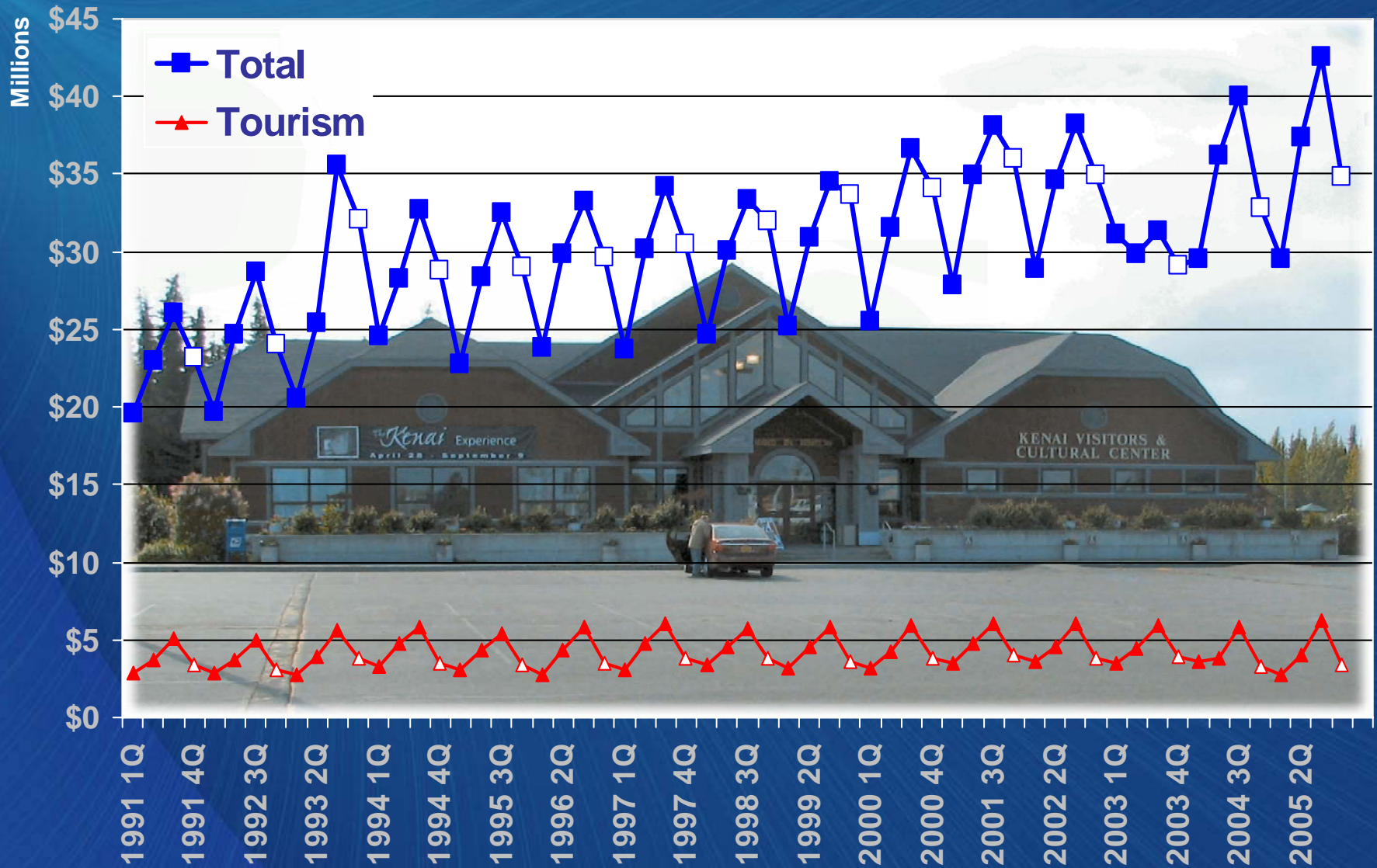
- 7211 – Power Laundries**
- 7514 – Passenger Car Rental**
- 7215 – Coin Op Laundry & Dry Cleaning**
- 8400 – Museums, Art Galleries & Zoos**

Retail Sales

- 5421 – Seafood Markets**
- 5461 – Retail Bakeries**
- 5541 – Gas Service Stations & Repairs**
- 5800 – Eating and Drinking Places**
- 5812 – Eating Places**
- 5813 – Drinking Places**
- 5947 – Gift/Novelty/Souvenir Shops**

Kenai Taxable Sales - Tourism v Total

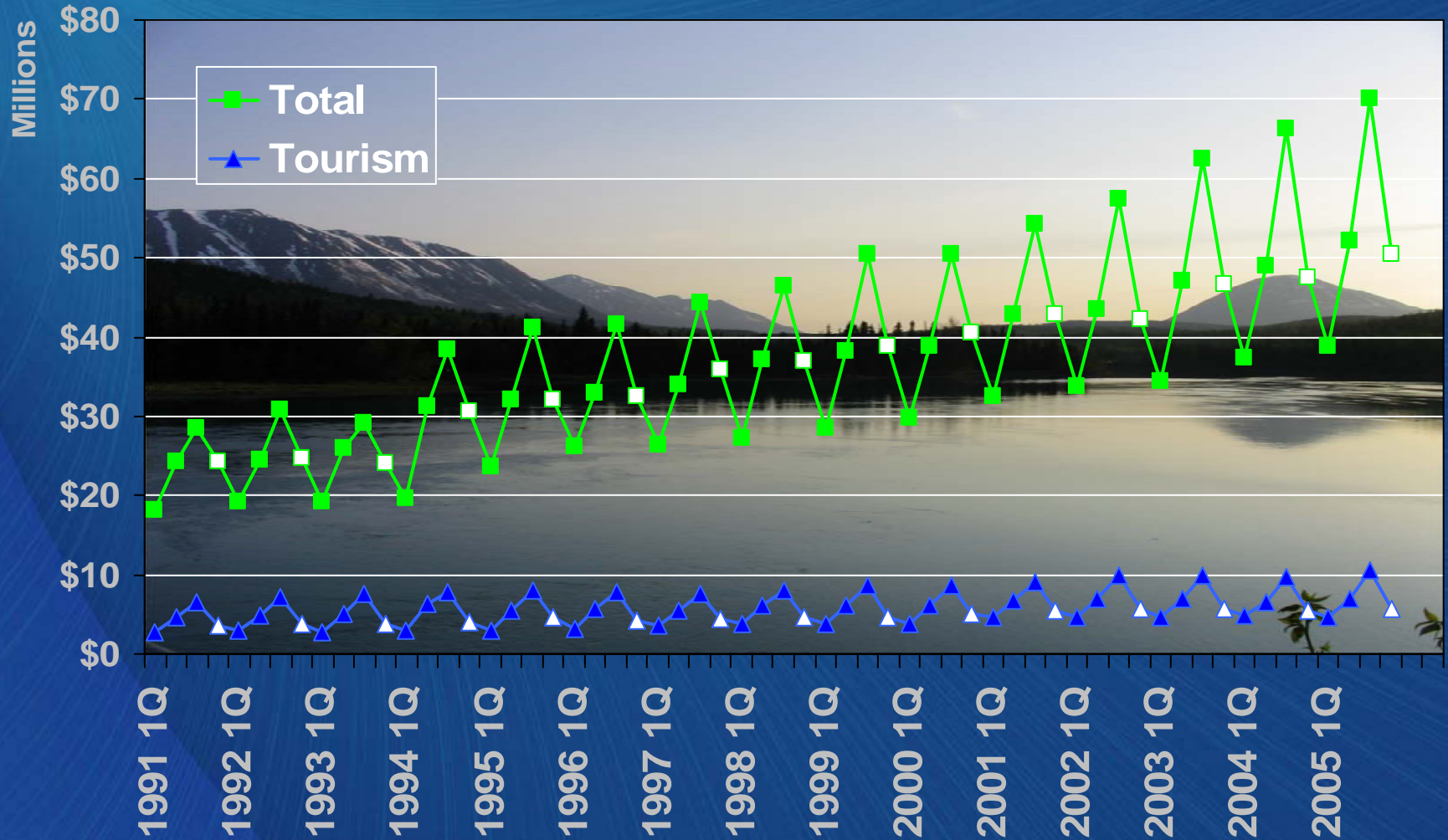
60% Model - SIC



Source – KPB Finance Department, Sales Tax Division

Soldotna Taxable Sales - Tourism v Total

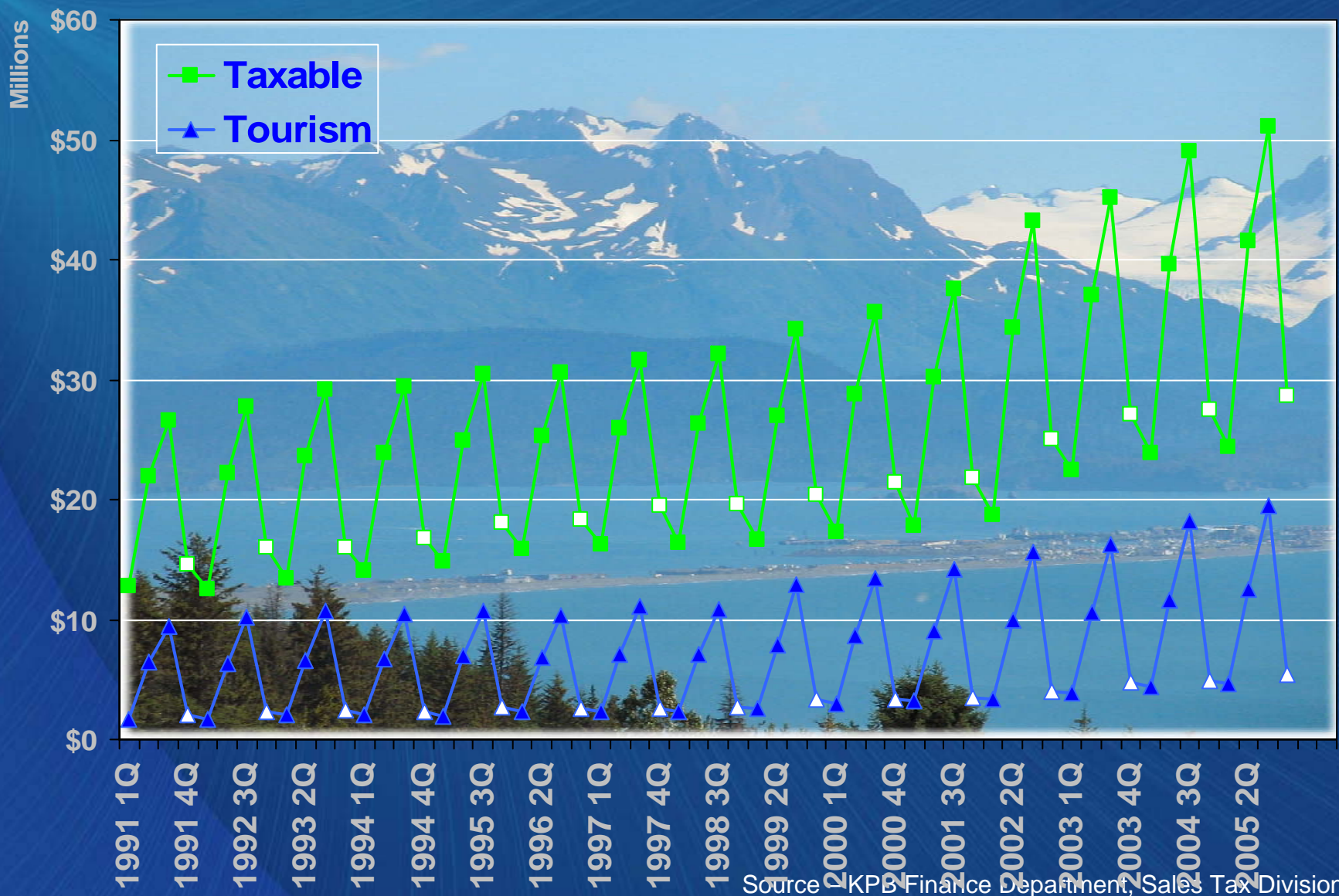
60% Model - SIC



Source – KPB Finance Department, Sales Tax Division

Homer Taxable Sales - Tourism v Total

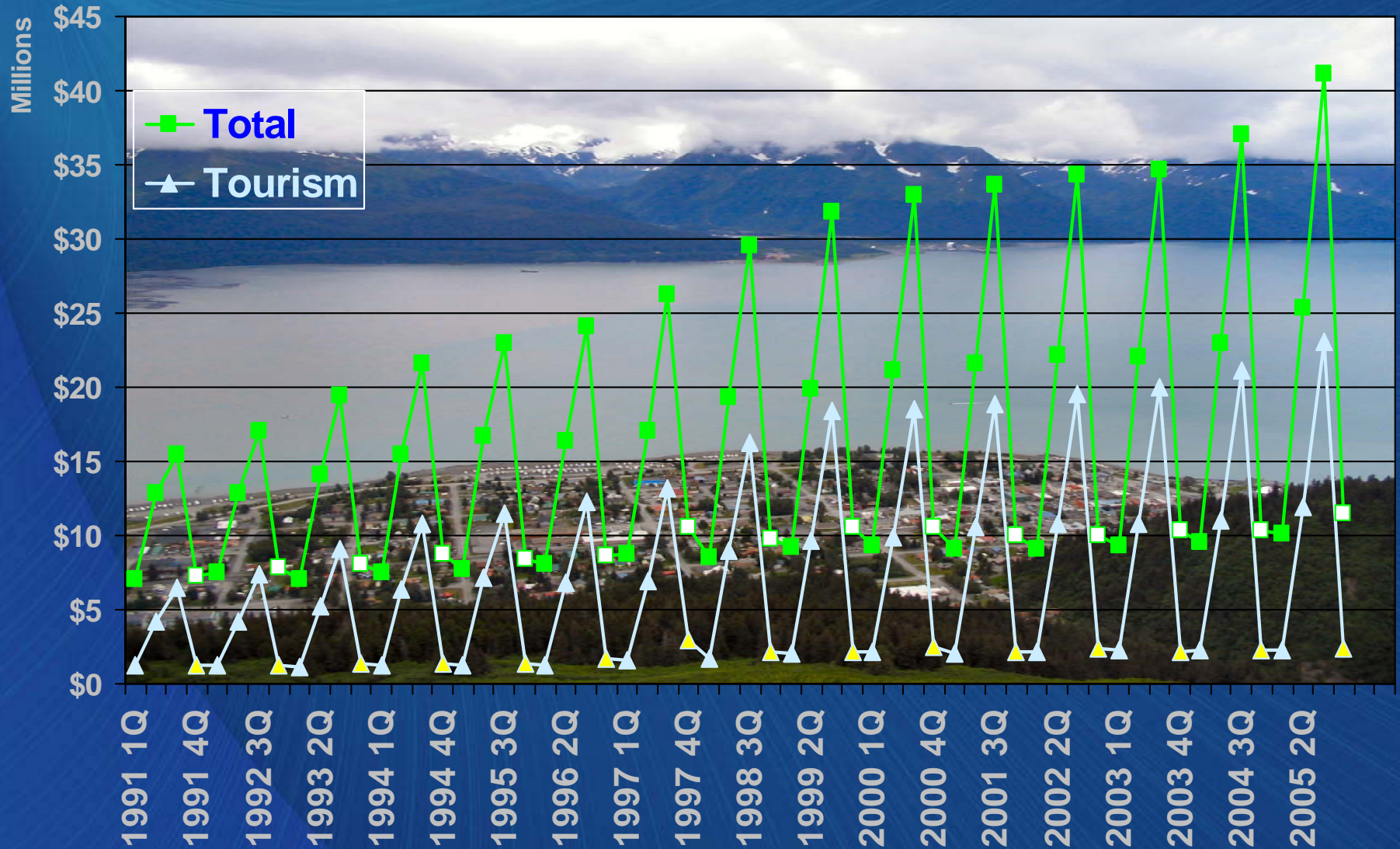
60% Model - SIC



Source: KPB Finance Department, Sales Tax Division

Seward Taxable Sales - Tourism v Total

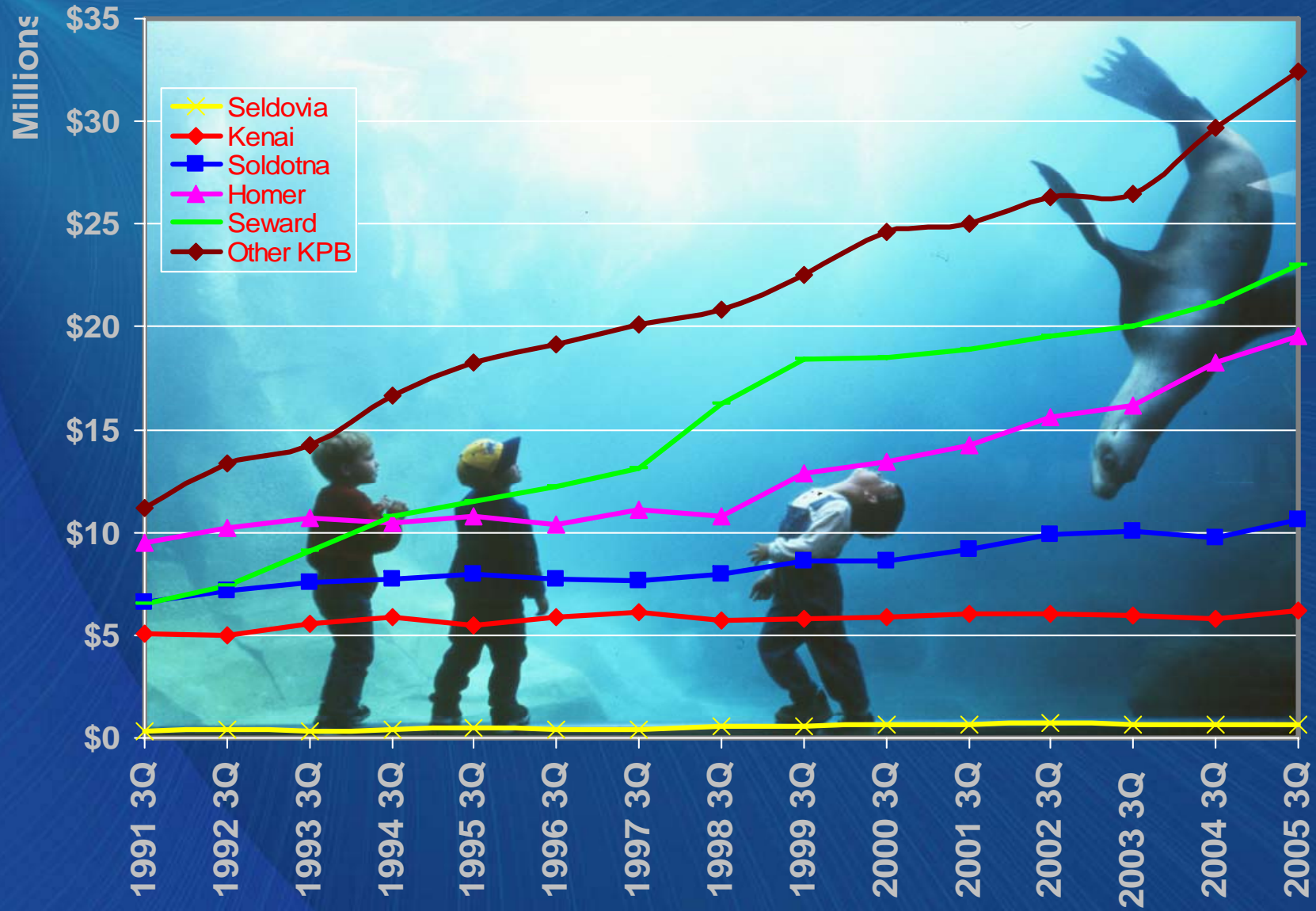
60% Model - SIC



Source – KPB Finance Department, Sales Tax Division

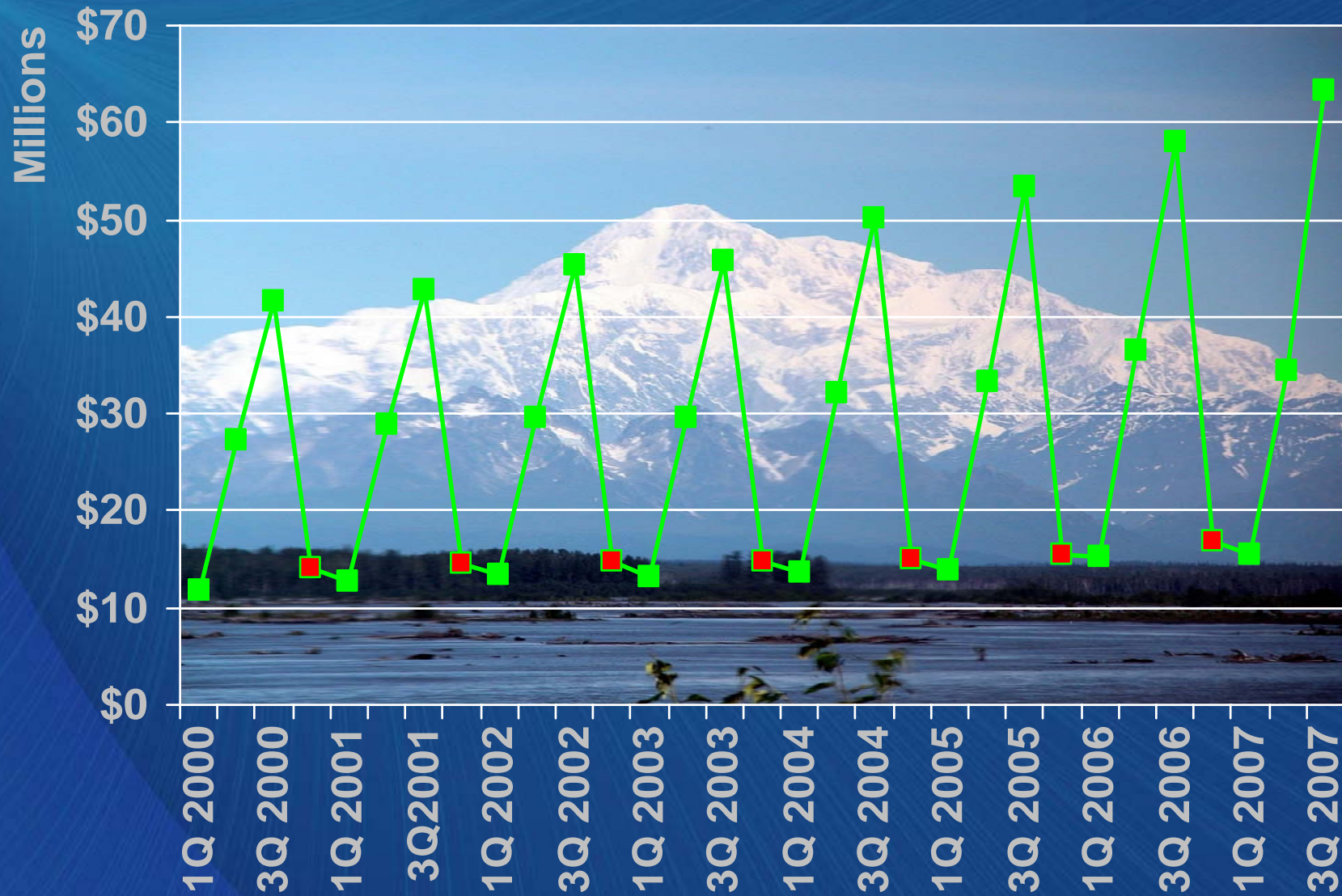
3rd Qtr Tourism Sales by City

60% Model - SIC



Source – KPB Finance Department, Sales Tax Division

KPB Taxable Accommodations & Food Sales (NAICS)



Source – KPB Finance Department

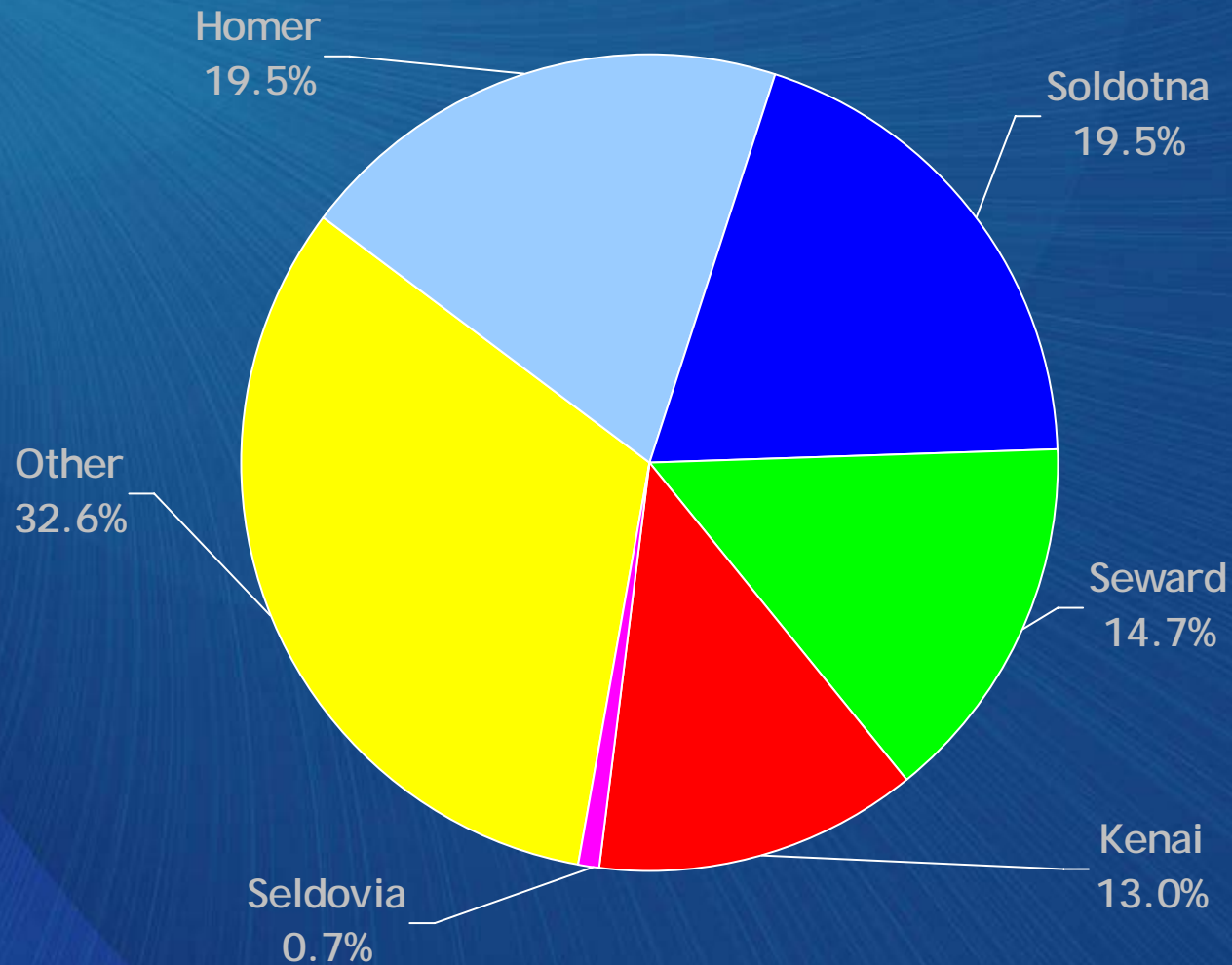
Nontaxable Accommodations 2006 through Third Quarter 2007

Nontaxable Accommodations Sales – in \$

	2006	Nontaxable	2007	Nontaxable
1 st Qtr	Gr- 16,202,460 Tx- 15,238,026	964,434 6.0%	Gr- 17,932,090 Tx- 15,522,613	2,409,477 13.4%
2 nd Qtr	Gr- 39,946,666 Tx- 36,953,818	3,352,848 8.4%	Gr- 39,677,428 Tx- 37,436,353	2,241,075 5.6%
3 rd Qtr	Gr- 65,309,904 Tx- 58,167,189	7,142,715 10.9%	Gr- 65,150,949 Tx- 60,263,352	4,887,597 7.5%
4 th Qtr	Gr- 18,107,341 Tx- 17,019,089	1,088,252 6.0%		
Total	Gr- 139,566,371 Tx- 127,018,122	12,548,249 9.0%		

Source – KPB Finance Department

2006 Accommodations & Food Services Taxable Sales by Area



Source – KPB Finance Department

2006 GROSS Sales in Goods, Services, Government

	Goods Producing	Service Providing	Government	Total
Homer	74,935,174	276,593,370	3,997,559	355,526,103
Kenai	<u>130,676,357</u>	321,640,004	3,494,476	<u>455,810,837</u>
Seldovia	2,368,051	4,775,641	402,424	7,546,116
Seward	58,693,277	133,468,474	<u>6,159,339</u>	198,321,090
Soldotna	102,731,833	<u>328,125,598</u>	1,119,273	431,976,704
Other KPB	478,897,603	524,235,287	512,629	1,003,645,519
KPB Total	848,302,295	1,588,838,374	15,685,700	2,452,826,369

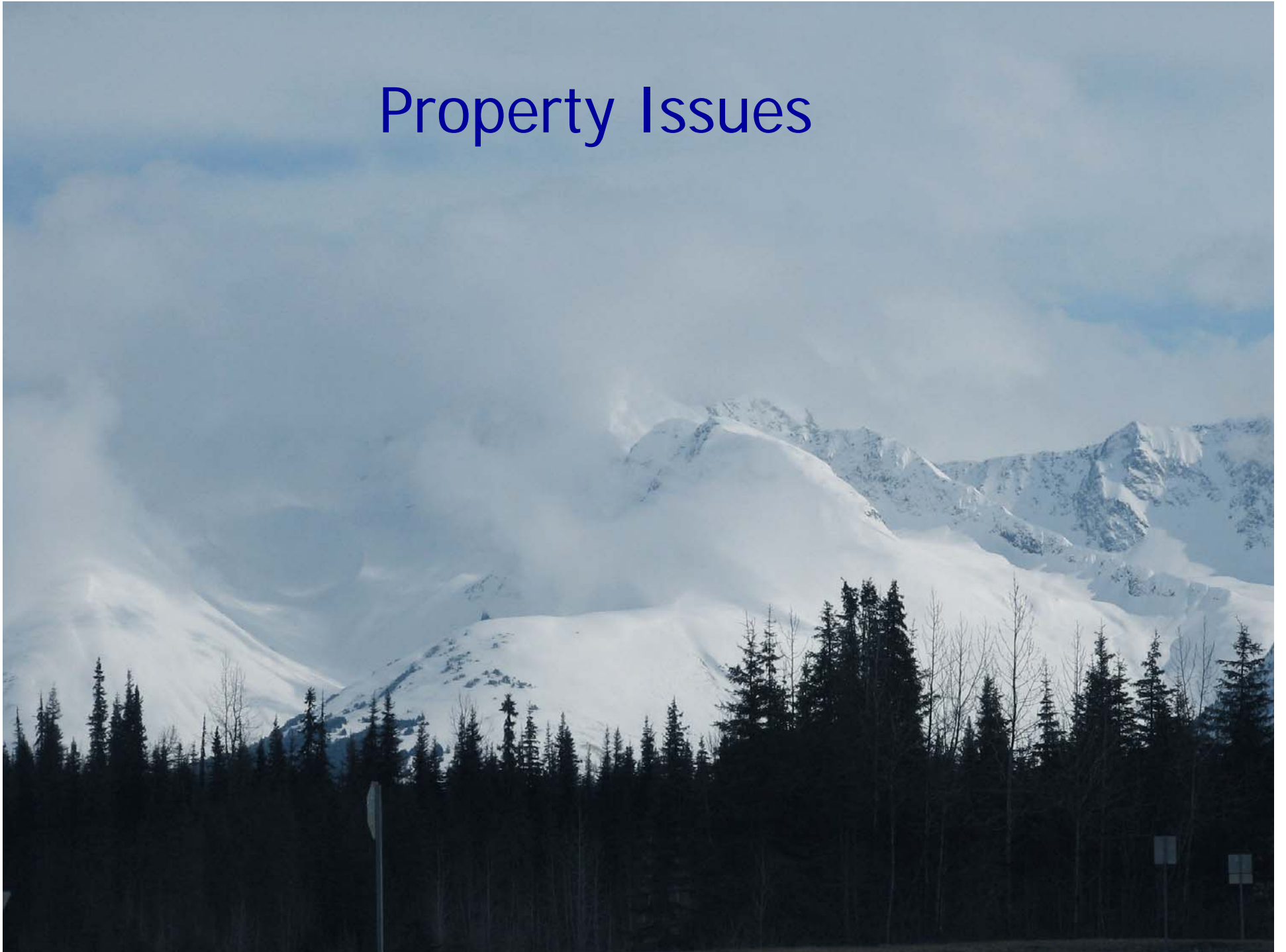
Source – KPB Finance Department, Sales Tax Division

2006 TAXABLE Sales in Goods, Services, Government

	Goods Producing	Service Providing	Government	Total
Homer	8,214,995	140,757,266	3,939,804	152,912,065
Kenai	10,423,085	143,108,269	2,160,749	155,692,103
Seldovia	105,293	3,273,828	272,173	3,651,294
Seward	3,679,326	81,139,276	<u>6,087,059</u>	90,905,661
Soldotna	<u>11,103,325</u>	<u>215,026,532</u>	958,451	<u>227,088,308</u>
Other KPB	26,030,732	230,531,270	15,303	256,577,305
KPB Total	59,556,756	813,836,441	13,433,539	886,826,736

Source – KPB Finance Department, Sales Tax Division

Property Issues



Real Property Exemptions

Properties Exempt from Taxation - Mandated by State Law.

Fire System Prevention
Mental Health Trust
Native Allotment
Electric Cooperative
Conservation Easements
State Educational

ANCSA Native
Government
Farm Deferment
Religious
Disabled Veteran

Charitable
Cemetery
Armed Forces
Senior Citizen
Hospital

KPB Exemptions Include:

Homeowner's Exemption
Disabled Veteran Exemption
Disabled Resident Tax Credit
River Restoration Exemption
Timber Harvest Exemption

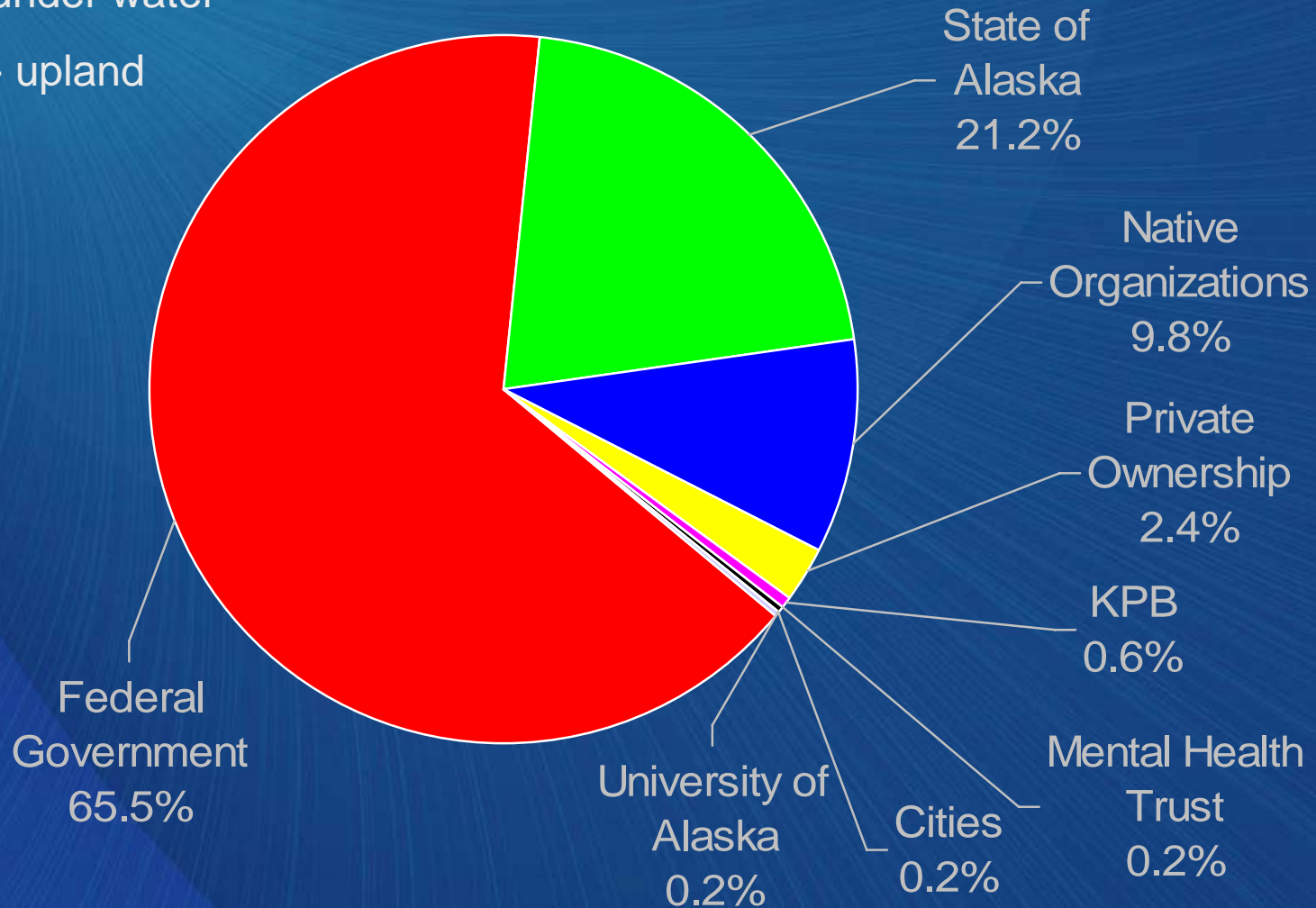
Senior Citizen Exemption
Volunteer Firefighter/EMS Exemption
River Habitat Tax Credit
Disaster Tax Reduction

Land Ownership

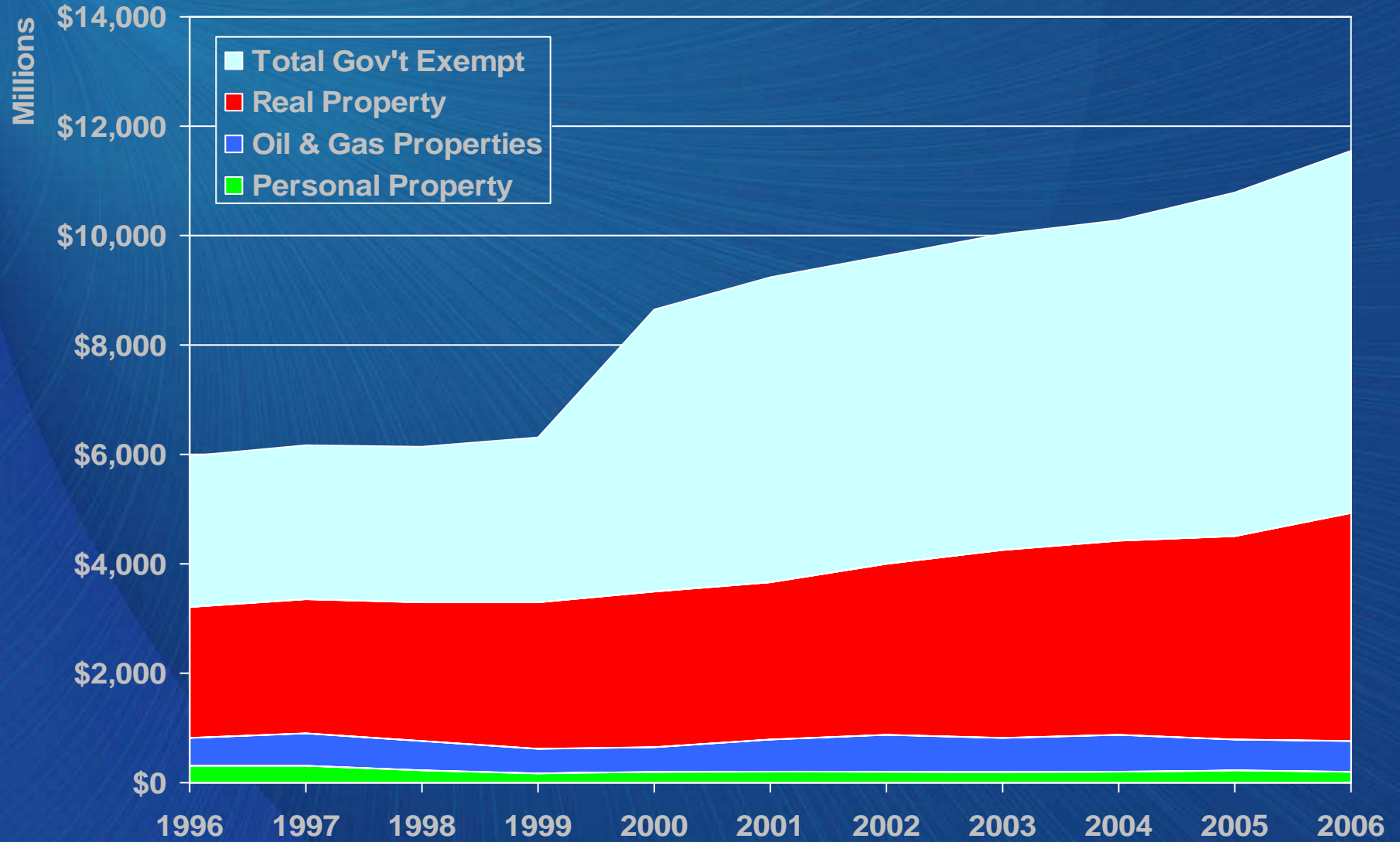
KPB – 24,737 mi²

34.5% under water

65.5% - upland



KPB Assessed Property Values Over Time



Source - KPB Assessing Department

Full and Assessed Real Property Values

Annual Change of Full Value

	2004	2005	2006
KPB	5.2%	5.9%	11.6%
Homer	12.6%	19.2%	14.0%
Kenai	3.4%	3.4%	-0.1%
Seward	8.7%	3.7%	11.4%
Soldotna	3.1%	7.2%	13.1%

Annual Change of Assessed Value

	2004	2005	2006
KPB	3.4%	4.7%	12.1%
Homer	6.8%	19.8%	15.3%
Kenai	3.2%	2.3%	0.0%
Seward	2.1%	7.5%	5.9%
Soldotna	4.1%	6.2%	8.0%



Housing

Average Assessed Value of New Homes Permitted - 2007

	Total Value 2007	Total Volume 2007	Average Value 2007	Average Value 2006
Homer	<u>\$7,650,100</u>	<u>41</u>	\$186,588	\$205,220
Kenai	\$5,708,500	33	\$172,985	\$200,527
Seldovia	\$252,000	4	\$63,000	\$28,333
Seward	\$252,354	2	\$126,177	\$139,750
Soldotna	\$8,749,413	30	<u>\$291,647</u>	<u>\$262,050</u>
Total KPB Cities	\$22,612,367	110	\$205,567	\$208,553

Source – Homer, Kenai, Seldovia, Seward, Soldotna

Value of New Homes Permitted Average 1998-2007, Annual Average 2007

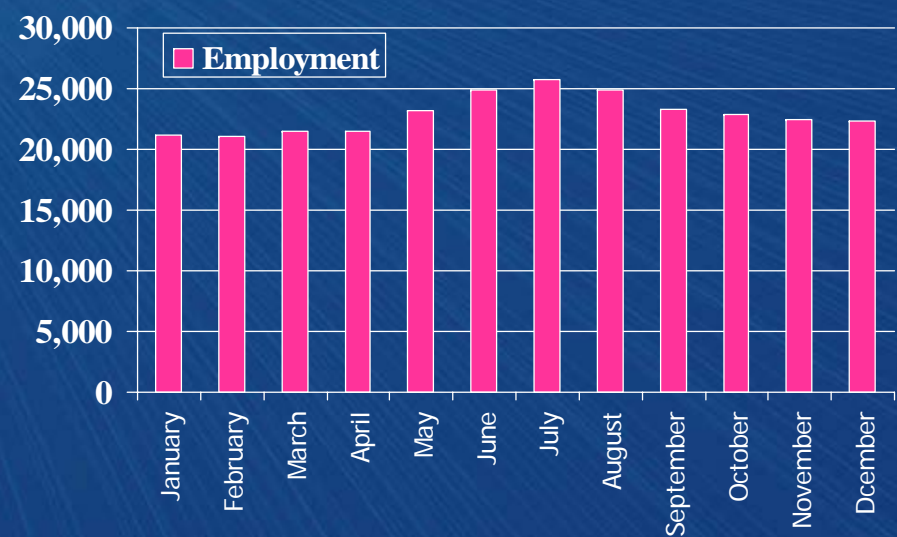
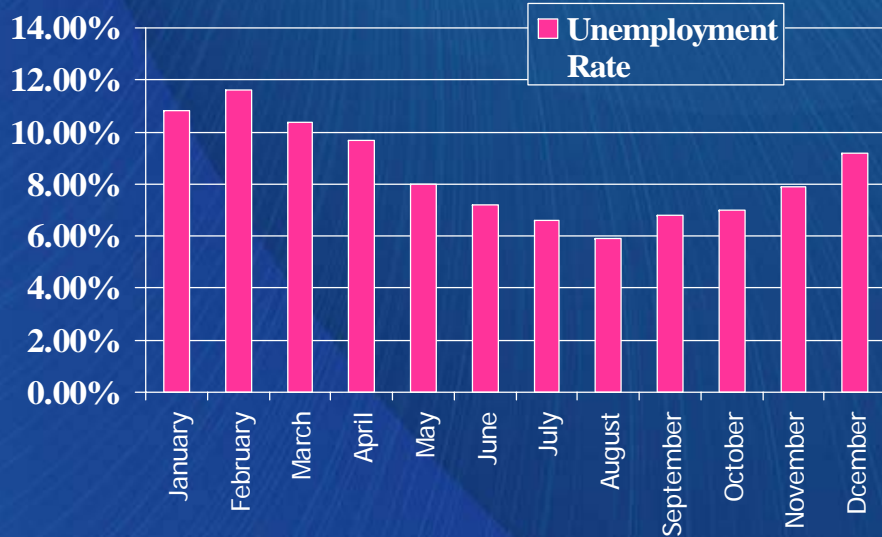
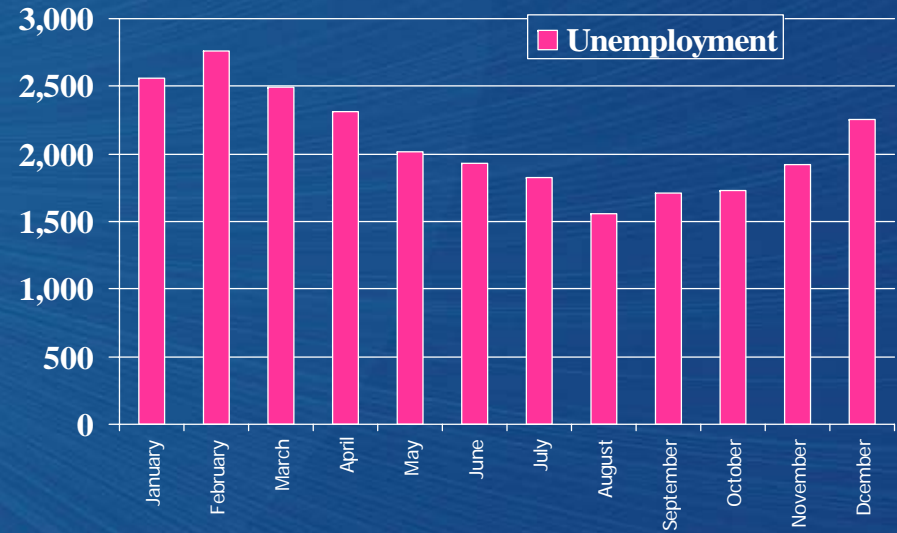
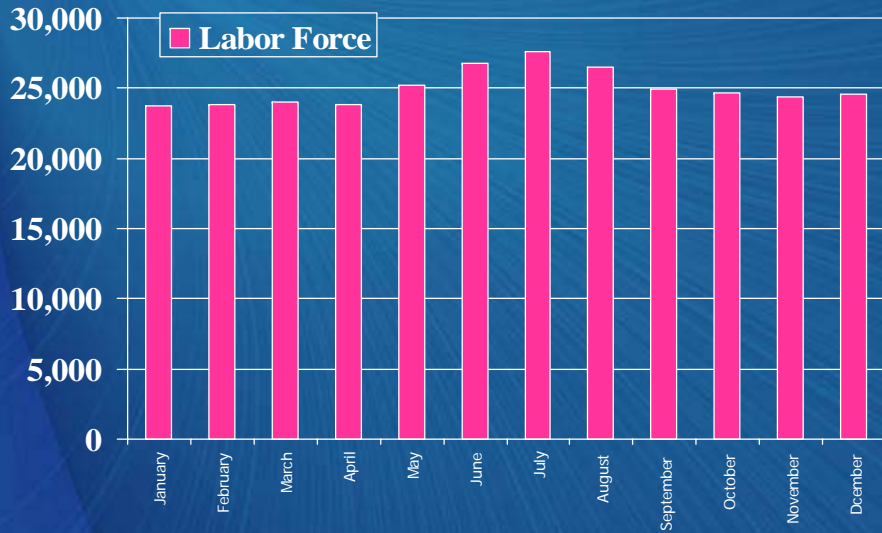
	Ten Year Annual Average Total Value	Ten Year Annual Average Total Volume	Ten Year Average Value	Average Value 2007
Homer	<u>\$5,711,405</u>	<u>39</u>	\$146,446	\$186,588
Kenai	\$4,823,450	31	\$155,595	\$172,985
Seldovia	\$161,400	3	\$55,655	\$63,000
Seward	\$1,090,575	7	\$149,476	\$126,177
Soldotna	\$4,256,256	23	<u>\$185,055</u>	\$291,647
Total KPB Cities	\$16,034,785	99	\$161,968	\$205,567

Source – Homer, Kenai, Seldovia, Seward, Soldotna

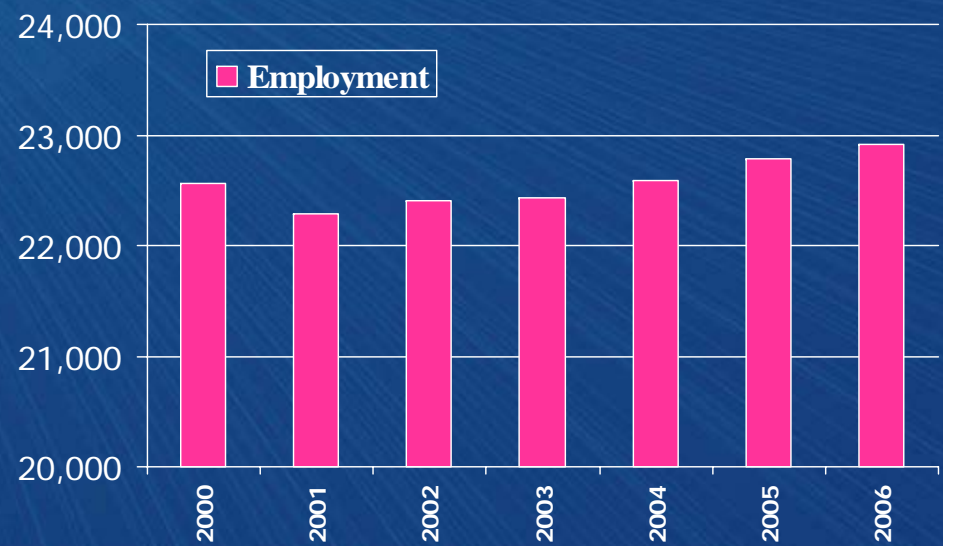
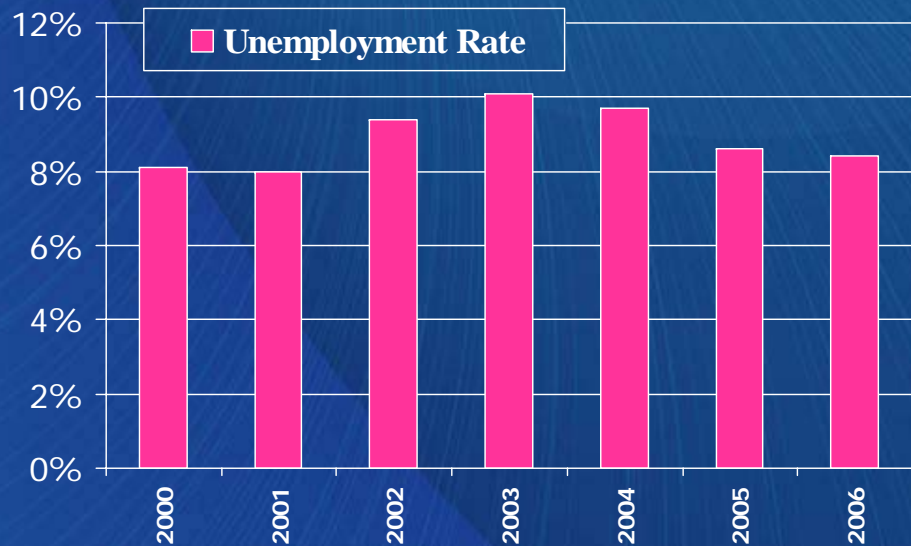
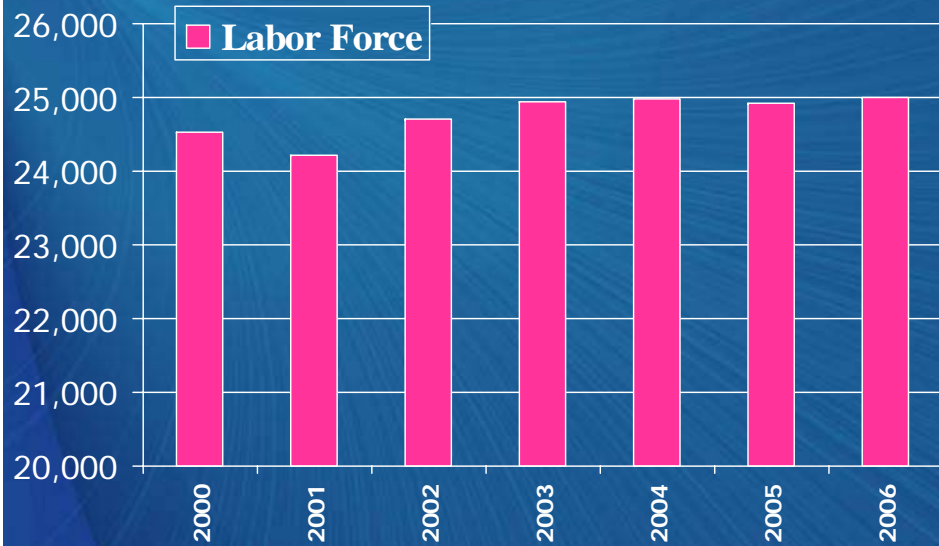
Employment



2006 – KPB Labor Statistics



Annual Monthly Average Unemployment Statistics



KPB Top Employers - 2006

Rank	Name of Business, Organization	Location	Business Activity	# Employees
1	Kenai Pen Borough School District	Soldotna	Public education	1,307
2	State of Alaska, excludes University	KPB	State govt	948
3	Central Peninsula General Hospital	Soldotna	Local govt,hosp	474
4	U.S. Government	KPB	Federal govt	428
5	Safeway/Eagle Stores	KPB	Grocery	401
6	Kenai Peninsula Borough	Soldotna	Local govt	387
7	Frontier Community Services	Soldotna	Janitorial serv	304
8	South Peninsula Hospital	Homer	Local govt,hosp	261
9	Alaska Petroleum Contractors	North Kenai	Oilfield services	255
10	Fred Meyer	Soldotna	Gen Merchandise	236
11	Peak Oilfield Services	North Kenai	Oilfield services	228
12	Univ of Alaska – includes student employment	KPB	State govt, univ	210
13	Tesoro Alaska Petroleum Company	North Kenai	Refinery	181
14	Agrium U.S., Inc	North Kenai	Petrochemical manu	162
15	Union of California	Kenai	Oil/gas extract	156

All data presented herein is the most recent data available.

Variation from previous reports may be due to updates as data is constantly being adjusted due to late or corrected reports, auditing changes, and such.



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