VALDEZ ALASKA by the Numbers 2022

DEMOGRAPHICS PAGE 5 | OIL PAGE 6 | TRANSPORTATION & PORT PAGE 7 | SEAFOOD PAGE 8 | TOURISM PAGE 9 | HEALTH & HOUSING PAGE 10 | GOVERNMENT PAGE 11

CHANGES 2018 to 2021

THE **LABOR FORCE** DECREASED BY **218 JOBS** TO **2,664** JOBS, **-8%. TOTAL WAGES** INCREASED BY **$31 MILLION** TO $190 MILLION, **+20%.**

POPULATION DECREASED BY **1%** TO **3,981** -42 PEOPLE. THOSE 65+ INCREASED BY **29%.**

POUNDS OF SEAFOOD LANDED IN VALDEZ INCREASED BY **69%** TO **81 MILLION POUNDS.**

TOTAL PASSENGER/ **VISITOR ARRIVALS** DECREASED BY **16%** TO **56,300.**

OIL PRICES DECREASED BY **6%** TO **$71** PER BARREL -$4.

THE VALDEZ ECONOMY

2021 The economy of Valdez was hit hard by the pandemic. In 2020, the community lost nearly 400 jobs and more than $6 million in overall wages compared to 2019.

The community staged a remarkable recovery in 2021. Jobs grew by 8%, and wages grew by 9%. Nearly three-quarters of businesses received COVID-19 support funding, a significant help in getting the economy back on track.

However, the 2021 Valdez economy was still not back to pre-pandemic levels. Compared to 2018, the community was still down 218 jobs, and missing 16% of its visitors. Population and school enrollment were both below 2018 levels, but by small margins. Conversely, overall earnings increased by 20% over 2018 levels.

The largest earnings increase was in the marine transportation sector, which added nearly $14 million in wages; and wages were up across nearly all sectors, despite declining jobs in each.

One of the biggest changes in 2021 was the decline of city workers, not due to job cuts, but due to difficulty attracting and retaining workers due, in part, to a challenging housing market and an aging workforce.

A review of 2022 data and 2023 projections show that Valdez's outlook is mixed.

Seafood: The 2022 commercial harvest of pink salmon was 29% above the commercial harvest forecast, largely the result of a strong Valdez Fisheries Development Association run that came in well above expectations.

Demographics: The 2022 population was down again. Valdez population has declined in eight of the past ten years, falling from 4,170 in 2012 by 220 residents to 3,950 in 2022, an overall loss of 5%. However, the student population increased, both for K-12 and college enrollment.

Tourism: The visitor sector is seeing strong growth. In 2023, the number of visitors to Valdez is expected to be double 2021 levels, and 53% higher than in 2022. Cruise ship passenger numbers should be nearly three times 2022 levels with more than 57,000 passengers expected.

Overall, the Valdez economy is expected to see strong employment and wage growth through 2023.

CITY OF VALDEZ, ALASKA • OPPORTUNITIES IN EVERY SEASON •

Wage and labor data is not yet available for the full 2022 calendar year. This analysis focuses on jobs and earnings from 2021 compared to 2018. Early 2022 and 2023 data is discussed, where available.

The Whole **Valdez Alaska Economy** 2021

In 2021, Valdez lost more than 200 year-round equivalent jobs, but wages increased by 20% compared to 2018

Annual Average Jobs

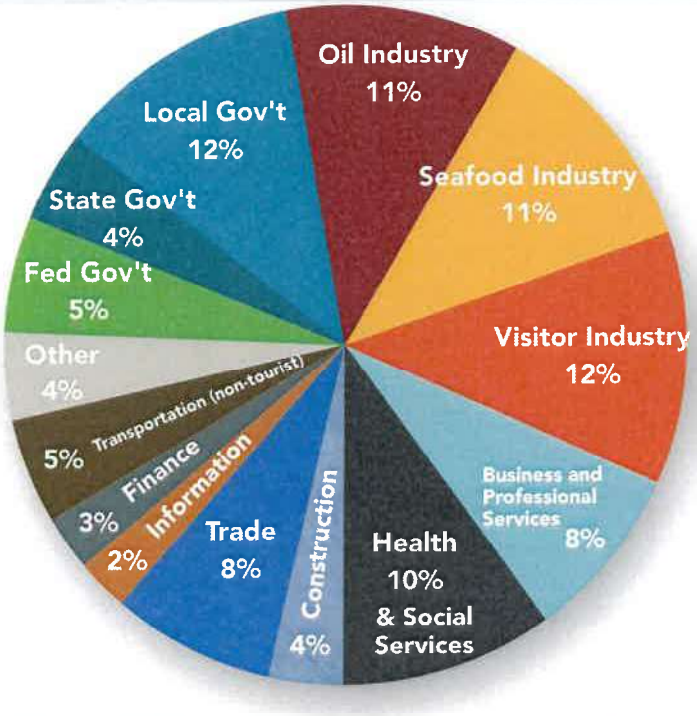
2,664 Jobs

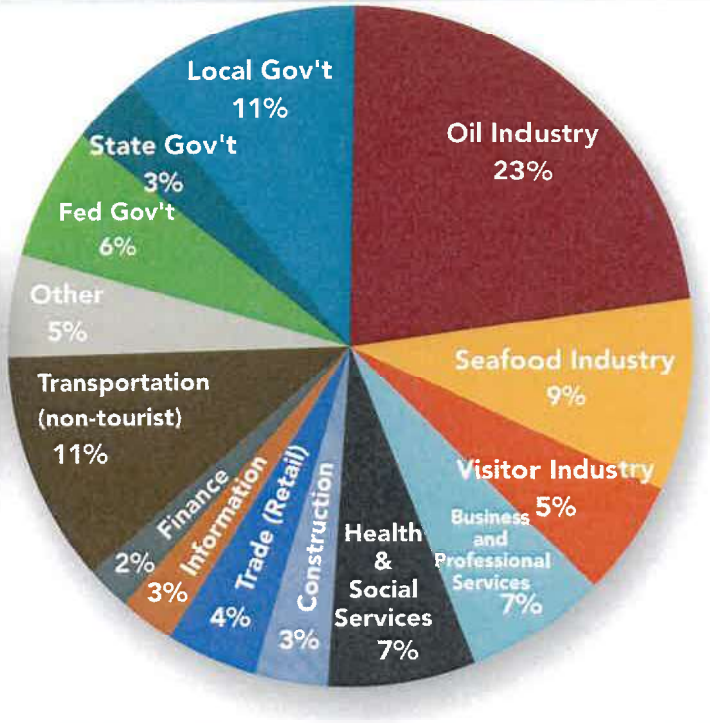
DOWN 218 JOBS SINCE 2018 -8%

Employment Earnings

$190 Million Workforce Earnings

UP $31 MILLION +20%





2021 Valdez Alaska Employment Earnings

	Employment Related Earnings			Employment Numbers			
	Wages (2021)	Self-Employment Earnings (est.)	Total Earnings	Annual Average Employment (2021)	Self-Employed (est.)	Total Employment	Change 2018 to 2021
Government (includes Coast Guard)	$31,381,218	*$6,786,819	**$38,168,037**	477	*81	**558**	**-73**
Oil Industry	$42,726,444	$377,000	**$43,103,444**	288	9	**297**	**-33**
Seafood Industry	$13,939,382	$3,544,614	**$17,483,996**	246	60	**306**	**10**
Visitor Industry	$8,714,032	$1,760,150	**$10,474,182**	255	68	**323**	**-112**
Professional and Business Services	$10,518,869	$2,146,960	**$12,665,829**	126	97	**223**	**4**
Health Care & Social	$12,775,227	$634,030	**$13,409,257**	251	18	**269**	**-13**
Construction Industry	$4,787,040	$1,804,800	**$6,591,840**	49	46	**95**	**-21**
Trade: Retail and Wholesale	$5,736,176	$2,514,500	**$8,250,676**	164	45	**209**	**-5**
Information	$4,509,645	$452,473	**$4,962,118**	60	6	**66**	**-3**
Financial Activities	$1,971,176	$2,057,660	**$4,028,836**	33	37	**70**	**0**
Non-Visitor Transportation	$19,845,484	$1,253,490	**$21,098,974**	109	25	**134**	**35**
Other	$8,403,682	$901,460	**$9,305,142**	82	32	**114**	**-7**
Total	**$165,308,375**	**$24,233,956**	**$189,542,331**	**2,140**	**524**	**2,664**	**-218**

Sources: Alaska Department of Labor Employment & Wage data; (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population, ADOL.
*These cells in Government refer to active duty Coast Guard personnel employment and wages, and not self-employment data. **Notes: Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Valdez resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic).

Cover photo by Jeremy Talbott.

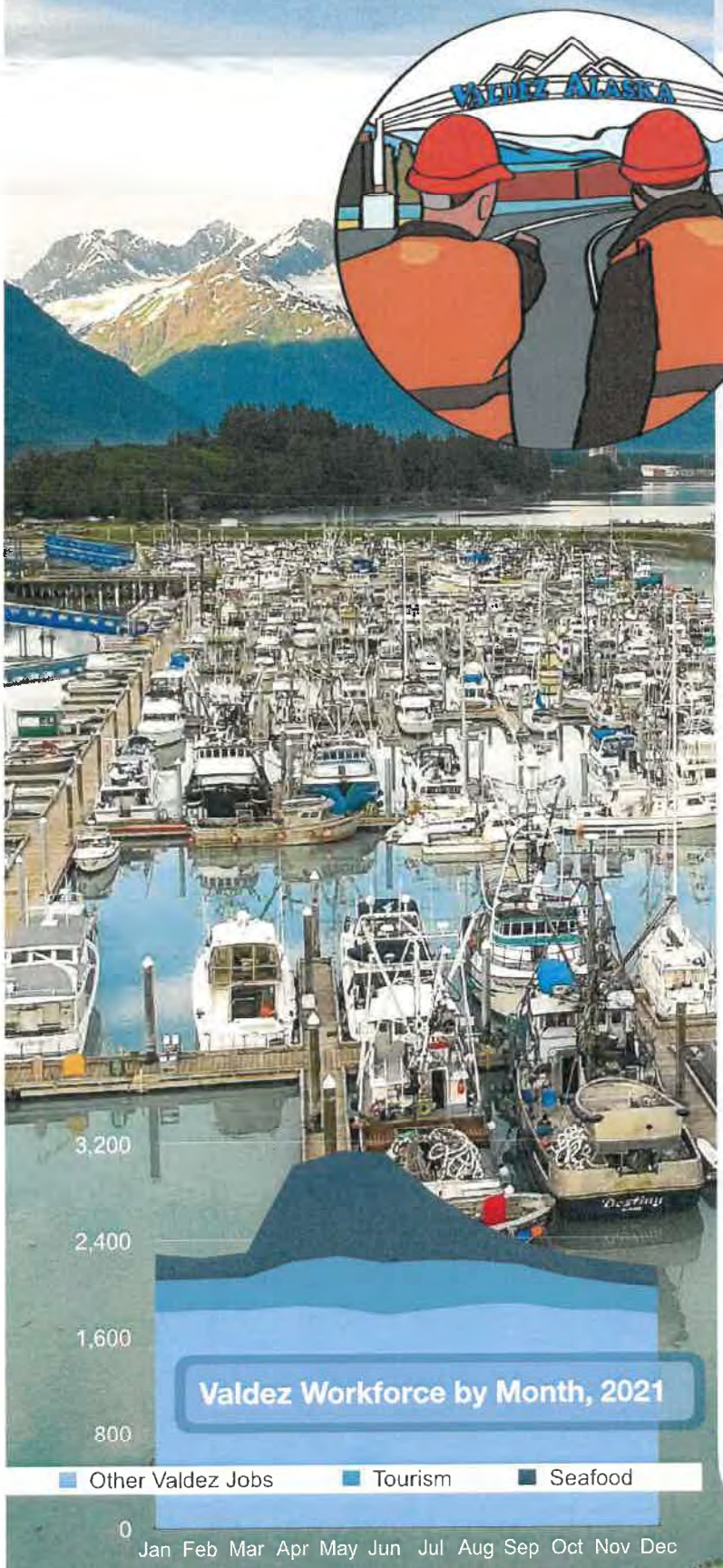
Change in the Last 3 Years

Table tracks key Valdez indicators over the past 3 years, along with associated changes.

General Economic Conditions	2018	2021	% Change 2018-2021	Change 2018-2021
Total Labor Force (jobs, includes self-employed & USCG)[1,5,6]	2,882	2,664	-8%	-218
Total Job Earnings[1, 5, 6]	$158,517,042	$189,542,331	20%	$31 million
Total Private Sector Payroll [1, 6]	$121,507,640	$151,374,294	25%	$29.9 million
Average Annual Wage [1]	$55,002	$71,150	29%	$16,147
Annual Unemployment Rate[1](Chugach Census Area 2021, 2022)	6.7%	4.3%	-2.4%	-2.4%
Top Economic Sectors	**2018**	**2021**	**% Change**	**Change**
Government	Public Sector: 34% of all employment earnings			
Total Government Employment [1, 5]	631	558	-12%	-73
Federal Employment [1, 5] (8% of all employment earnings)	130	128	-2%	-2
State Employment [1] (14% of all job earnings)	139	116	-17%	-23
City Employment [1] (12% of all job earnings)	362	314	-13%	-48
Total Government Payroll (includes USCG) [1, 5]	$37,009,402	$38,168,037	3%	$1.2 million
City Payroll [1]	$18,121,398	21,342,995	18%	$3.2 million
Oil Economy (Includes employment from all industries)	Key Industry: 13% of all employment earnings			
Oil Employment [1,5,6]	330	297	-10%	-33
Oil Wages [1,5,6]	$42,937,860	$43,103,444	0%	$165,584
Avg. Daily Volume ANS Oil Production (barrels/day)[14]	508,601	482,742	-5%	-25,859
Annual Avg. Domestic Crude WTI Oil Prices (in $/Barrel)[14]	$71.71	$100.34	40%	$29
City oil and gas property tax revenue (FY2019 & FY2023)[7]	$38.4 million	$42.4 million	10%	$4 million
Commercial Fishing & Seafood Industry	Key Industry: 12% of all employment earnings			
Total Seafood Employment (includes fishermen) [1, 6]	296	306	3%	10
Total Seafood Employment Earnings [1, 6]	$12,308,173	$17,483,996	42%	$5.2 million
Commercial Fishing Boats Homeported in Valdez[15]	65	82 (2022)	26%	17
Pounds of Seafood Processed [13 (estimate)]	61 million	74 million	21%	13 million
Value of Seafood Processed [13 (estimate)]	$168 million	$208 million	24%	$40 million
Pounds Landed [8]	48,082,154	81,426,389	69%	33.3 million
Estimated Gross Earnings (ex-vessel value of pounds landed) [8]	$25,196,781	$36,650,000	45%	$11.5 million
Transportation (Non-Tourism)	Key Industry: 11% of all employment earnings			
Marine and Road Transportation Employment [1, 6]	99	134	35%	35
Marine and Road Transportation Wages [1, 6]	$7,550,727	$21,098,974	179%	$13.5 million
Health Care & Social Services Industry	Key Industry: 12% of all employment earnings			
Health Care & Social Services Employment [1, 6]	282	269	-5%	-13
Health Care & Social Services Wages [1, 6]	$11,692,789	$13,409,257	15%	$1.7 million
Visitor Industry	Key Industry: 9% of all employment earnings			
Total Visitor Industry Employment [1, 6]	435	323	-26%	-112
Total Visitor Industry Wages/Earnings [1, 6]	$9,836,663	$10,474,182	6%	$637,519
Hotel & Motel City Tax Revenue [7]	$445,299	$497,407	12%	$52,108
Total Valdez Passenger Arrivals 2019, 2022	**78,978**	**73,306**	-7%	-5,672
Recreation Visitors Arriving by Road estimate [16]	51,000	50,000	-2%	-1,000
Total Cruise Passengers [10]	13,098	13,182	1%	84
Total Air Passenger [11]	10,347	5,282	-49%	-5,065
Total Ferry Passengers [12]	4,533	4,842	7%	309
Demographics	**2018**	**2022**	**% Change**	**Change**
Total Population [1]	4,023	3,950	-2%	-73
Under Age 15 [2]	858	837	-2%	-21
Twenty-somethings [2]	482	461	-4%	-21
Ages 65 and older [2]	364	469	29%	105
K-12 School District Enrollment [3]	648	674	4%	26
Prince William Sound College Enrollment [9]	895	693	-23%	-202
Other Selected Statistics	**2018**	**2022**	**% Change**	**Change**
Cost of Living: Consumer Price Index[1]	140%	142%	2%	2%
Housing Units Permitted/Completed [4,1]	1	0	-%	-1

Sources: [1]Alaska Department of Labor (ADOL); [2]ADOL Southeast Alaska Population by Age; [3]Alaska Department of Education and Early Development; [4]Based on the quarterly Alaska Housing Unit Survey; [5] US Coast Guard; [6] US Census Nonemployer (self-employment) Statistics; [7]City of Valdez; [8]ADF&G Valdez Commercial Seafood Industry Harvest and Ex-Vessel Value Information; [9]UAA; [10]Cruise Line Agencies of Alaska; [11]US Bureau of Transportation Statistics (RITA); [12]Alaska Marine Highway System data; [13]ADF&G E2 Production Shorebased Processors and Direct Marketers; [14]Alaska Department of Revenue Crude Oil and Natural Gas Prices; [15]Commercial Fisheries Entry Commission. [16]Traffic Volume Counts Valdez https://alaskatrafficdata.drakewell.com/publicmultinodemap.asp

Valdez Overview



The City

Valdez is a picturesque coastal community nestled deep in Prince William Sound at the base of the towering Chugach Mountains. The town, named after a Spanish naval officer, encompasses a total area of 277 square miles, including 55 square miles of water.

Valdez is easily accessible via the Richardson Highway, which links the town to Alaska's road system. The area serves as the southern terminus of the Trans-Alaska Pipeline System (TAPS), a vital energy infrastructure that transports oil from the North Slope to the ice-free waters of Valdez.

Despite its remote location, Valdez is a thriving community with nearly 4,000 residents. The town's stunning natural beauty, abundant recreational opportunities, and rich cultural heritage make it a popular destination for visitors.

Culture

The Valdez area was originally known as Saucit, which translates to "the people from the place that rises into view." The area is situated in the ancestral homeland of the Chugach Alutiiq/Sugpiaq people, and served as a meeting place for Alaska Native communities to gather, hunt, fish, and trade since ancient times. Those that historically lived in Valdez year-round included the Sugpiaq and Eyak.

Economic Trends

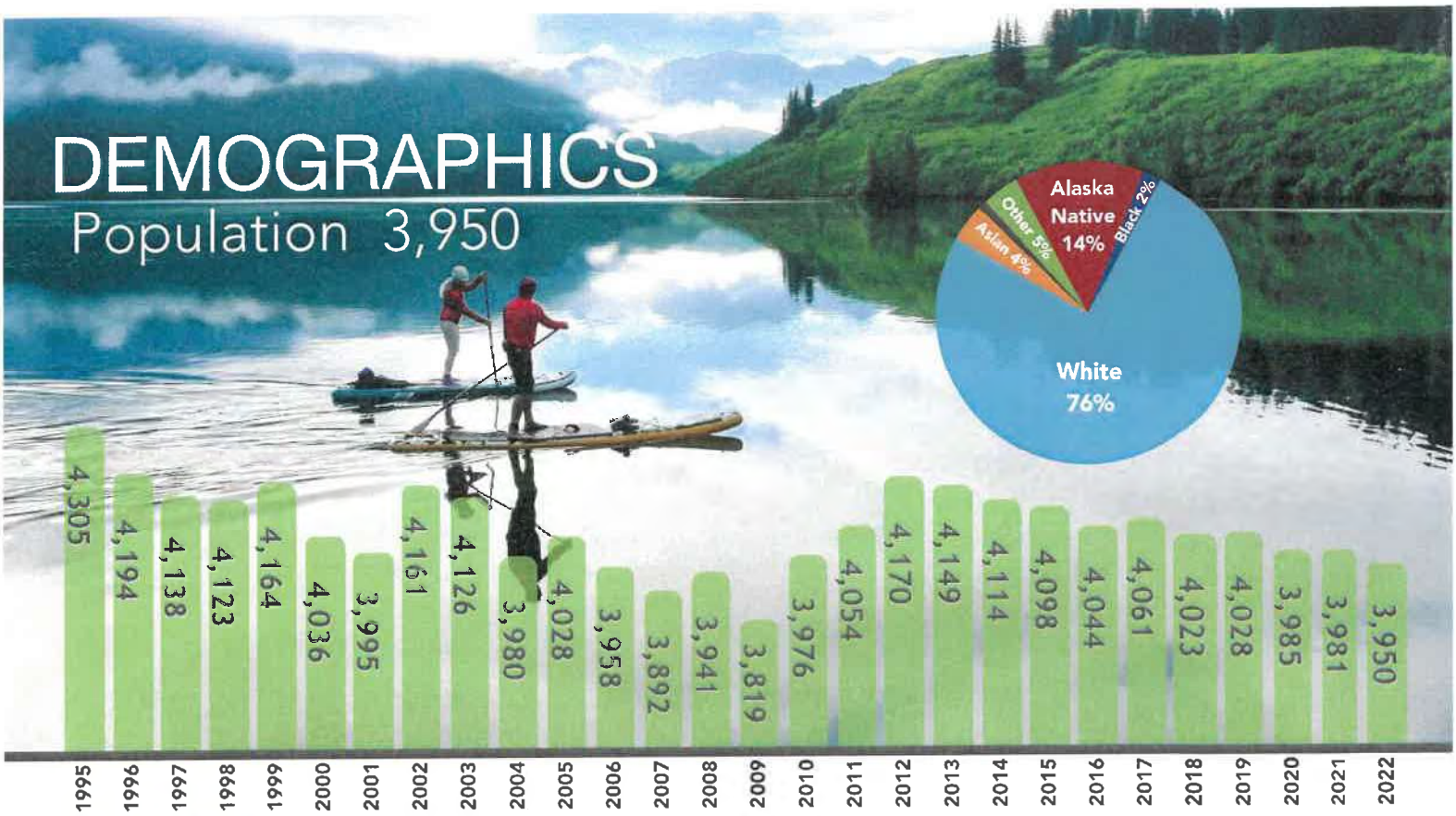
Valdez originated as a makeshift settlement and supply hub for gold-seeking miners during the late 1800s. The military later erected a fort in the area to capitalize on its ice-free port, establishing a trail to Fairbanks that would eventually become the Richardson Highway. By the 1920s, the fishing industry was flourishing.

In 1964 the Good Friday earthquake triggered a landslide that devastated Valdez, and much of the community had to be rebuilt. Valdez's modern economy took shape In the early 1970s when it was selected as the endpoint for the 800-mile trans-Alaska oil pipeline system and oil storage-transfer marine terminal. The pipeline is one of the world's largest, having transported a staggering 18.6 billion barrels of oil through Valdez. The area also served as a critical staging ground for the cleanup efforts following the Exxon-Valdez oil spill in 1989.

Throughout the 1990s and 2010s, the economy of Valdez remained relatively steady. The pandemic had a significant impact on commerce and traffic to the region, but Valdez is has seen a strong recovery. The top economic sectors in Valdez include oil, seafood, transportation, and tourism, which adds a seasonal element the Valdez workforce. In 2021, the workforce peaked at 3,131 workers in May, and saw its fewest numbers in December with 2,159 employees, a difference of nearly 1,000. This is primarily due to the seafood sector, which ranged from 922 workers in May, and fewer than 200 workers in the off season. The tourism sector peaked at 435 in June, and declined to half that number in December.

DEMOGRAPHICS

Population 3,950



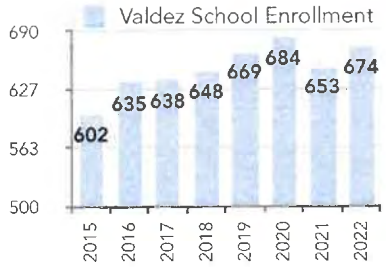
2021 The population of Valdez has generally remained around 4,000 people during the last four decades. The population of the City of Valdez reached a low of 3,819 people in 2009, and a high of 4,305 in 1995. In 2022, the community had 3,950 residents. Valdez population has declined in eight of the past ten years, falling from 4,170 in 2012 by 220 residents to 3,950 in 2022, an overall loss of 5%.

An Aging Demographic

Since 2010, the most pronounced demographic shift in Valdez has been the aging of the population. From 2010 to 2021, the 60-plus population grew by nearly 800 people, from 7% of the overall population to more than a quarter. Over the past 11 years, those of prime working age (19-59) has decreased from nearly two-thirds, to less than half, 64% to 48%. The median age in Valdez is 41, up substantially from 34 in 2010. Alaska's median age in 2021 was 36 years.

School Enrollment Up

While youth population has not increased, the number of kids enrolled in schools has.



In the 2022-23 school year, Valdez had an enrollment of 674 students. Since 2015, school enrollment increased in Valdez in all but one year, growing by 12% since FY2015, by 72 K-12 students in FY2022. The increase appears to be partially due to a decrease in homeschooling.

Valdez is also home to Prince William Sound College, a two-year college. College enrollment in 2022 was 693 students, a substantial recovery from a pandemic low of 420, but well behind a recent high of 895 students in 2018.

Alaska Native Population

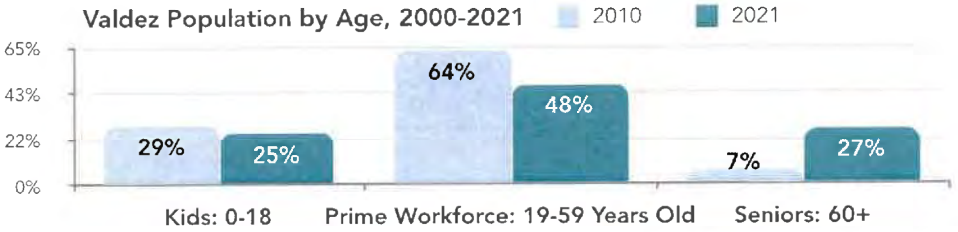
The 2020 US Census shows a slightly larger indigenous population than in previous census years. The Alaska Native population grew to 14% of all residents, for a total of nearly 550 Alaska Native residents, up from 10% in the 2000 Census. The Valdez Native Tribe counts 210 tribal households in Valdez, 14% of all households.

Wealth

By some measures, Valdez is the wealthiest community in Alaska. Well-paying oil-related jobs push income levels significantly higher than for other Alaska towns. Valdez has the highest total median earnings of any community across Alaska at $63,304, and has the highest median full-time year-round earnings at $71,346.

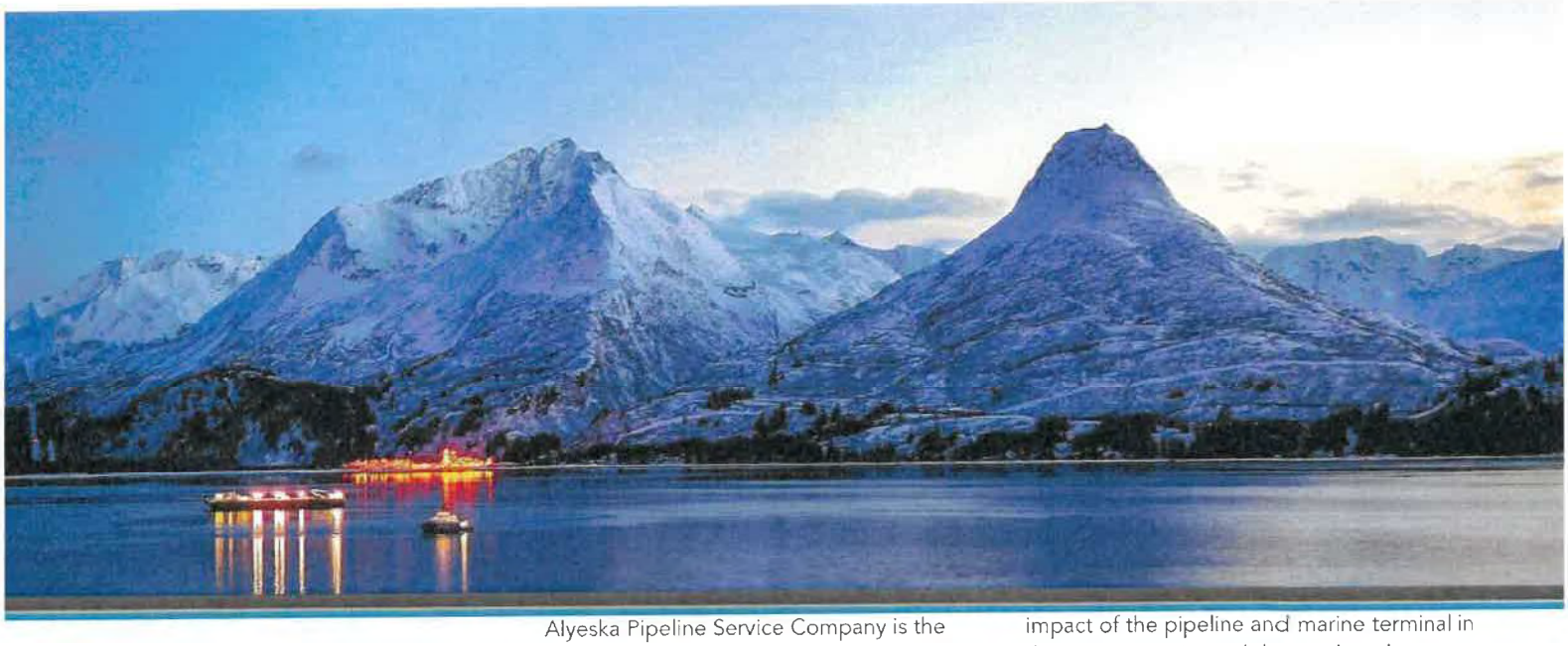
Population Churn

About 10% of the Valdez population moves in or out annually from the lower-48. In 2021, the American Community Survey estimates Valdez welcomed 400 new arrivals from down south. These new arrivals need approximately 300 new homes every year, while a similar number of people leave Valdez.



Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area; Alaska Population Projections; US Census; UA in Review; Valdez Native Tribe Households within the Valdez Service Area.

Photo by Jeremy Talbott.



Oil Industry

297 Annualized Jobs 2021
$43.1 million Wages

DOWN 33 JOBS FROM 2018

EARNINGS UP

2021 Valdez is the terminus of the 800-mile Trans Alaska Pipeline System (TAPS) and the Alyeska marine terminal, where North Slope crude oil that arrives via pipeline is loaded on tankers for marine transport to market. The oil that passes through the community is Valdez's greatest source of economic strength, as it provides residents with stable, high-wage employment, as well as being a steady source of tax revenue for the city government. Approximately one-fifth of the value of the entire pipeline is within Valdez city limits.

Key oil sector employers include Alyeska and Petro Star.

Alyeska Pipeline Service Company is the largest private sector employer in Valdez. Alyeska operates and maintains the pipeline, including the Valdez Marine Terminal. Alyeska is co-owned by affiliates of oil companies ConocoPhillips, ExxonMobil and Hilcorp, Alaska's major North Slope producers. Alyeska Valdez employees work in offices, warehouses, fabrication shops, on docks, loading berths, or in the water treatment, or power plant.

Petro Star Inc. is a refining and fuel-marketing company that operates a refinery in Valdez, producing products like marine diesel, jet fuel, and home heating oil.

PRIMARY ECONOMIC DRIVER

In 2021, the Valdez oil and gas sector provided 297 annualized jobs in the community, with wages of just over $43 million.

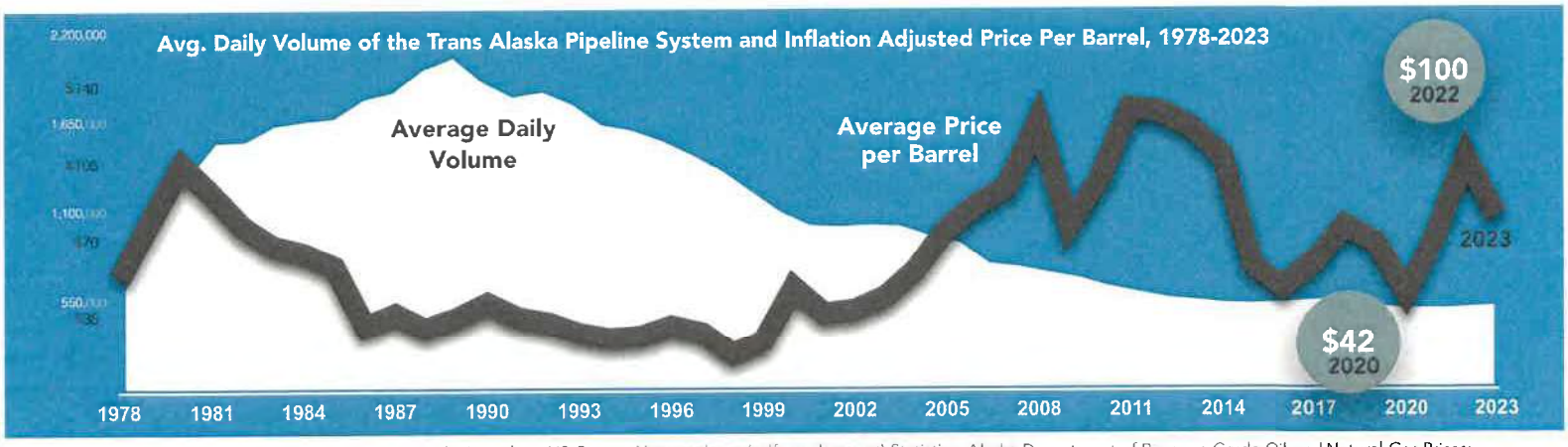
Nearly a quarter of all local wages and 11% of all jobs in Valdez are in the oil sector. However, additional jobs in the transportation sector, oil spill response capacity, along with security for the terminal, all mean that the impact of the pipeline and marine terminal in the community is much larger than these numbers represent.

Oil-related jobs are particularly high-paying. The average annual wage in the Valdez oil sector was $145,129, more than twice the overall average annual wage of the community as a whole at $71,292.

Oil sector employment in Valdez has fallen by 10% since 2018, a decline of 33 year-round equivalent jobs, as Alyeska is reorganized to streamline its maintenance work, centralize its emergency response, and add new technology. Despite the jobs cuts, total wages in the oil sector did not decrease.

TAPS AND PROPERTY TAXES

Oil is the primary source of income for the municipality of Valdez. A weakness identified in the long-term economic viability of City of Valdez is its dependence on a single primary source for the majority of City revenue. In 2022 the City of Valdez reported $42.36 million in oil and gas property tax revenue, a 10% increase over 2018. The current valuation of the TAPS is fixed through 2025.



Sources: Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; Alaska Department of Revenue Crude Oil and Natural Gas Prices; City of Valdez. Photo by Jeremy Talbott.

Transportation Industry

134 Annualized Jobs in 2021
$21.1 million Wages in 2021

Jobs up 35% in 2021, Wages up by 179%

2021 The most dramatic change to the Valdez economy in 2021 was the increase in non-tourism transportation jobs and wages. Nearly half of the overall wage increase in the community over the last three years was due to the jump in transportation sector wages, from $7.6 million in 2018 to $21.1 million in 2021, an increase of 179% in wages for this sector. Jobs increased from 99 in 2018 to 134 in 2021. The transportation sector accounted for 11% of all workforce earnings in 2021 in Valdez.

The increase is exclusively due to increased marine transportation, which jumped from 60 annual average jobs in 2018 to 183 jobs in 2019 and then half that level by 2020. Edison Chouest Offshore (ECO) took over escort and response duties for tankers coming and going from Prince William Sound in July 2018, beating out Crowley for the 10-year contract with Alyeska. Crowley had the contract for 41 years prior to this change. Edison built 14 new tugboats and barges specifically for Valdez. As part of the contract ECO created an Alaska Native hire program in response to a 20% Alaska Native hire requirement.

Marine Transportation in Valdez
(Excluding Tourism)

Year	Jobs	Wages
2021	97	$19,487,582
2020	90	$19,323,986
2019	183	$19,566,217
2018	60	$5,912,030
2015	46	$1,386,965
2010	45	$3,711,408

In addition to the marine transportation jobs, Valdez has a dozen truck drivers, and two dozen self-employed transportation workers.

Port of Valdez

25 million tons of freight in 2020
98% crude oil

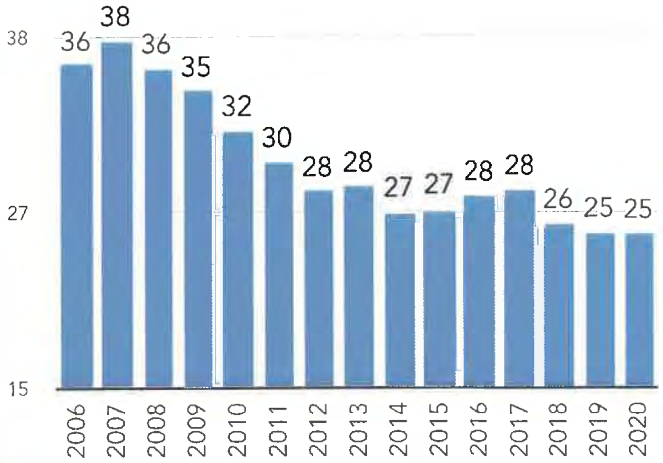
Valdez is the United States' farthest north ice-free port connected to a road system and the southern terminus of the trans-Alaska oil pipeline. Due to its strategic location, the port of Valdez moves an enormous amount of freight. In 2019, 98% of that freight, by weight, was crude petroleum. Supertankers navigate the deep, ice-free waters of Valdez Arm, handling approximately a half million barrels (70,000 tons) of crude oil each day. TAPS operations are managed by Alyeska Pipeline Service Company.

Most of the remaining freight volume is comprised of other types of fuel, including gasoline, kerosene, distillate fuel oil, residual fuel oil, hydrocarbon & petrol gases.

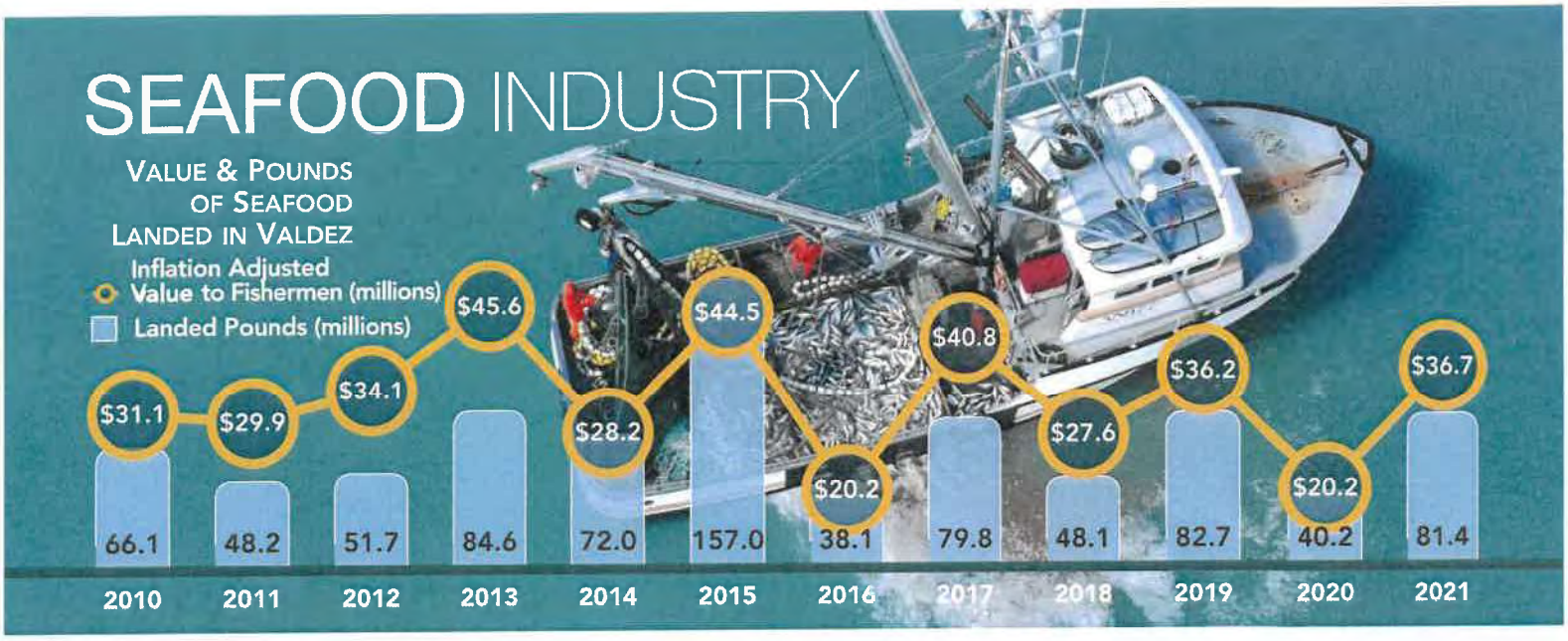
The non-fuel cargo, like many Alaska coastal communities, consists primarily of fish and trash exports. Other commodities shipped through Valdez include groceries, manufactured products, paper products, vehicles, boats, wood, asphalt, and animal feed.

According to Port Operations Manager, Andrew Doherty, 44,731 tons of freight passed through the Valdez Container Terminal in 2022.

Annual Valdez Freight in Millions of Tons
98% Crude Petroleum



Sources: Combination of Alaska Department of Labor Employment and Wage data and US Census Nonemployer (self-employment) Statistics; State of Alaska. Freight data is from U.S. Army Corps of Engineers. Photos by Jeremy Talbott.



Seafood Industry

306 Annualized Jobs 2021

UP 10 JOBS IN FROM 2018

2021 Seafood is an important source of jobs and workforce earnings for Valdez.

KEY ECONOMIC DRIVER

In 2021 seafood provided 11% of all community annualized jobs (306), and 9% of total workforce earnings ($17.4 million). Total count of workers in the Valdez seafood industry is much higher than the annualized job count. Seafood employment peaks in late July/early August with over 900 workers when the processors are at maximum effort.

PINK SALMON DOMINATED

Pink salmon dominates the Valdez seafood sector, harvested predominantly by purse seine vessels. Because pink salmon run on two-year cycles, the local seafood industry is thus more robust on odd years in Valdez. Over the past 10 years pink salmon represented 97% of total seafood landed in Valdez by pounds, and 95% of the total harvest value of the Eastern District of Prince William Sound, the district that encompasses Valdez Arm and the Port of Valdez. Eastern District represents approximately one-third of the total Prince William Sound fishery in terms of pounds landed, and just under a quarter in terms of total value.

All other salmon make up two-percent of pounds landed, half of which is chum. Combined, non-salmon seafood makes up less than one-percent of the Valdez fishery.

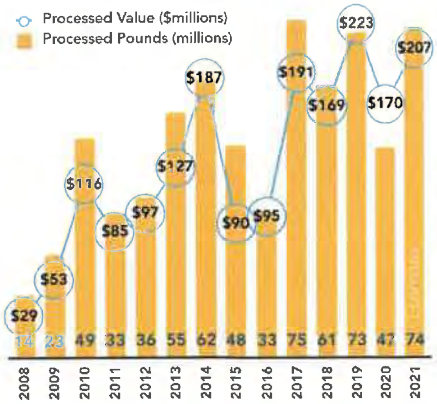
The gross value of the 2021 catch, $36.6 million, was 10% higher than 10-year average (adjusted for inflation), and total pounds landed in 2021, 81.4 million pounds, was 11% higher than the 10-year average. Gross total earnings are estimated using average annual ex-vessel prices for each area by species, gear, and delivery type.

SEAFOOD PROCESSING

The Valdez fishery is also important to the community due to the logistical road connection the community provides, making it an excellent place to locate fish processing facilities. In 2021 there were 12 seafood processors in Valdez. These processed an estimated 74 million pounds of seafood with a wholesale value of $207 million, similar to 2017 and 2019.

While finalized 2022 data is not out yet, the 2023 season is gearing up. According to Cora Campbell, President and CEO at Silver Bay Seafoods: "2022 was pretty solid for an even year due to a good Valdez Fisheries Development Association (VFDA) return of pink salmon. Volume was up over 2020 levels and markets were strong. We expect 2023 to be a good volume year, similar to other recent odd years, but are expecting some softening in the markets from 2022, as is common when supply increases." VFDA is the local hatchery, which releases approximately 250 million pink salmon fry, and 1.8 million coho salmon smolt annually.

VALUE & POUNDS OF SEAFOOD PROCESSED VALDEZ ALASKA 2008 TO 2021
(NOT INFLATION ADJUSTED)



MARICULTURE

Mariculture is a small, but growing, part of the Valdez economy. The Valdez Native Tribe has a research farm in Gold Creek. In 2023, up to 12 new mariculture farms are expected to open.

THE 2021 VALDEZ CATCH
COMPARED TO THE 10-YEAR-AVERAGE

Species	10-year avg. pounds landed	2021 pounds landed	Change from 10-year avg.
Pink Salmon	71,431,117	80,259,273	12%
Chum Salmon	1,170,875	670,957	-43%
Coho Salmon	535,863	275,668	-49%
Sockeye Salmon	128,851	110,737	-14%
Halibut, Crab, Black Cod, Chinook	Confidential	Confidential	Confidential
All Other	330,038	9,266	-97%
Pounds	**73.6 million**	**81.4 million**	**11%**
Value Adjusted for Inflation	**$33.4 million**	**$36.6 million**	**10%**

Sources: Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; Alaska Department of Fish and Game Division of Commercial Fisheries E2 Production Shorebased Processors and Direct Marketers custom processing with Shorebased Processors; ADF&G Valdez Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. **Seafood Industry** includes animal aquaculture, fishing, & seafood product preparation and Alaska resident commercial fishermen (nonresident fishermen & crew who did not [illegible]port income are excluded). Photo by Jeremy Talbott.

Visitor Industry

323 Annualized Jobs
$10.3 Million in Wages in 2021

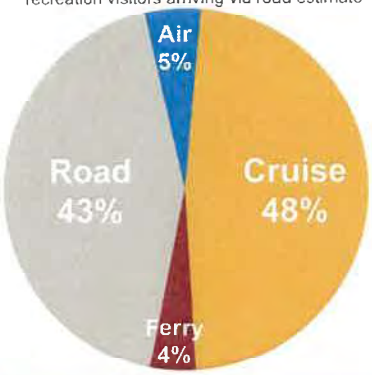
DOWN 112 JOBS FROM 2018

2021 In 2021 tourism was just starting to come back to Alaska. Visitor sector jobs still lagged significantly behind pre pandemic levels. Tourism jobs in Valdez were 26% below 2018 levels, although, due to inflation and tourism providers working longer hours, wages actually increased by 6%. Tourism is a leading industry in Valdez. In 2021, the visitor sector made up 12% of all annual average jobs in the community, and five percent of all wages. Those working in the visitor industry earned $10.3 million in Valdez in 2021 and employed 323 year-round-equivalent jobs. Approximately 25,300 passengers arrived in Valdez in 2022, including all air, ferry, and cruise passengers, and an estimate of recreation visitors arriving via road. In 2023 visitor traffic is expected to increase by 169% to 68,000.

VISITOR ARRIVALS BY ROAD

The Richardson Highway connects Valdez to Anchorage, Fairbanks, and Canada; and is how most people travel to Valdez. In 2016, the McDowell Group estimated that 77,000 "pleasure visitors" came to Valdez via road. Using traffic volume data averages to approximate volume changes over time, an estimated 50,000 recreation visitors drove to Valdez in 2022. Total arrivals of people by road — including truckers, residents, and workers — is much higher.

Projection of People Arriving in Valdez by Mode 2023
Includes all air, ferry & cruise passengers, and recreation visitors arriving via road estimate



TOTAL VISITOR ESTIMATES	
2021	56,300
2022	73,300
2023	112,000

AIR PASSENGERS

Air traffic into Valdez has experienced several years of turmoil. In Spring 2020 the only commercial air carrier operating in Valdez, Ravn Alaska, laid off all its staff and filed bankruptcy. While the airline resumed service to Valdez in November 2020, total passenger arrivals in 2020 fell from more than 9,000 passenger arrivals in 2018 to just over 1,000 in 2020. In 2022, 5,000 passengers arrived by air to Valdez. While this represents a significant improvement over 2020, it is about a third of the airplane traffic Valdez had prior to 2015.

CRUISE TOURISM

Valdez was a highly successful cruise ship port in the mid-1990s. At its peak in 1995, 77 cruise ships bringing more than 80,000 cruise passengers visited Valdez. Holland America removed Valdez from its itinerary in 2002 and Carnival followed in 2003, as post-9/11 security measures no longer allowed visitors to see active pipeline related activities. Most of the last two decades, Valdez received no cruise ship visits at all.

The community invested significantly in developing a more attractive cruise ship port and by 2019 the community had begun to reassert itself as a significant cruise ship port. While the pandemic slowed the momentum, the community hosted 13,182 cruise ship passengers in 2022.

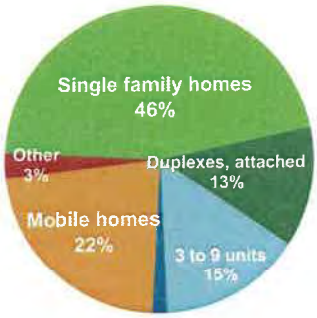
2023 In 2023, the number of visitors coming to Valdez is expected to be double 2021 levels, and 53% higher than 2022. Cruise ship tourism will rebound significantly. Passenger numbers should be nearly three times 2022 levels with more than 57,000 passengers expected. The 2023 cruise ship season will bring six ships making 42 voyages to the community, up from 16 visits in 2022.

2023 CRUISE SCHEDULE	
Total ships	6
Total voyages planned	42
First ship	May 13
Last ship	September 23

Sources: CLIA Alaska & Cruise Line Agencies of Alaska. Combination of ADOL Employment and Wage data and US Census Nonemployer (self-employment) Statistics; Alaska Visitors Statistics Program (AVSP) VII; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Traffic Volume Counts Valdez; **Note:** In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies. Photo from VS Helicopters.

Housing Indicators

Housing Tenure: In Valdez there are 1,550 occupied housing units. Of these 27% are renter occupied, while 73% are homeowner occupied. Typically, the occupied housing tenure ratio is 1/3rd rentals and 2/3rds homeowners, meaning that Valdez's level of rental housing is quite low.

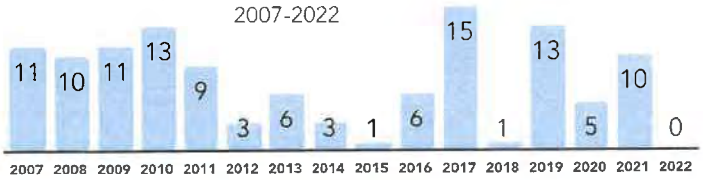


Housing Stock by Type: The most unusual aspect of housing in Valdez is the very high percentage of mobile homes that make up the overall housing stock. Statewide 5% of all housing units are made up of mobile homes. In Valdez, despite its vast wealth, mobile homes make up nearly a quarter, 22%, of all occupied housing units. Additionally, Valdez has more than 100 unoccupied mobile homes.

Housing Affordability: The definition of being housing cost burdened is spending more than 30% of a household income on housing related costs. In Valdez, just 12% of owner-occupied households are cost-burdened; however, **half** of the renters in Valdez pay more than 30%. According to Zillow, the average value of a single-family home in Valdez in February 2023 was $278,900.

Housing Availability: A clear weakness in the Valdez economy is a lack of sufficient housing units to meet demand. In repeated community and business surveys in Valdez, the top economic need is the development of more housing, with 88% of the public identifying the construction of new housing as a medium to high priority. In the past 10 years, Valdez has added 62 new housing unit to the community, including 53 single-family homes, and 5 new mobile homes.

Valdez New Housing Permits
2007-2022



Sources: ADOL Employment and Wage data; Quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; US Census; Zillow. **Photo credits:** Jeremy Talbott. and Prince William Sound College.

Health Care Industry

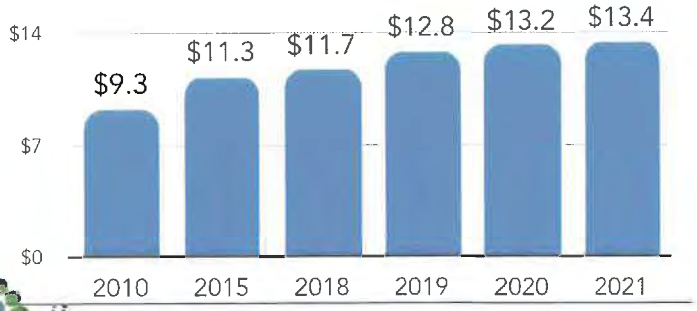
269 Annualized Jobs in 2021
$13.4 million in Wages
Jobs down 5% from 2018
Wages up by 15% from 2018

2021 Health care and social workers in Valdez accounted for 269 jobs in the community, comprising 10% of the workforce in 2021. The primary health care provider in Valdez is Providence Medical Center, a critical access hospital with 11 acute-care beds and 10 long-term care beds that offers an array of inpatient and outpatient services, including 24-hour emergency services. Also in Valdez are the Valdez Public Health Center and the Providence Counseling Center.

The Valdez health care sector posted declining jobs, a 5% loss of 13 annualized jobs in 2021 compared to 2018. But since wages have been continuing to increase as part of an effort to compete for workers, total earnings for the industry were actually up in 2021 over 2018 by 14.7%.

The decline of health care jobs is part of a larger trend. The community was already facing a shortage of health care workers pre-pandemic due to an aging populace, growing patient volumes, and cuts to university health care workforce programs. Health care worker vacancies have been increasingly harder to fill. The demand for health care workers has intensified nationally and globally, making it even more difficult to attract and compete for workers.

Valdez Health Care & Social Services Employment Wages
(in millions)



GOVERNMENT

Government

558 Annualized Jobs in 2021

DOWN 73 JOBS IN 2021

WAGES UP BY 3% FROM 2018

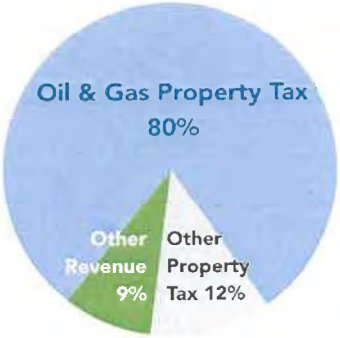
2021 Government wages made up 21% (558) of all Valdez jobs in 2021, and 20% of local employment earnings ($38 million). Overall public sector wages grew by $1.1 million from 2018 to 2021, an increase of 3%, while government jobs declined by 73 jobs, a decline of 7%

CITY GOVERNMENT
DOWN 48 JOBS IN 2021
WAGES UP BY 18%

The City of Valdez has sustained a steep workforce decline during the pandemic, losing 13% of all workers between 2018 and 2021, a loss of 48 year-round-equivalent staff. The loss is not due to job cuts, but due to unfilled vacancies. City of Valdez Economic Development Director Martha Barberio points to lack of housing and the rising cost of living as the primary culprits. Despite the losses, total wages increased by 18% over the same period, as the City raises wages to attract workers. City government workers include positions like teacher and police, along with administrative staff. Ten tribal government jobs are also included in this number.

In 2023, 80% of the city's $53 million general fund revenues is expected to be comprised of property taxes. The property value is fixed pursuant to a five-year settlement between the City and State of Alaska spanning tax years 2021-2025.

2023 Budget: City of Valdez General Fund Revenue $53.2 million



Nearly 90% of the taxable property is concentrated in the TAPS Marine Terminal.

FEDERAL GOVERNMENT
DOWN 2 JOBS IN 2021
WAGES UP BY 3%

In 2021 there were 128 federal workers in Valdez, including active-duty military, with $10.4 million in earnings.

The primary Federal Government employer in Valdez is the US Coast Guard (USCG). The USCG has several components including 25 Coast Guard at the Maritime Security Unit (MSU); 26 members at the small boat station; 12 members at the Sector Field Office; and 18 crew aboard the cutter Liberty. The cutter Liberty was assigned to Valdez in 2022. In 2001 the Coast Guard MSU Valdez was tasked with waterside security of the terminal and enforcing maritime security zones in and around the Port of Valdez. In 2004, Coast Guard Station Valdez was commissioned as a standalone multi-mission unit and became the Coast Guard's northernmost Boat Forces unit. U.S. Coast Guard Forces Valdez makes up an important part of the local community. Coast Guard family members attend Valdez Schools and work and volunteer in the community.

STATE GOVERNMENT LOSSES
DOWN 23 JOBS IN 2021
WAGES DOWN BY 8%

For the past ten years, the state government sector has reduced Valdez employment. From 2015 to 2021, state jobs have fallen by 21%, a decline of 30 annualized state workers. More than half of these lost jobs were from Prince William Sound College, which lost 23% of its staff.

STATE FISCAL PROBLEMS

The State of Alaska has operated in deficit mode without a fiscal plan for the past ten years, using $19.6 billion from savings accounts to cover budget gaps. In 2022, relief was provided in the form of high oil prices, rising from $42 per barrel in 2020, to an average of $100 per barrel in 2022, resulting in a significant, but mercurial, increase to the state general fund. However, in the first three months of 2023 the average price has dropped to $79 per barrel.

Sources: ADOL Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. City of Valdez. Alaska Office of Management Budget. University of Alaska. Interviews of Coast Guard sectors. Photo credit: US Coast Guard

Valdez Economic Diversification Commission

Colleen Stephens – Chair
Summer Tours & Attractions

Jim Shirrell – Chair Pro Tempore
Contracting & Trades

Will Stark – Commissioner
Banking & Financial Services

Jamie Berg – Commissioner
Food & Beverage

Anna Bateman – Commissioner
Valdez Native Tribe

Chris Watson – Commissioner
Information Technology

Martha Barberio – Director
City of Valdez Economic Development Department

The Economic Diversification Commission is an advisory commission to the City Council on activities related to economic development and diversification in Valdez.

Valdez