

# **Kenai Peninsula Comprehensive Economic Development Strategy (CEDS)**

**Report Period: 2010 - 2015**

## **2013 Update**

**Prepared by:**

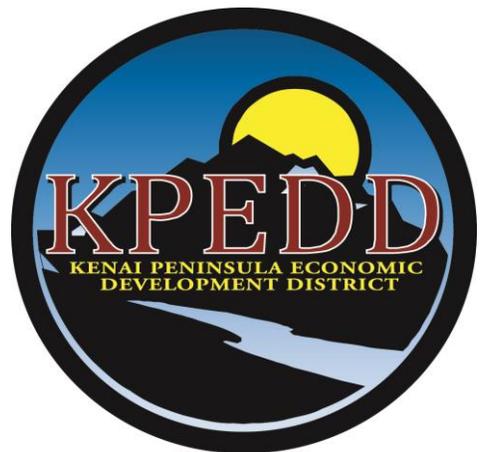
**KENAI PENINSULA ECONOMIC  
DEVELOPMENT DISTRICT, INC.**

**14896 Kenai Spur Highway, Suite 103A**

**Kenai, Alaska 99611**

**(907)283-3335**

**[www.kpedd.org](http://www.kpedd.org)**



*Leadership to enhance, foster  
and promote economic development*

**Acknowledgement**

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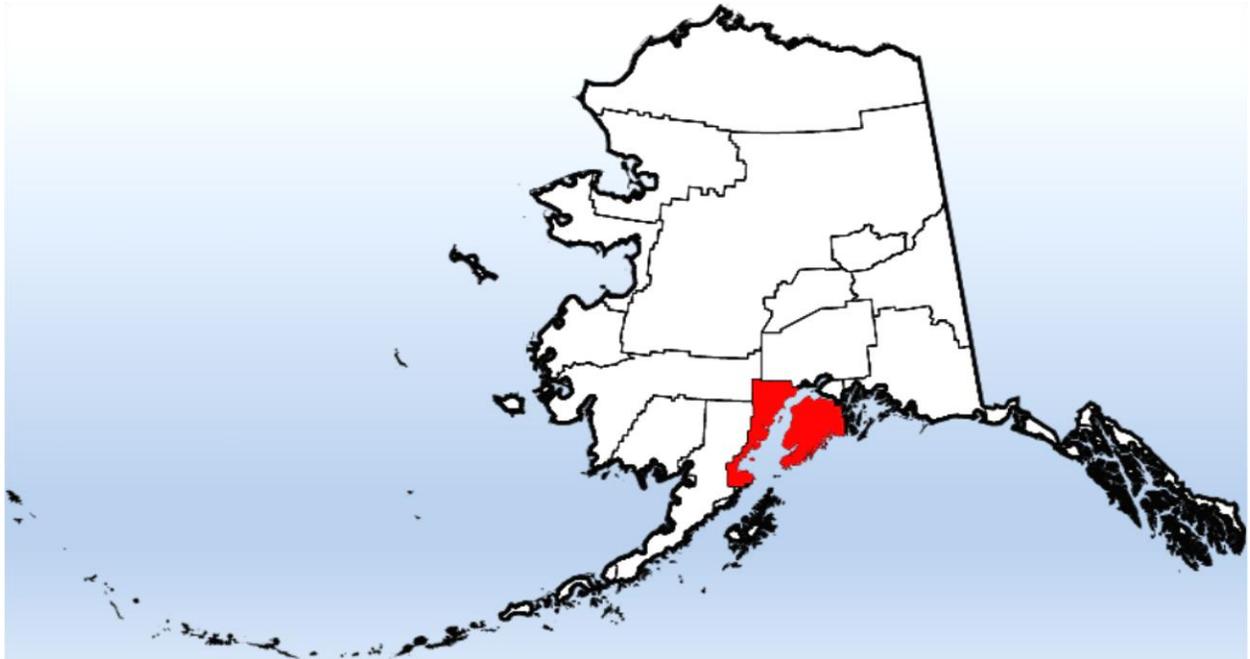
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## 1.0 Introduction

The Kenai Peninsula Borough (in red) is rich in diversity. With a geographic area of 16,000 square miles, the Borough is as large as Massachusetts and Connecticut combined. Four cities dominate the Borough: Kenai and Soldotna in the Central Peninsula are the industrial and business heart of the Borough, Seward in the Eastern Peninsula is the transportation hub of the Borough, and Homer in the Southern Peninsula is the cultural center of the Borough. Outlying and unincorporated communities across the Borough also have their own unique identity, history, strengths, and opportunities for growth.



This Comprehensive Economic Development Strategy (CEDS) was created by the Kenai Peninsula Economic Development District through a grant with the Economic Development Administration. This purpose of this plan is to:

Prioritize important community concerns;

- Create a shared vision for the Kenai Peninsula Borough;
- Protect valuable human and natural resources;
- Provide a comprehensive outlook of the strengths and weaknesses throughout the Kenai Peninsula Borough;
- Guide development in an orderly and predictable manner.

Information from this report comes from a variety of firsthand sources including industry forums, city officials, town hall meetings, economic development groups, and speakers at local Chambers of Commerce. In addition, statistics taken from the Alaska Department of Labor and Workforce Development supplement the findings in this document.

## **1.1 Kenai Peninsula Economic Development District, Inc. (KPEDD)**

Kenai Peninsula Economic Development District, Inc. (KPEDD) is located in Kenai, Alaska, in the heartland of Southcentral Alaska. KPEDD's boundaries correspond to the geographical boundaries of the Kenai Peninsula Borough. KPEDD's mission is to provide leadership in enhancing, fostering, and promoting responsible and sustainable economic development.

The first overall development program for the Kenai Peninsula Borough was developed in 1971, and, in 1980, the Kenai Peninsula Borough Resource Development Commission was established to serve in an advisory capacity to the Kenai Peninsula Borough on economic issues and to continue regional economic planning. The Borough Assembly and administration worked in partnership with municipalities and the Kenai Peninsula Resource Conservation and Development District to create a nonprofit economic development district. In 1988, KPEDD became a federally recognized Economic Development District through the U.S. Department of Commerce, Economic Development Administration (EDA). KPEDD, a 501c (4), also has a sister organization, Kenai Peninsula Opportunities, Inc. (KPO), a 501c (3) nonprofit.

In 1989, KPEDD was the first organization in Alaska to receive the designation as an Alaska Regional Development Organization (ARDOR) from the Alaska Department of Commerce, Community and Economic Development. With this status, KPEDD became eligible for funding assistance from the State to further regional economic development goals.

The KPEDD Board of Directors is structured to comply with the EDA, and Alaska state requirements. The Board includes elected officials from the Kenai Peninsula Borough and the cities of Kenai, Soldotna, Seward, Homer, and Seldovia. Also on the Board are business leaders across the Borough, representing the economic sectors of the region. There is also representation of minority groups and the under-employed and underserved sector. Current staff includes an Executive Director, a Programs Manager, and support staff.

KPEDD has received planning grants from EDA and the Alaska Department of Commerce, Community and Economic Development. KPEDD also has a contract with the Kenai Peninsula Borough. The organization augments these funding sources with project-specific grant programs, rental income from operating a 26,000 square foot Business Innovation Center, which includes a 6,000 square foot warehouse, grant administration fees earned by administering grants for other groups, fees from the operation of a revolving loan fund. Collaborating with generous sponsors KPEDD holds community economic forums.

## **1.2 Mission**

Development and implementation of the Kenai Peninsula Borough Comprehensive Economic Development Strategy will benefit all communities throughout the Borough by providing a broad understanding of the business climate and environment of the Kenai Peninsula Borough region. Collaboration between the Kenai Peninsula Economic Development District, local governments, private enterprise, individual citizens, non-profit organizations, and Native Organizations will foster a sound and shared business community of with an emphasis on year-round employment, a skilled workforce, and economic growth. The diverse economy of the Kenai Peninsula Borough will be prepared to overcome state and national economic challenges.

### 1.3 Board of Directors/Strategic Committee and Staff

<i>FY13 - Board Members/Strategic Committee</i>	<i>Board Seat</i>
Cheryle James, <i>President</i>	KPEDD Appointee - Borough
Bryan Zak, <i>Vice President</i>	City of Homer Official, City Councilman
Kristine Holdridge, <i>Secretary</i>	KPEDD Appointee - Soldotna
Brendyn Shiflea, <i>Treasurer</i>	KPEDD Appointee - Kenai
Vacant	KPEDD Appointee - Minority Representative
Jason Feeken	KPEDD Appointee - Kenai
Diana Spann	KPEDD Appointee - Under/Unemployed
Fred Esposito	KPEDD Appointee - Seward
Hal Smalley	Kenai Peninsula Borough Official
Jessie Clutts	KPEDD Appointee - Anchor Point
Linda Murphy	Kenai Peninsula Borough Official
Mike Dye	KPEDD Appointee - Homer
Mark Dixon	City of Soldotna Official, City Manager
Rick Koch	City of Kenai Official, City Manager
Risitine Casagrande	City of Seward Official, City Councilman
Tim Dillon	City of Seldovia Official, City Manager

#### *FY - 13 Staff Members*

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John Torgerson, Executive Director

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Carrie Couey, Programs Manager

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Heidi Hatch, Admin Asst/Bookkeeper

### 1.4 Area Economic Development Organizations

Chambers of Commerce in Kenai, Soldotna, Homer, Seldovia, Seward, and Cooper Landing aim to increase economic activity in their respective cities, promote their cities as business locations, and increase business opportunities for their members. In addition, the Chambers in Soldotna, Kenai, Seward, Seldovia, and Homer act as visitor centers for their respective communities. Homer's Chamber also houses a Business Resource Center. While lacking resources and staff, local governments in small communities pursue economic development goals as well.

The Alaska Small Business Development Center (SBDC) provides business assistance to new and growing businesses throughout the Borough. Services include free, confidential, one-on-one counseling, and low and no cost seminars. In addition, the SBDC provides a one-stop shop for small businesses with specialty assistance programs on government contracting, counseling on research and technology grants, and a buyers and sellers network for Alaska. An extensive resource library and Internet access is available to the public.

The Kenai Peninsula Resource Conservation and Development District (RC&D) has a long history assisting the Borough's unincorporated communities in addressing social, economic, and environmental issues. In recent years, the RC&D has been involved in community development, land conservation, and water quality/quantity related projects. The RC&D has provided technical and financial assistance for the development of community planning efforts for many of the region's unincorporated communities. Unfortunately, RC&D recently lost its federally funded liaison who provided administrative oversight of its programs. RC&D turned to KPEDD for support in these areas.

The Kenai Peninsula Tourism Marketing Council (KPTMC) is a cooperative regional marketing organization that promotes the Peninsula as a year-round destination. It produces a much-requested travel planner to many meaningful locations both inside and outside of Alaska. KPTMC markets the entire Kenai Peninsula and is often the sole tourism voice for the smaller rural communities.

The Kenai Visitors & Cultural Center, managed by the Kenai Chamber of Commerce, promotes Kenai as a visitor destination and serves as the community cultural center. The center houses an impressive permanent collection of Native Alaskan and historical artifacts, wildlife exhibits, and is one of the most visited public buildings in the entire Kenai Peninsula.



## 2.0 Alaska Economy

Alaska's economy of the past decade was without large booms, busts, or any defining economic event – yet it was still unique. The 2000–2010 decade was the slowest period of employment growth since statehood, and probably the least dramatic. Some referred to it as the “one percent economy” because that's about as much as it grew each year. Despite the lackluster economic performance, it might have been one of the more balanced decades, as nearly every industry contributed to the expansion. The fishing industry began to recover from the lows of the late 1990s and early 2000s; employment in the oil industry grew significantly; oil revenues and federal expenditures both more than doubled; a third of the state's currently operating large; mines opened, along with other major mineral; exploration and development; the number of summer visitors climbed from 1.2 million in 2001 to 1.5 million in 2010; international air cargo volume increased by a third. One exception to the growth trend was the timber industry, which continued to shrink during most of the past decade. High, unprecedented prices for commodities such as oil, minerals, and fish spurred production for many of the above industries.

Gross domestic product (GDP) is the most important gauge of the nation's economic health because it measures everything businesses and government produces within the United States. During the past decade Alaska's GDP grew at approximately 3 percent per year versus 2 percent nationally. The recession pummeled the nation's GDP figures over the past three years. At \$63,424, Alaska's per capita GDP calculated as of 2010 is highest in the nation. Alaska's high GDP numbers show the state's economy is especially productive relative to its population, but of that is tied to the high value in recent years of Alaska's commodities, especially oil, gas and minerals.

The year to year fluctuation in Alaska's GDP has much less effect on the state's overall economy. Alaska's inflation-adjusted GDP growth turned negative in 2000, 2003 and 2005 but employment and income in the state kept growing. That kind of year to year change at the national level would have spurred three near back-to-back recessions. Further, in 2009, the only time in 23 years employment and income fell in Alaska. However, due to record oil prices, the state's GDP grew by 9 percent that year.

The last several years have been rough economically for the nation. 2008, 2009 and 2010 the nation suffered a severe job loss. 2009 the average job count dropped by 6 million. New job creation is anticipated for 2011 but growth is overall weak and recovery is expected to be slow.

Though Alaska wasn't unscathed by recent events 2009 was the only year Alaska experienced job loss, a mere 0.4%. Preliminary numbers for 2011 indicate a 1.6 percent gain, stronger than average for the decade.

## **2.1 Oil and Gas**

Alaska is dependent on oil production, prices, and exploration more than any other facet of the economy. Natural resource development brings new money into Alaska and pays for a large portion of the state government budget. Nearly 90% of the state's unrestricted funds in 2010 were from oil related property taxes, corporate petroleum income taxes, oil production taxes, and oil related royalties. The industry serves as a stabilizing force on Alaska's economy, accounting for 25 percent of the GDP. Direct employment in the oil and gas industry makes up just 4 percent of the state's total employment, 25 percent reflects the far-reaching influence to the economy. Before development of Prudhoe Bay the industry represented 14 percent of the state's GDP in comparison to the 50 percent in the mid-1980s.

Average oil prices exceeded \$100 per barrel for the first time in 2011. These high prices are expected to continue through 2012. The past four years oil industry employment has been relatively stable and is likely to remain that way. Increases in exploration led by independent and new explorers will help maintain current levels of production in Cook Inlet and the North Slope. Recent developments with Shell Oil and offshore drilling in the Beaufort Sea could lead to a new major discovery that will have a significant impact on Alaska's economy.

## **2.2 Tourism**

Tourism is a large industry in Alaska due to the majestic mountains, glaciers, and wildlife. The industry has grown steadily since the 1960s, and has experienced sharp growth over the last two decades. Between 1990 and 2005, the number of tourists visiting Alaska in the summer more than doubled to nearly 1.2 million. 2006 saw 1.63 million visitors while 2007 set all-time records at 1.71 million. The national recession dramatically affected the number of visitors in 2009 and 2010. Industry experts estimate 1.56 million out of state visitors came to Alaska during "tourist season" (typically May to September) in 2011.

The cruise ship industry is a major sector of Alaskan tourism. Approximately 60% of tourists to Alaska arrive by cruise ship, and 40 percent of those passengers make a return trip to the state. In any given year, the cruise industry will contribute between 4 percent and 5 percent of the entire Alaskan revenue. In 2009, just over a million passengers arrived to the state by cruise ship; a decline of more than 15 percent followed by continued reduction in 2010 by 14 percent. 2011 saw an increase of 2 percent and continued growth is projected in 2012; 6 percent is the estimated increase.

Tourist arriving by air peaked in 2007 with over 600,000 visitors. 2009 brought a 15 percent decline in the arrivals at Alaska's major airports. Fortunately, a quicker than anticipated recovery in air travel numbers were recorded in 2010, up 14 percent. This was followed by an increase of 5 percent for 2011. 2012 numbers are expected to reflect continued growth.

Highway and ferry traffic have seen a continuous downward trends since 2006 dropping from 84,000 to just over 69,000 in 2011. Aside from the national recession, the cost of fuel has increased dramatically. Tourism surveys indicate shorter visits and more border crossings by Canadians making short trips to the US / Alaska.

As the nationwide recession wanes, the industry is optimistic in continued growth. Increases in cruise ship passengers, air travelers and independent highway and ferry traffic in the past few years is slow but proves to be steady.

### **2.3 Mining**

Alaska's mining industry includes exploration, development, and production of coal, gold, lead, silver, and zinc, as well as construction materials. Mining has played an important role in Alaska's history, and today the industry continues to be a growing force in the state of the economy. Since 1990, the state of Alaska has added four world-scale mines, helping offset the losses to the fishing and timber industries.

In 2009, mining provided 3,300 direct jobs, 5,200 total jobs and \$320 million in payroll to Alaskans. The industry paid \$35 million to the state government through royalties, leases, and taxes, \$12.3 million to local governments, and \$39.8 million to Alaska Native Corporations. Mining provides year-round, high-paying jobs for residents in more than 120 communities throughout Alaska. As one of the few industries in Alaska, mining jobs have been on a steady climb since 2004. 2010 to 2011 showed an increase of 5.8 percent. More growth is expected in 2012.

### **2.4 Government**

Despite the declines in overall economic performance in recent years, growth has come from the government sector. This is in contrast to many other states that are facing major budgeting shortfalls. Federal spending in Alaska is high, relative to the population, for several reasons, among which are a large military presence, huge federal land holdings, federal health-care programs for Alaska Natives, and continuing construction of basic infrastructure. Federal government provides for nearly 1/3 of the economic activity in the state of Alaska. Military and civilian dollars have doubled in both real terms and purchasing power from 1990 to 2008, from \$5 billion to \$10 billion. This amount jumped to nearly \$12 billion in 2009 and then increased again in 2010.

As remedies to the bloated national deficit are put in place, Alaska is at great risk of losing more than any other state in the nation. Like oil and gas, declines in government spending will significantly affect Alaska's economy.

### **2.5 Fishing**

In recent years, the fishing industry in Alaska accounted for nearly 57,000 jobs, over \$65 million for the State of Alaska, and over half of the nation's seafood landings. Fisheries in Alaska have been lauded as one of the world's largest renewable resources. Uniquely, Alaska produces nearly 80% of wild coho, sockeye, and king salmon for the world, and continues to support wild fisheries, not allowing farmed fish. Projection for Alaskan salmon harvest in 2009 was 175 million fish. Favorable prices and increasing global demand for seafood keep this industry a large albeit lower-paying employer that also helps support other industries. Estimates for 2011 seafood-processing jobs are well above 2010 levels.

### **2.6 Construction**

Peaking in 2005 the construction industry has been hurt significantly by the economic slowdown in Alaska. A result of low consumer confidence and the bursting housing bubble,

the industry experienced a slowdown in both commercial and private building in 2009. The workforce for the industry dropped 6.4 percent between December 2008 and December 2009, a loss of 1,100 jobs. Public construction projects have helped sustain the industry; however, government-funded projects are primarily focused on transportation projects rather than buildings. The Army Corp of Engineers plans a long list of \$10 million-plus projects for Anchorage's military base in 2012.

## **2.7 Transportation**

Employment in transportation at Ted Stevens International Airport was down in 2009. Over the year, there was a sharp decline in international cargo flights that stopped for refueling and servicing. This, coupled with the drop in tourism, cut a number of jobs. In early 2010, between 50 and 100 additional air transportation workers lost jobs due to the shutdown of Northwest Airlines' cargo hub in Anchorage.

## **2.8 Forestry and Timber**

Historically, the Forestry and Timber industry has been an important contributor to the Alaskan economy. In the past two decades, however, the industry has been in sharp decline. Alaska has experienced political and economic pressures, increased federal land withdrawals, a more stringent regulatory climate, and environmental lawsuits for the closure of Southeast Alaska's two pulp mills. Logging and Wood Products employment remains a mere shadow of its recent past state, falling from 4,600 jobs in 1990 to only 200 Logging jobs and 400 Forest Products jobs today. Annual payroll lost since 1990 is well over \$100 million.

## **2.9 Employment**

For the first time in nearly 30 years, the Alaska unemployment rate was better than the U.S. rate for the entire year in 2009. Statewide, the monthly job loss for the year was 0.3%. Contrary to the dramatic job losses occurring nationally, there was still growth in the Alaska job market in the first quarter of 2009. As the year progressed, however, the job market slowly deteriorated and finished with 1,900 fewer jobs in December 2009 than at the end of 2008.

To start 2010, Alaska had 1% fewer jobs than the state had to start 2009. Many of these lost jobs in finance, manufacturing, and construction are gone and not coming back soon as businesses have adopted a wait-and-see attitude for employment, investments, and growth. Anchorage predicts about 1,200 job losses in 2010, resulting in an employment declining of 0.8% compared to 2009. However, 2010 is also expected to be the year that the city bottom's out, with the city soon expecting to begin recovery from the national recession.

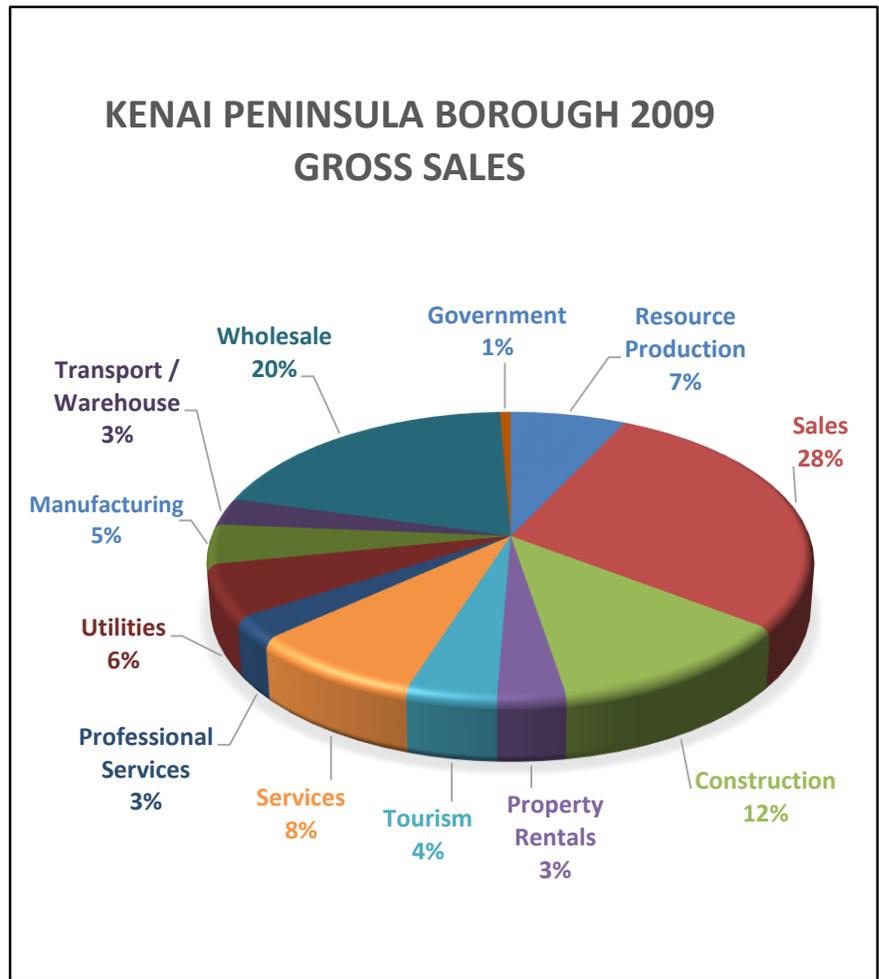
Often, Alaska's monthly job estimates provide an in-depth look at the Alaskan economy. The increase in unemployment ironically is a sign of the State's relative economic strength compared to the rest of the nation. Most analysts attribute the increase in unemployment to an influx of people looking for work. Unfortunately, this has increased demands on public and non-profit social service agencies. Many non-profits report their revenues will not be able to keep up with demand.



### 3.0 Kenai Peninsula Borough Economy

The economy of the Kenai Peninsula Borough is one of the most diverse in the entire state. It is easy to recognize that in all communities across the Borough there are many industries in action. Prominent economic sectors in the Borough include oil and gas, seafood, tourism, healthcare, government, construction, retail and wholesale trade, and services. The oil and gas industry - including exploration, extraction, storage, processing, manufacturing, and transportation - accounts for approximately one-third of the labor force in the Borough. The Borough economy also has highly seasonal influences from industries such as tourism, seafood, and construction which are most active in the summer months. Employment falls off in the winter months. To some extent, this seasonality has an impact on other industries, such as transportation, energy, retail, and trade.

The Kenai Peninsula Borough Department of Economic Analysis breaks the economy into twelve sectors. The largest sector in the Borough is Sales, both Retail Sales and Restaurant/Bar Sales. This accounts for \$768 million in 2009, over 28% of the annual gross sales for the Borough. Wholesale Trade, accounts for \$543 million, made up 28% of the Borough sales. The other sectors for the Borough are Construction (12%, \$328 million), Services (8%, \$228 million), Resource Production (7%, \$193 million), and Utilities (6%, \$160 million).



When taken as a whole, the Kenai Peninsula Borough's annual gross sales figure in 2009 was over \$2.7 billion. Compared to 2008, gross sales in the Borough dropped 14%, or \$440 million. 2008 became the first time the Borough reported taxable sales over the \$1 billion mark, however a drop of 15% in 2009 decreased that number to \$877 million.

The Kenai Peninsula Borough publishes sale tax data and statistics in arrears. This report contains the most current data available.

### 3.1 Oil and Gas

Almost all natural resources jobs are in the oil and gas industry, and most of those earn high wages and are in the Kenai/Soldotna area. Oil and gas jobs accounted for about 6 percent of the borough's employment in 2010 and 14 percent of its wages. The average annual wage was \$86,700 in 2010, far above the borough's average of \$38,850.

Most producing oil and gas fields in the Cook Inlet Basin are mature fields past their expected peak production volumes. Oil production has declined since the 1970s, when Cook Inlet produced 140,000 barrels a day. The decline was fairly consistent until 1991 when the last major oil discoveries, the McArthur River and Sunfish oil fields, were made. Production stabilized until 1996, then began declining again. From 1978 to 2009, oil production declined by 129,000 barrels a day.

According to the Anchorage Daily News in 2010 Chevron completed a gas well from the Steelhead platform. Chevron also partnered on drilling programs at Ninilchik and Beluga River. Chevron plans to begin its Chevron-operated program in the third quarter of 2011 with a workover and gas drilling program on the Steelhead. Chevron operates in Alaska with its affiliate Union Oil Co. of California. Last October, the companies announced plans to sell their Cook Inlet assets.

Marathon Oil says it will reduce drilling. The Houston-based company plans to drill between one and three wells a year in Alaska in 2011 and 2012. Marathon drilled nine wells in 2008, six wells in 2009 and three wells in 2010. Marathon, however, did do something rare in 2010; it drilled an exploration well. The company said its Sunrise LK2 well inside the Kenai National Wildlife Refuge "encountered a zone of interest" but released no details.

Conoco Phillips and Marathon are mothballing their liquefied natural gas export facility on the Kenai Peninsula. While the companies said they are monitoring LNG demand in Japan in the aftermath of an earthquake, tsunami and nuclear disaster, they do not have plans to make any shipments beyond their original contract. Conoco Phillips is focusing mostly on field maintenance. The company is working to move compressors at the Beluga River unit closer to wells to increase reservoir pressure.

The newest producer in the inlet is Armstrong Cook Inlet. The Denver-based independent and several partners recently got approval to bring the North Fork unit, located onshore in the southern Kenai Peninsula, north of Homer, into production. Armstrong is set to make deliveries to Enstar Natural Gas through a contract brokered in 2009 but is also exploring the oil potential of the unit. With North Fork, the regional natural gas transmission grid now extends into the southern half of the Kenai Peninsula. So far leaseholders in the region have not announced any new projects. Chevron, through Unocal, recently asked the state to extend the terms of the Nikolaevsk unit, just northeast of North Fork, from March 31, 2011, until March 31, 2012.

Pioneer Natural Resources recently terminated its Cosmopolitan unit, west of North Fork along the coast by Anchor Point, but kept two leases held by production. The short-term status of those leases will become known when the division releases the notice for the next Cook Inlet area wide lease sale, expected in the next few weeks. Cosmopolitan is primarily an oil play, but is thought to contain significant gas as well.

The largest leaseholder in the Cosmopolitan area is Apache, the Houston-based independent that arrived in Alaska last year and generally reworks old oil plays.

Several other companies arrived in the Cook Inlet last year and quickly got to work. Linc Energy Alaska, the local subsidiary of an Australian independent, recently completed its first well in Alaska, an onshore project near Point MacKenzie. Since arriving in Alaska, Linc has acquired 122,000 acres in oil and gas leases and 181,000 acres in Underground Coal Gasification leases from the Mental Health Trust. Linc drilled the LEA No. 1 well in October 2010, confirming "three significant sand intervals that appear to be gas charged." Linc is still analyzing the well. While LEA No. 1 is a conventional gas well, Linc is primarily focused on Underground Coal Gasification, a process to produce synthesis gas in place from deep coal seams.

Local independent NordAq Energy Inc. spudded its Shadura No. 1 exploration well in mid-February on Cook Inlet Region subsurface acreage in the Kenai National Wildlife Refuge. On the west side of Cook Inlet, Cook Inlet Energy, a subsidiary of Tennessee independent Miller Energy Resources, spent its first year in Alaska restoring production from older fields it picked up from the bankruptcy of Pacific Energy Resources. Cook Inlet Energy is considering exploration and development wells it could drill from the Osprey platform. The company is seeking financing to proceed.

Meanwhile, veteran Cook Inlet independent Aurora Gas -- a leaseholder on both sides of the inlet -- is focusing on marketing its gas, but is also proposing to drill two wells this year. The company said it might farm out some or all of its exploration acreage.

Buccaneer Alaska, the local subsidiary of an Australian independent, is gearing up to drill its first well in Alaska, an onshore project just north of Marathon's Cannery Loop unit. Buccaneer recently contracted the Glacier Drilling Rig No. 1 -- previously used at NordAq's Shadura No. 1 well -- to drill the Kenai Loop No. 1 well this spring. Buccaneer is also planning a much larger drilling project for this summer. The company is looking to buy a jack-up rig to explore two offshore prospects in upper Cook Inlet -- the Southern Cross unit and the North West Cook Inlet unit. Buccaneer is partnering on the purchase with the Alaska Industrial Development and Export Authority.

Buccaneer is not the only company that wants to see a jack-up rig in Alaska. Houston independent Escopeta Oil is shipping the Spartan 151 jack-up rig to Cook Inlet. The rig is expected to arrive in Alaska in early May. The jack-up is under a two-year lease, with an option for an additional four years. Escopeta also has an option to purchase the rig, and intends to use it to drill both its own wells and those of other operators.

Alaska Senate Bill 309 was passed in 2010. The legislation amended and extended the exploration and development incentive tax credit for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state providing a credit against the tax on the production of oil and gas for drilling certain exploration wells in the Cook Inlet. These activities are a result of this legislation. In the next year it is anticipated that the oil and gas activity will continue to grow.

### **3.2 Tourism**

The Kenai Peninsula Borough is famous for its scenic beauty and outdoor recreation, attracts both out-of-state and in-state visitors throughout the year. It's relatively close to Anchorage, where 42 percent of the state's population lives. The drive to Seward from Anchorage is roughly 2½ hours; Homer is 6 hours.

Like most of Alaska, summer is the main tourist season. August 2010 peaked at nearly 5,000 jobs above the seasonal low in January. The Kenai River, renowned for its world-record king salmon, is a very popular destination. Fishing of all types - independent, sport fishing and commercial - brings thousands of people to the Kenai Peninsula every year. Seward has the Alaska Sealife Center, the state's only public aquarium and ocean wildlife rescue center. Homer's Alaska Islands & Ocean Visitor Center is partnered with the Alaska Maritime National Wildlife Refuge and the Kachemak Bay Research Reserve making it the largest sea bird refuge in the world. Nearly 163,000 people visited the center in 2010. The \$56 million center opened to the public in 1998; it focuses on research, rehabilitation, education and exhibits.

The out-of-state visitors are both independent travelers and cruise ship passengers. Independent travelers typically come from Anchorage. Cruise ship passengers embark or disembark at the Port of Seward. As part of their trip, they often travel to or from Anchorage, Denali National Park and Fairbanks via tour bus or the Alaska Railroad.

Summer employment can be twice as high or more than winter levels. Looking at 2008, for instance, the winter low in the leisure and hospitality sector was 1,790 jobs; the high point that summer was 3,700. Average annual employment for the sector from 2004 to 2009 was consistently about 2,500 - 13 percent of the borough's total employment.

For the second quarter 2010, the Kenai Peninsula Borough reported that both gross sales and sales tax revenue were down compared the same time the year before. The decline in gross sales indicates that the recession is having a negative impact on sales. And a nine-month tax exemption for non-prepared food caused part of the decline in sales tax revenue. The most noticeable effect of the recession outside of sales was in the decrease in tourism.

There were 2,900 fewer cruise ship passengers in 2010 compared to 2009. Tourism impacts most sectors of the economy either directly or indirectly. The leisure and hospitality, transportation and retail sectors are directly impacted by tourism. But some less obvious sectors are indirectly affected - construction, local government, utilities and others - sectors that accommodate tourists, but not exclusively.

### **3.3 Mining**

The gold mining settlements in the late 1880s at Hope and Sunrise sprang up along the shores of Turnagain Arm. Both communities served as supply and entertainment sources for thousands of people. Sunrise all but disappeared after nearby mining played out and fire destroyed much of the town. Placer mining on nearby Resurrection Creek and lode deposits in Palmer Creek kept Hope going. By 1931, only about 20 men were actively engaged in placer mining on local creeks. Today, scant evidence exists of Sunrise, but Hope survives. Almost 100 years of mining in the northern Kenai Peninsula has produced about 133,800 oz. of placer gold. Hard rock mines produced an additional 30,000 oz.

Although the economy of the Kenai Peninsula is heavily dependent upon the oil and gas, fishing and tourism industries, interest has turned lately to the promise of a proposed major mining project. Northern Dynasty Minerals Inc. is edging toward completion of a feasibility study and state permit acquisition to build an open-pit mine known as the Pebble Gold-Copper Project north of Lake Iliamna located in the Lake and Peninsula Borough west of Cook Inlet.

The company is risking millions, but geologic surveys indicate the payoff could be huge in gold, copper, molybdenum, silver and other metals. It is the potential ripple effects of the project that have the attention of residents and government officials in much of Southcentral Alaska, including the Kenai Peninsula Borough. Northern Dynasty is considering various operational scenarios, all of which could mean jobs for Southcentral Alaska residents and perhaps lucrative contracts for local supply businesses. A workforce of 2,000 to 4,000 is expected to be required during construction, with around 1,000 employees needed during the 50-plus year mine life.

Chuitna Coal Project is a coal mining and export development about 45 miles west of Anchorage directly across from the Kenai Peninsula. This project will impact the community of Tyonek providing long term high paying employment. The project predicts a 25-year mine life with a production rate up to 12 million tons a year.

### **3.4 Government**

About 23 percent of the borough's wage and salary jobs are in local, state or federal government. Five of the borough's top-10 largest employers are government entities, and most of those are in local government. Government jobs are typically important to smaller economies such as the borough because it provided stability and have relatively high pay and comprehensive benefits.

The Kenai Peninsula Borough School District is the largest single government employer. It oversees the education of 9,368 students in 44 facilities. Though the borough owns Soldotna's 46-bed Central Peninsula Hospital and Homer's 22-bed South Peninsula Hospital, the hospitals are operated by nonprofit corporations.

The Alaska Department of Corrections operates two prisons in the borough. The 500-inmate Spring Creek Correctional Center, across Resurrection Bay from Seward, has about 200 employees. The 360-inmate Wildwood Correctional Complex, three miles north of Kenai, has about 100 employees.

The borough's state government jobs are also in post-secondary institutions, the Kenai Peninsula College (KPC) system and AVTEC - Alaska Technology Institute. Located in Seward, AVTEC is operated by the Alaska Department of Labor. KPC is part of the University of Alaska Anchorage and has three campuses: the Kenai River Campus in Soldotna, Kachemak Bay Campus in Homer and the Resurrection Bay Extension Site at Seward High School.

The federal government has a much smaller presence in the borough than both local and state government. The Federal Aviation Administration and federal natural resource agencies employ most of the borough's federal workers.

### **3.5 Fishing**

The Kenai Peninsula Borough has a long history of commercial fishing and seafood processing. Nearly 1,400 borough residents hold commercial fishing permits. Most of the permits are for salmon and most of the permit holders live in the Kenai/Soldotna and Homer areas. Most of the permits in the Homer area are for halibut, herring and groundfish (primarily Pacific cod and pollock). In Seward, the number of permits for halibut and salmon are almost equal. During the 1990s, the number of permit holders in the borough decreased by 28 percent, but since then the number has been relatively stable. The borough's commercial fishing harvest value peaked in 1984 at \$158.1 million. Since then, conditions haven't always been good. There were rocky years of low harvest values in 1980, 1984, 1998 and 2001. Harvest values, though, have grown since 2002; earnings pushed past the \$100 million mark in 2008. As expected, high levels of commercial fishing usually coincide with high levels of fish processing. Fish processing occurs in Nikiski, Kenai, Soldotna, Sterling, Kasilof, Ninilchik, Homer, Seldovia and Seward. Processing employment made up 52 percent of the borough's manufacturing jobs in 2010.

### **3.6 Construction**

If approved by the governor the final \$3.1 billion capital budget passed by state lawmakers in May 2011 includes nearly \$144 million for the House districts that serve much of the Kenai Peninsula. Projects will include \$5 million for the Nikiski Senior Center to build a new center, a \$5 million grant for the Kenaitze Indian Tribe's Dena'ina Health and Wellness Center construction, and \$4.5 million for roads throughout the Kenai Peninsula Borough.

The city of Soldotna is on track to receive \$2 million for work on Redoubt Avenue and \$3.4 million for the planned expansion at the Joyce Carver Memorial Library.

Soldotna and the city of Kenai would get help with their waste-water systems. Kenai would receive funding for its water transmission project to the tune of \$1.6 million, and Soldotna would receive more than \$700,000 for the city's well house work.

The Kenai Armory, Soldotna Trooper Detachment, and the Kenai Courthouse are all on the list for construction projects.

The budget also allocates \$1.8 million for Kenai Peninsula College's student housing. That money would go toward prep work in design and engineering for dorms at the Kenai River Campus.

These projects will provide jobs, create new jobs, and expand the construction industry across the peninsula.

### **3.7 Transportation**

The only highway connecting the Kenai Peninsula Borough to the rest of Alaska is the Seward Highway. This highway connects Seward to Anchorage a distance of 127 miles. At Tern Lake Junction, mile 37 of the Seward Highway, the Sterling Highway begins and then ends 142 miles south in Homer. The Alaska Department of Transportation maintains these highways. The Sterling Highway is the only highway servicing much of the Kenai Peninsula.

The Kenai Peninsula Borough Road Service Area (RSA) maintains over 630 miles (98% is gravel and 2% is paved) of roads. Winter maintenance includes snow plowing and sanding. Summer maintenance includes minor road repairs, grading, clearing right-of-ways, sign installation, and culvert clearing. Maintenance work is all contracted to local contractors. RSA staffing includes one director, four road inspectors, one administrative assistant and one senior clerk typist. The road inspectors evaluate road conditions for the South, Central, East, North and West regions and call-out all maintenance. The inspectors receive and respond to input from the RSA Board, director and citizen complaints.

The Alaska Railroad maintains rail service from Anchorage to Seward. This is a popular tourist experience in the summer. Coal from Healy, north of Fairbanks is transported to Seward and exported globally via ship.

The Alaska Ferry system has ports and regularly scheduled service out of Homer and Seldovia.

There are 14 principal public airports, three public floatplane bases, and numerous private airstrips within the Kenai Peninsula Borough. In addition, there are private airports and landing strips. Beaches, lakes, and river bars also provide landing sites for small aircraft throughout the Borough. As work in Cook Inlet expands due to oil and gas exploration, the Kenai Municipal Airport will see increases in passenger and freight operations.

The largest airport located in Kenai is planning expansion through 2015. This includes extensive paving, upgrading fencing/security, construction of facilities on the main apron and the floatplane basin.

### **3.8 Forestry and Timber**

The spruce bark beetle outbreak on the Kenai Peninsula is the largest natural disturbance event to affect terrestrial ecosystems in Alaska since the 1964 earthquake, and its impacts will persist for decades.

During 1990s, the spruce bark beetle epidemic impacted 4 million acres of forest. This spruce bark beetle epidemic has been and continues to be a pervasive forest health issue in Alaska. The tree mortality is affecting every component of the ecosystem, including the socioeconomic culture dependent on the resources of these vast forests.

Based on information obtained through workshops and outreach to resource managers and stakeholders, the US Forestry Department has developed priority issues for restoring the land. Wildfire is a major issue, particularly for the wild land-urban interface areas around Anchorage and on the Kenai Peninsula.

Beetle numbers have subsided, but localized areas are still being impacted and the long-term effects of the dramatic forest change will require the attention of land managers and public administrators for years.

### 3.9 Employment

For a relatively small economy, the Kenai Peninsula Borough has a broad range of jobs and there's no dominant industry. The five industry categories that have the most employment are local government, retail trade, leisure and hospitality, natural resources and health care. Together, they represented only 58 percent of the borough's employment in 2008. That diversity allows the borough to be more resilient to declines in any one industry.

The geography of the borough can be broken into three general areas: Kenai/Soldotna, Homer and Seward. The Kenai/Soldotna area, which encompasses most of the borough's central, northern and western areas, has 12,500 jobs, 67 percent of the borough's total. The jobs, buoyed by the oil and gas industry in the Kenai and Nikiski areas, tend to have higher wages. The average annual wage in 2010 was \$41,000 versus the borough average of \$38,850. Government accounts for about 22 percent of the Kenai/Soldotna area's jobs; health care accounts for 11 percent and retail trade, 14 percent. Some of the larger employers are the Kenai Peninsula Borough School District, Central Peninsula General Hospital, Fred Meyer, Safeway, State of Alaska and ASRC Energy Services.

The Homer area, which covers from Ninilchik southward to Homer and Seldovia, has 20 percent of the borough's employment - about 3,800 jobs. Those jobs average \$34,300 a year, compared to the borough's \$38,850. The top employers are government (21 percent), health care (16 percent), leisure and hospitality (15 percent) and retail trade (14 percent). The Homer area's largest employers are the Kenai Peninsula Borough School District, South Peninsula Hospital, Safeway and South Peninsula Behavioral Health Services.

The Seward area - from Crown Point south to Lowell Point - has 2,300 jobs. The top employers are government (29 percent of the jobs), leisure and hospitality (22 percent) and health care (6 percent). The largest employers are Spring Creek Correctional Facility, Icicle Seafoods and the Seward Association for the Advancement of Marine Science.

Many people don't know that the borough's western border runs across Cook Inlet and on to the mainland, so the borough includes more than just the Kenai Peninsula. Except for three people on Kalgin Island and a few seasonal lodges, people live in Beluga (pop. 24) and Tyonek (pop. 166) on the mainland.

## 4.0 Kenai Peninsula Community Economy

The Kenai Peninsula consists of twenty-seven communities in four population and geographic regions: the Central Peninsula, the Southern Peninsula, the Eastern Peninsula, and the Western Peninsula.

### 4.1 Central Peninsula Region

The Central Peninsula is located only 60 air miles south of Anchorage. It is home to over 65% of the region's population and includes the cities of Kenai and Soldotna and the communities of Nikiski, Sterling and Kasilof. Major industries in the Central Peninsula include energy, the visitor industry, and commercial fishing. The retail, medical and other professional service sector have assumed increasing importance in recent years, as the Central Peninsula has evolved into the region's retail, medical and service hub.

#### 4.1.1 Nikiski

Population	4,493 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	69.6 sq. miles of land, 6.6 sq. miles of water
Mill Rate	4.5 (Borough) excludes service area taxes
Sales Tax Rate	3% (Borough)



#### Location and Climate

Nikiski is located on the Kenai Peninsula, 9 miles north of the city of Kenai, off of the Sterling Highway. It is also known as Port Nikiski and Nikishka. It lays at approximately 60.716050° North Latitude and -151.34066° West Longitude. (Sec. 02, T006N, R012W, Seward Meridian.) Nikiski is located in the Kenai Recording District. The area encompasses 69.6 sq. miles of land and 6.6 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## History, Culture, Demographics

Traditionally in Kenaitze Indian territory, the area was homesteaded in the 1940s and grew with the discovery of oil on the Kenai Peninsula in 1957. By 1964, oil-related industries located here included Unocal, Phillips 66, Chevron, and Tesoro. Nikiski is located close to the City of Kenai, where many residents travel to purchase goods and services.

According to Census 2010, there were 1,998 housing units in the community and 1,689 were occupied. Its population was 7.7 percent American Indian or Alaska Native; 85.6 percent white; 0.1 percent black; 1.1 percent Asian; 0.4 percent Pacific Islander; 4.6 percent of the local residents had multi-racial backgrounds. Additionally, 2.6 percent of the population was of Hispanic descent.

## Facilities

The majority of homes use individual water wells and septic tank systems. The remainder of residences hauls or has water delivered and uses privies. Almost all homes are fully plumbed. The schools operate their own well water systems. A borough refuse transfer facility is located on Poolside Ave. Homer Electric Association provides electricity. 759 students attend two schools located in the community. Nikiski Fire Dept./EMS and Central Peninsula Hospital in Soldotna provide auxiliary health care.

## Economy

Nikiski is the site of a Tesoro Alaska oil refinery, where Cook Inlet and some North Slope crude oil is processed into jet fuel, gasoline, and diesel. Commercial and sport fishing, government, retail businesses, and tourism-related services also provide employment. In 2010, 43 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 2,050 (MOE +/-288) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$70,000 (MOE +/--\$10,854). The per capita income (in 2009 inflation-adjusted dollars) was \$25,713 (MOE +/--\$3,122). About 14.8% (MOE +/-6.9%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

### 4.1.2 Kenai

Population	7,100 (2010 US Census)
Type of incorporation	Home Rule City
Form of Government	Council - Manager
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	Kenaitze Indian Tribe, IRA
Village Corporations	Kenai Native Association, Inc. and Salamatof

	Native Association, Kenaitze Indian Tribe
Land Area	29.9 sq. miles land, 5.6 sq. miles water
Mill Rate	8.37 (City & Borough)
Sales Tax Rate	3% (City); 3% (Borough)
 	

### Location and Climate

Kenai is located on the western coast of the Kenai Peninsula, fronting Cook Inlet. It lies on the western boundary of the Kenai National Wildlife Refuge, on the Kenai Spur Highway. It is approximately 65 air miles and 155 highway miles southwest of Anchorage via the Sterling Highway. It lays at approximately 60.554440° North Latitude and -151.25833° West Longitude. (Sec. 05, T005N, R011W, Seward Meridian.) Kenai is located in the Kenai Recording District. The area encompasses 29.9 sq. miles of land and 5.6 sq. miles of water. Winter temperatures range from 4 to 22; summer temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

### History, Culture and Demographic

Prior to Russian settlement, Kenai was a Dena'ina Athabascan Indian village. Russian fur traders first arrived in 1741. At that time, about 1,000 Dena'ina lived in the village of Shk'ituk't, near the River. The traders called the people "Kenaitze," or "Kenai people." In 1791, a fortified Russian trading post, Fort St. Nicholas, was constructed for fur and fish trading. It was the second permanent Russian settlement in Alaska. In 1849, Egumen Nicholai established the Holy Assumption Russian Orthodox Church. In 1869 the U.S. military established a post for the Dena'ina Indians in the area, called Fort Kenay, which was abandoned in 1870 after the U.S. purchased Alaska. A post office was established in 1899. Through the 1920s, commercial fishing was the primary activity. In 1940, homesteading enabled the area to develop. The first dirt road from Anchorage was constructed in 1951. In 1957, oil was discovered at Swanson River, 20 miles northeast of Kenai - the first major Alaska oil strike. The city was incorporated in 1960. In 1965, offshore oil discoveries in Cook Inlet fueled a period of rapid growth. Kenai has been a growing center for oil exploration, production and services since that time.

A federally recognized tribe is located in the community -- the Kenaitze Indian Tribe. 12.1% of the population are Alaska Native or part Native. The Kenai River is a major sport fishing location for Anchorage residents and tourists. The river is world renowned for trophy king and silver salmon. The Kenaitze (Tanaina Athabascan) live borough-wide and utilize the rich resources of Cook Inlet.

According to Census 2010, there were 3,166 housing units in the community and 2,809 were occupied. Its population was 8.9 percent American Indian or Alaska Native; 79.9 percent white; 0.7 percent black; 1.5 percent Asian; 0.3 percent Pacific Islander; 7.9 percent of the local residents had multi-racial backgrounds. Additionally, 4.5 percent of the population was of Hispanic descent.

### **Facilities, Utilities, Schools and Health Care**

Water is supplied by three deep wells and is piped to 75% of households. A fourth well is planned. Sewage is piped and receives secondary treatment. The remaining 25% of households use individual water wells and septic systems. Natural gas from Enstar is primarily used for home heating purposes. Homer Electric Association operates the Bradley Lake Hydroelectric Project and is part owner of the Alaska Electric Generation & Transmission Cooperative. It also purchases electricity from Chugach Electric. A borough refuse transfer station is located on Redoubt Ave. The borough landfill is located in nearby Soldotna, at mile 110.4 Sterling Highway. Electricity is provided by Homer Electric Association. There are 5 schools located in the community, attended by 1,622 students. Local hospitals or health clinics include Dena'ina Health Clinic, Central Peninsula General Hospital in Soldotna and various private practitioners. The Kenai Health Center is a qualified Emergency Care Center. Specialized Care: Central Peninsula Counseling Services Central Peninsula Mental Health Assoc. / Sprucewood Lodge Forget-Me-Not Care Center Community Outreach Program. Kenai is a highway town/Sub-Regional Center it is part of the Southern EMS Region. Emergency Services have highway coastal airport and floatplane access and are within 30 minutes of a higher-level satellite health care facility. Auxiliary health care is provided by Kenai Fire Dept.

### **Economy and Transportation**

The city is the center of the oil and gas industry, providing services and supplies for Cook Inlet's oil and natural gas drilling and exploration. Tesoro Alaska's oil refinery is located in North Kenai. Both in-state and out-of-state visitors provide a significant industry on the peninsula. Other important economic sectors include sports, subsistence, and commercial fishing, fish processing, timber and lumber, agriculture, transportation services, construction, and retail trade. In 2010, 226 area residents held commercial fishing permits. The largest employers are the borough school district, Peak Oilfield Services, the borough, and Central Peninsula General Hospital. Logging of timber killed by spruce bark beetle also occurs in the area.

The 2005-2009 American Community Survey (ACS) estimated 3,605 (MOE +/-265) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$51,875 (MOE +/--\$5,786). The per capita income (in 2009 inflation-adjusted dollars) was \$27,597 (MOE +/--\$1,764). About 8.1% (MOE +/-2.7%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

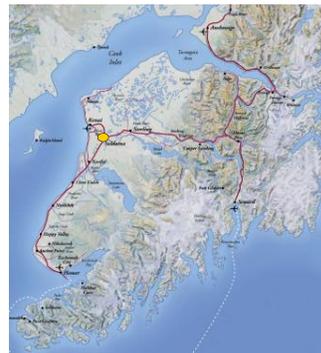
The Kenai area is the center of the oil and gas industry, providing services and supplies for Cook Inlet's oil and natural gas drilling and exploration. Tesoro Alaska's oil refining operations is located in North Kenai. Both in-state and out-of-state visitors provide a significant industry

on the Kenai Peninsula. Other important economic sectors include sport, subsistence and commercial fishing, fish processing, timber and lumber, agriculture, transportation services, construction and retail trade. In 2013, 327 area residents held commercial fishing permits.

Kenai is accessible by the Highway system via the Kenai Spur Highway that can be used to travel to Anchorage, Fairbanks, Canada and the lower 48 states. The city-owned Kenai Municipal Airport provides a 7,575 feet asphalt runway, a 2,000 feet gravel strip a 4,653 feet floatplane strip, and helicopter service. A Flight Service Station is available. Floatplane facilities are also available at Island Lake and Arness Lake. There are five additional privately owned airstrips in the vicinity. The Kenai city dock and boat ramp are located near the mouth of the Kenai River. There are also a number of private commercial fish processing docks. Moorage is by buoys anchored in the Kenai River.

### 4.1.3 Soldotna

Population	4,163 (2010 US Census)
Type of incorporation	1 <sup>st</sup> Class City
Form of Government	Council - Manager
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	6.9 sq. miles land, 0.5 sq. miles water
Mill Rate	8.62 (City & Borough)
Sales Tax Rate	3 % (City), 3% (Borough)



### Location and Climate

Soldotna is on the Kenai Peninsula, 150 highway miles south of Anchorage, at the junction of the Sterling and Kenai Spur Highways. It lays 10 miles inland from Cook Inlet, and borders the Kenai River. It lays at approximately 60.487780° North Latitude and -151.05833° West Longitude. (Sec. 32, T005N, R010W, Seward Meridian.) Soldotna is located in the Kenai Recording District. The area encompasses 6.9 sq. miles of land and 0.5 sq. miles of water. The average low temperature in January is 6 degrees Fahrenheit, while the average monthly high is

24 degrees. In the summer, temperatures peak in the month of July where the average low is 48 degrees, and the average high is 62 degrees Fahrenheit. Average annual precipitation is 18.95 inches, with September the rainiest month.

### **History, Culture and Demographics**

The Kenai Peninsula has historically been the home to Kenaitze Indians, and was developed by non-Natives for its rich resources, including fish, timber and oil. Soldotna was named for a nearby stream; it is a Russian word meaning "soldier." Others believe it is derived from an Indian word meaning "stream fork." The first homesteaders were World War II veterans, given a 90-day preference over non-veterans in selecting and filing for property in 1947. That same year, the Sterling Highway right-of-way was constructed from Cooper Landing to Kenai. Soldotna was the site for the bridge crossing the Kenai River. A post office opened in 1949, with stores and a community center shortly thereafter. Soldotna continued to develop because of its strategic location at the Sterling-Kenai Spur Highway junction. In 1957, oil was discovered in the Swanson River region, bringing new growth and development. Soldotna was incorporated as a city in 1960. The Kenai River offers top trophy king salmon fishing during June and July. A 97 lb. 4 oz. world record king salmon was taken from these waters in 1985, and catching kings of over 60 pounds is not uncommon here.

According to Census 2010, there were 1,968 housing units in the community and 1,720 were occupied. Its population was 4.4 percent American Indian or Alaska Native; 85.9 percent white; 0.3 percent black; 1.6 percent Asian; 0.3 percent Pacific Islander; 6.8 percent of the local residents had multi-racial backgrounds. Additionally, 3.9 percent of the population was of Hispanic descent.

### **Facilities, Utilities, Schools and Health Care**

All homes are completely plumbed. Water is derived from four wells and is treated, stored, and piped throughout the community. A million-gallon steel tank and a second 500,000-gallon tank provide sufficient capacity. Piped sewage receives secondary treatment with an activated sludge process; effluent discharges into the Kenai River. Individual wells and septic tanks are used by a few households outside of the core area. Refuse is collected by a private company and disposed of in the borough's class-1 regional landfill and baling facility at mile 98.5 Sterling Highway in Soldotna. Recycling and hazardous waste disposal are available. Natural gas from Enstar is primarily used by residents for home heating. Homer Electric Association operates the Bradley Lake Hydroelectric Project and is part owner of the Alaska Electric Generation & Transmission Cooperative, which operates a gas turbine plant in Soldotna. It also purchases electricity from Chugach Electric. Electricity is provided by Alaska Electric G & T Homer Electric Assoc. There are 10 schools located in the community, attended by 3,413 students. Local hospitals or health clinics include Central Peninsula General Hospital, Central Peninsula Health Center. The hospital is a qualified Acute Care facility and provides Critical Care Air Ambulance Service. Long Term Care: Heritage Place. Specialized Care: Frontier Training Center (health care counseling lodging), Family Recovery Center. Emergency Services have highway airport and floatplane access. Emergency service is provided by 911 Telephone Service and paid EMS Service. Auxiliary health care is provided by Central Emergency Services

## Economy and Transportation

The area's economy is diversified. Kenai and Soldotna residents are employed in natural gas drilling and exploration and other oil industry services for Cook Inlet oil. Other important economic sectors include sport, subsistence, and commercial fishing, fish processing, government, agriculture, transportation, construction, services, and retail trade. In 2010, 143 area residents held commercial fishing permits. It is the site of the Central Peninsula General Hospital, the Kenai Peninsula Community College, the State Troopers' Headquarters, the Kenai National Wildlife Refuge, and the borough's administrative center and the school district's headquarters office.

The 2005-2009 American Community Survey (ACS) estimated 1,929 (MOE +/-197) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$47,031 (MOE +/--\$11,736). The per capita income (in 2009 inflation-adjusted dollars) was \$26,686 (MOE +/--\$3,009). About 9.1% (MOE +/-3.9%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

The Soldotna Municipal Airport provides facilities for charter services and local air traffic. The main runway is 5,000' long by 132' wide. The nearby Kenai Municipal Airport, located 10 miles away, offers scheduled flights and float plane facilities. Seaplanes can also land at Mackey's Lakes. There are four additional private landing strips in Soldotna and a heliport for medical emergencies at Central Peninsula General Hospital. The Sterling Highway provides access to Alaska's road system.

### 4.1.4 Sterling

Population	5617 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	77.3 sq. miles land, 2.1 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



## **Location and Climate**

Sterling is located on the Sterling Highway at the junction of the Moose and Kenai Rivers, 18 miles east of the city of Kenai. It lays at approximately 60.537220° North Latitude and -150.76472° West Longitude. (Sec. 1, T005N, R009W, Seward Meridian.) Sterling is located in the Kenai Recording District. The area encompasses 77.3 sq. miles of land and 2.1 sq. miles of water. Winter temperatures range from 4 to 22; summer temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

## **History, Culture and Demographics**

The Kenai Peninsula has been the home of the Kenaitze Indians for hundreds of years. Sterling is a community that apparently had its name formalized in 1954 when a post office was established. An archaeological site, containing prehistoric house pits, has been discovered at the Isaac Walton Campground.

Residents are mostly non-Native. Sterling is mainly known for its tourism, hunting, and sport-fishing industries. Much of the population lives here seasonally. According to Census 2010, there were 3,347 housing units in the community and 2,254 were occupied. Its population was 4.4 percent American Indian or Alaska Native; 89.8 percent white; 0.1 percent black; 0.8 percent Asian; 0.1 percent Pacific Islander; 4.3 percent of the local residents had multi-racial backgrounds. Additionally, 2.7 percent of the population was of Hispanic descent.

## **Facilities, Utilities, Schools and Health Care**

Occupied houses use individual water wells and septic tank systems and are fully plumbed. The school operates its own well-water system. Many homes in this area are used only seasonally. The borough provides a refuse transfer facility at mile 85 Sterling Highway. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 164 students. Local hospitals or health clinics include Central Peninsula General Hospital in Soldotna. Emergency Services have highway and helicopter access and are within 30 minutes of a higher-level satellite health care facility. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Central Emergency Services and Central Peninsula Hospital in Soldotna.

## **Economy and Transportation**

The community caters to the sport fishing-industry and summer influx of recreational enthusiasts. The economy of the Kenai area is diverse; oil and gas processing, timber, fishing, government, retail, and tourism-related services provide employment. In 2010, 15 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 2,096 (MOE +/-277) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$60,513 (MOE +/--\$5,849). The per capita income (in 2009 inflation-adjusted dollars) was \$28,697 (MOE +/--\$2,461). About 6.2% (MOE +/-2.5%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

The Sterling Highway provides access to Alaska's road system. There are several private airstrips in the Sterling area, and a private seaplane base at Scout Lake. There are two privately-operated boat launches. Nearby Kenai and Soldotna offer airports and docking facilities.

#### 4.1.5 Funny River

Population	877 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	27.2 sq. miles land, 2.1 sq. miles water
Mill Rate	4.5 (Borough) excludes service area taxes
Sales Tax Rate	3% (Borough)




#### Location and Climate

Funny River is located on the Kenai Peninsula, approximately 15 miles east of Soldotna along the Kenai River, from river mile 29 to 45. It lies at approximately 60.482680° North Latitude and -150.84631° West Longitude. (Sec. 7, T004N, R009W, Seward Meridian.) Funny River is located in the Kenai Recording District. The area encompasses 27.2 sq. miles of land and 2.1 sq. miles of water. Average winter temperatures range from 4 to 22; summer temperatures range from 46 to 65. Average annual precipitation is 20 inches.

#### History, Culture and Demographics

Funny River is the local name of a nearby stream, first published in 1904 by the U.S. Geological Survey. Homesteading and farming expanded to the Funny River area during the late 1950s and early 1960s. Funny River Road originated as a bulldozed trail from Soldotna to the homesteads. A paved road now connects Funny River with Soldotna.

The community is primarily non-Native; however, a large portion of the land in this area is owned by Alaska Native corporations.

According to Census 2010, there were 1,062 housing units in the community and 390 were occupied. Its population was 4.6 percent American Indian or Alaska Native; 91 percent white; 0.1 percent black; 0.2 percent Asian; 0.2 percent Pacific Islander; 2.7 percent of the local residents had multi-racial backgrounds. Additionally, 1.1 percent of the population was of Hispanic descent.

### **Facilities, Utilities, Schools and Health Care**

Most homes in this area have complete plumbing. Occupied houses use individual water wells and septic tank systems or privies. The borough provides a refuse transfer site at mile 9 Funny River Road. Electricity is provided by Homer Electric Association. There are schools located in the community. Local hospitals or health clinics include Central Peninsula General Hospital in Soldotna. Auxiliary health care is provided by Central Emergency Services and Central Peninsula Hospital in Soldotna.

### **Economy and Transportation**

Nearby Kenai and Soldotna offer a variety of employment opportunities. Sport fishing is the major attraction in this area of the peninsula. The Kenai River offers top trophy king salmon fishing during June and July. Catching king salmon of over 60 pounds is not uncommon here.

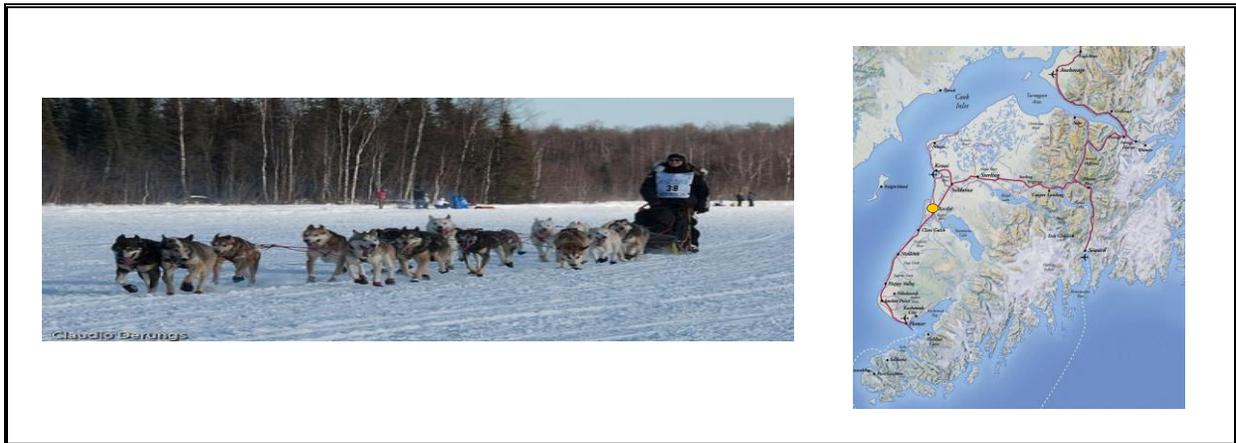
The 2005-2009 American Community Survey (ACS) estimated 137 (MOE +/-61) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$44,762 (MOE +/--\$12,925). The per capita income (in 2009 inflation-adjusted dollars) was \$28,913 (MOE +/--\$7,120). About 9.6% (MOE +/-8.2%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

The Soldotna and Kenai airports serve local air traffic. The Sterling Highway provides access to Anchorage and other destinations.

#### **4.1.6 Kasilof**

Population	549 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	10.4 sq. miles land, 0.2 sq. miles water
Mill Rate	4.5 (Borough) excludes service area taxes
Sales Tax Rate	3% (Borough)



## Location and Climate

Kasilof is located on the east shore of Cook Inlet on the Kenai Peninsula. It lies on the Sterling Highway, 12 miles south of the city of Kenai. It lays at approximately 60.336920° North Latitude and -151.27665° West Longitude. (Sec. 24, T003N, R012W, Seward Meridian.) Kasilof is located in the Kenai Recording District. The area encompasses 10.4 sq. miles of land and 0.2 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## History, Culture and Demographics

Kasilof was an agricultural settlement of Kenaitze Indians, which grew around a stockade built by the Russian Kolomin of the Lebedef-Lastochkin Company. A partial excavation of the area in 1937 found 31 well-preserved houses.

Kasilof is a geographic location on the Kenai Peninsula, rather than a community. Most residents are non-Native.

According to Census 2010, there were 271 housing units in the community and 232 were occupied. Its population was 4.2 percent American Indian or Alaska Native; 87.8 percent white; 0.2 percent black; 0.6 percent Asian; 6.2 percent of the local residents had multi-racial backgrounds. Additionally, 2.4 percent of the population was of Hispanic descent.

## Facilities, Utilities, Schools and Health Care

The majority of homes use individual water wells and septic tanks and are fully plumbed. The school operated its own well water and treatment system. A refuse transfer site is available at mile 110.4 Sterling Highway in Kasilof. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 163 students. Local hospitals or health clinics include Central Peninsula General Hospital in Soldotna. Emergency Services have highway and air access. Auxiliary health care is provided by Central Emergency Services and Central Peninsula Hospital in Soldotna.

## Economy and Transportation

The economy of the Kenai area is diverse: oil and gas processing, timber, commercial and sport fishing, government, retail businesses, and tourism-related services provide employment. In 2010, 116 Kasilof residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 174 (MOE +/-52) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$77,188 (MOE +/--\$31,206). The per capita income (in 2009 inflation-adjusted dollars) was \$36,044 (MOE +/--\$13,031). About 7% (MOE +/-8%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

The community lies on the Sterling Highway and provides a route to Anchorage. The state owns and operates the 2,165' long by 40' wide gravel airstrip, and there are three additional private airstrips in the vicinity. Kenai offers an airport and docking facilities. There is a boat launch at the Kasilof River.

### 4.1.7 Clam Gulch

Population	176 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	13.7 sq. miles land, 0.0 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



## **Location**

Located on the Kenai Peninsula, Clam Gulch lies on the Sterling Highway 24 miles south of the City of Kenai. It lays at approximately 60.231110° North Latitude and -151.39361° West Longitude. (Sec. 29, T002N, R012W, Seward Meridian.) Clam Gulch is located in the Kenai Recording District. The area encompasses 13.7 sq. miles of land and 0.0 sq. miles of water. January temperatures range from 4 to 22; July temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

## **History, Culture and Demographics**

Reported in 1947 by Barnes and Cobb of the U.S. Geological Survey, it was named after the Clam Gulch Ravine. A post office was established in 1950.

Clam Gulch is best characterized as a roadside development with a primarily non-Native population.

According to Census 2010, there were 160 housing units in the community and 91 were occupied. Its population was 5.7 percent American Indian or Alaska Native; 85.2 percent white; 0.6 percent Pacific Islander; 8 percent of the local residents had multi-racial backgrounds. Additionally, 0.6 percent of the population was of Hispanic descent.

## **Facilities, Utilities, Schools and Health Care**

Many homes use individual wells and septic systems. However, nearly one-third derive water from a central watering point or water delivery. Over half of all homes use privies. Borough refuse transfer sites are available in Ninilchik (mile 138.5 Sterling Highway) or in Kasilof (mile 110.4 Sterling Highway). Electricity is provided by Homer Electric Association. There are schools located in the community, local hospitals or health clinics include Central Peninsula General Hospital in Soldotna.

## **Economy and Transportation**

A lodge and post office are in Clam Gulch. The Kenai area economy provides a variety of employment opportunities. In 2010, 28 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 34 (MOE +/-27) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$32,639 (MOE +/--\$39,833). The per capita income (in 2009 inflation-adjusted dollars) was \$25,075 (MOE +/--\$16,017). About 45.2% (MOE +/-30.5%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

The Sterling Highway provides access to Anchorage and beyond. Nearby Kenai offers an airport and docking facilities.

## 4.2 Southern Region

The Southern Peninsula enjoys a broad spectrum of diversity centered on the City of Homer. Kachemak City and smaller communities such as Ninilchik, Anchor Point, and the traditional ‘Old Believer’ village of Nikolaevsk make up the rest of the Southern Peninsula. Across the Kachemak Bay, with no road access, are the cities of Seldovia, and the more traditional Native villages of Port Graham and Nanwalek.

The Kachemak Bay area has been home to Denai’ina and Alutiiq Indians for thousands of years. Development began in the region in the 1890’s when early adventurers arrived to pursue coal and gold mining development. After these developments dwindled in the early 1900’s, commercial fishermen and homesteaders arrived in the region, shaping the communities that exist today.

### 4.2.1 Ninilchik

Population	883 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	Ninilchik Traditional Council
Village Corporation	Ninilchik Native Association, Inc.
Land Area	207.6 sq. miles land, 0.1 sq. miles water.
Mill Rate	4.5 (Borough) excludes service area taxes
Sales Tax Rate	3% (Borough)




### Location & Climate

Ninilchik lies on the west coast of the Kenai Peninsula on the Sterling Highway, 38 miles southwest of the city of Kenai, and 188 road miles from Anchorage. The community lies between mileposts 119 and 144 of the Sterling Highway; the business center has developed between Ninilchik River and Deep Creek. It lays at approximately 60.051390° North Latitude and -151.66889° West Longitude. (Sec. 34, T001S, R014W, Seward Meridian.) Ninilchik is located in the Homer Recording District. The area encompasses 207.6 sq. miles of land and 0.1 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## **History, Culture, Demographics**

The peninsula was historically used by Dena'ina Indians for fur-farming and fishing. The Dena'ina word "Niqnilchint" means "lodge by the river." In the 1820s, the Russian American Fur Company became burdened by a number of elderly, disabled, and sick employees who could not safely return to Russia. The company received permission to establish self-sustaining retirement settlements in Alaska. In 1847, Grigorii and Mavra Kvasnikoff moved their large family from Kodiak to Ninilchik. Grigorii was a Russian Orthodox missionary from Moscow, and Mavra was a Russian-Sugpiaq from Kodiak -- the daughter of Efim Rastorguev, a Russian shipbuilder, and Agrafena Petrovna, a Sugpiaq from Kodiak. The Transfiguration of Our Lord Russian Orthodox Church was constructed in 1846. Iakov and Anna Oskolkoff and other Russian settlers subsisted on fishing, hunting, trapping, and gardening. By 1880, the U.S. Census found 53 "Creoles" living in Ninilchik. All nine original Native founding families of Ninilchik are descendants of the Kvasnikoffs. In 1896, a Russian village school was built, and in 1901 the Russian Orthodox Church was constructed and dedicated at its current site. A post office was established in 1925. The 1940s brought homesteaders to the area. In 1949, the Berman Packing Company began fish-canning operations. In 1950, the Sterling Highway had been completed through Ninilchik. The current Ninilchik School was built in 1951.

A federally-recognized tribe is located in the community -- the Ninilchik Village. Ninilchik is a traditional Athabascan village, although the majority of the population is non-Native. The community association is actively involved in local issues -- residents constructed the senior center using second mortgages and volunteer labor.

According to Census 2010, there were 967 housing units in the community and 412 were occupied. Its population was 15.4 percent American Indian or Alaska Native; 78.1 percent white; 0.2 percent black; 0.3 percent Asian; 0.1 percent Pacific Islander; 5.3 percent of the local residents had multi-racial backgrounds. Additionally, 2.6 percent of the population was of Hispanic descent.

## **Facilities, Utilities, Schools and Health Care**

The majority of homes use individual water wells or have water delivered. Two-thirds of all residences have individual septic systems and full plumbing; others use privies. The school operates its own well and water treatment facility. Many homes in this area are used only seasonally. A borough refuse transfer site is located in Ninilchik, at mile 138.5 Sterling Highway. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 185 students. Local hospitals or health clinics include Ninilchik Community Clinic. Emergency Services have highway coastal and air access. Emergency service is provided by 911 Telephone Service volunteers and a health aide. Auxiliary health care is provided by Ninilchik Emergency Services

## **Economy and Transportation**

Fishing, retail businesses, and tourism comprise the majority of private sector activities in Ninilchik. The economy of the surrounding Kenai area is diverse: oil and gas processing, commercial and sport fishing, government, healthcare, retail businesses, and tourism-related services provide employment. In 2010, 46 residents held commercial fishing permits. King

Salmon fishing on Deep Creek and Ninilchik River lure thousands of sport fishermen to Ninilchik between late May and late June. Both saltwater and freshwater sport fishing occur seasonally in the area.

The 2005-2009 American Community Survey (ACS) estimated 237 (MOE +/-90) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$42,917 (MOE +/--\$11,899). The per capita income (in 2009 inflation-adjusted dollars) was \$26,121 (MOE +/--\$6,241). About 12% (MOE +/-8.5%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE). The community lies on the Sterling Highway. A state-owned 2,400' long by 60' wide dirt/gravel airstrip is located on Oilwell Road. Homer or Kenai have airports, and harbor/docking facilities are in Homer, which has state ferry access. Ninilchik harbor was constructed in the early 1970s. Mainly charter and recreational boats are launched from Ninilchik or Deep Creek beach; a tractor launch is also available.

#### 4.2.2 Nikolaevsk

Population	318 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	36.3 sq. miles
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



#### Location & Climate

Nikolaevsk is located on the Kenai Peninsula, inland near Anchor Point. It lies on a road leading from North Fork Road and the Sterling Highway. It was named to honor St. Nicholas, the patron saint of the town's church. It lies at approximately 59.811940° North Latitude and -151.61056° West Longitude. (Sec. 23, T004S, R014W, Seward Meridian.) Nikolaevsk is located in the Homer Recording District. The area encompasses 36.3 sq. miles of land and 0.0 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## **History, Culture and Demographics**

Nikolaevsk is the location of a settlement of "Russian Old Believers," whose ancestors settled in Woodburn, Oregon, after the Bolshevik Revolution of 1917 forced them out of Russia. The first Old Believer settlers on the Kenai Peninsula received a grant from the Tolstoy Foundation in New York and purchased land there in 1967. The first school opened in an 8-by-20-foot trailer in 1972. Until 1980, students attended classes through the ninth grade, then began their adult lives; many students now go on to complete their education. As growth occurred during the 1980s and 1990s, additional settlements developed in the area.

The community includes Russian Orthodox, Russian Old Believers (Old Right Believers), and some non-Russians, living in three distinct settlements. The Old Believers in this area lead a family-oriented, self-sufficient lifestyle. They use modern utilities and food sources are from gardening, small livestock, fishing, and hunting. Families are typically very large (8 to 12 children). Traditional clothing is worn, Russian is the first language, and the church dictates that males do not shave. Residents typically marry at a young age.

According to Census 2010, there were 150 housing units in the community and 107 were occupied. Its population was 3.5 percent American Indian or Alaska Native; 92.5 percent white; 0.3 percent Asian; 3.5 percent of the local residents had multi-racial backgrounds. Additionally, 4.4 percent of the population was of Hispanic descent.

## **Facilities, Utilities, Schools and Health Care**

A water treatment facility, storage tank, water mains, service lines, and fire hydrants are available. All potable water comes from spring-fed creeks and drainages to the east of the community. There are a few wells in the community, the water quality is poor, and currently no one is using them as a household water source. A borough refuse transfer site is located in Anchor Point at mile 157 Sterling Highway. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 73 students. Local hospitals or health clinics include South Peninsula Hospital in Homer. Emergency Services have highway and helicopter access. Auxiliary health care is provided by Anchor Point Fire/EMS South Peninsula Hospital in Homer.

## **Economy and Transportation**

Many residents are employed in the Anchor Point and Homer areas, primarily in fishing and construction. The Fefelov Mercantile, a general store and post office, is the only year-round business and provides groceries, fabric, and other items. In 2010, 18 residents held commercial fishing permits. Boat building also occurs.

The 2005-2009 American Community Survey (ACS) estimated 106 (MOE +/-33) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$44,333 (MOE +/--\$8,137). The per capita income (in 2009 inflation-adjusted dollars) was \$17,967 (MOE +/--\$2,784). About 9% (MOE +/-6.8%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

The nearby Sterling Highway provides access to Anchorage. Homer offers an airport, harbor/docking facilities, and a state ferry landing.

### 4.2.3 Anchor Point

Population	1,930 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	90.8 sq. miles land, 0.1 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



### Location & Climate

Anchor Point is located on the Kenai Peninsula at the junction of the Anchor River and its north fork, 14 miles northwest of Homer. It lies at mile 156 of the Sterling Highway. It lays at approximately 59.776670° North Latitude and -151.83139° West Longitude. (Sec. 04, T005S, R015W, Seward Meridian.) Anchor Point is located in the Homer Recording District. The area encompasses 90.8 sq. miles of land and 0.1 sq. miles of water. January temperatures range from 4 to 22; July temperatures vary from 46 to 65. Average annual precipitation is 20 inches.

### History, Culture, Demographics

In the summer of 1778, Captain James Cook and crews of the Resolution and Discovery sailed into the Inlet looking for a Northwest Passage and gave Anchor Point its name after losing a kedged anchor to the awesome tidal currents. A post office was established in 1949.

Anchor Point has a visitor's center and a chamber of commerce.

According to Census 2010, there were 1,239 housing units in the community and 840 were occupied. Its population was 3.8 percent American Indian or Alaska Native; 90.2 percent white; 0.3 percent black; 0.9 percent Asian; 0.1 percent Pacific Islander; 4.4 percent of the local residents

had multi-racial backgrounds. Additionally, 2.2 percent of the population was of Hispanic decedents.

### **Facilities, Utilities, Schools and Health Care**

Most residents have individual wells, septic tanks, and complete indoor plumbing. A well, a water treatment plant, and water distribution mains were installed in an area serving 25 homes. The borough refuse transfer facility is located at Mile 157 of Sterling Highway. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 100 students. Local hospitals or health clinics. The clinic is a qualified Emergency Care Center. Anchor Point is a highway town/Sub-Regional Center it is part of Southern EMS Region. Emergency Services include highway coastal and air access. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Anchor Point Volunteer Fire & Rescue Inc. and South Peninsula Hospital in Homer.

### **Economy and Transportation**

Many residents work close-by Homer. Commercial fishing is an important ingredient in the local economy. In 2010, 56 residents held commercial fishing permits. The community also caters to the sport-fishing industry, and several lodges provide services.

The 2005-2009 American Community Survey (ACS) estimated 894 (MOE +/-161) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$50,710 (MOE +/--\$9,031). The per capita income (in 2009 inflation-adjusted dollars) was \$25,615 (MOE +/--\$3,831). About 7% (MOE +/-3.8%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

The Sterling Highway provides access to Anchorage. Nearby Homer offers an airport, state ferry access, and docking and boat launching facilities.

#### **4.2.4 Homer**

Population	5,003 (2010 US Census)
Type of incorporation	1 <sup>st</sup> Class City
Form of Government	Council - Manager
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	15 sq. miles land, 10.6 sq. miles water
Mill Rate	11.3 (City & Borough)
Sales Tax Rate	4.5 % (City) 3% (Borough)



**Location and Climate**

Homer is located on the north shore of Kachemak Bay on the southwestern edge of the Kenai Peninsula. The Homer Spit, a 4.5-mile long bar of gravel, extends from the Homer shoreline. It is 227 road miles south of Anchorage, at the southern-most point of the Sterling Highway. It lays at approximately 59.6425° North Latitude and -151.54833° West Longitude. (Sec. 19, T006S, R013W, Seward Meridian.) Homer is located in the Homer Recording District. The area encompasses 15 sq. miles of land and 10.6 sq. miles of water. Homer lies in the maritime climate zone. Average low and high temperatures range from 14- 27 Fahrenheit in the winter to 45-65 Fahrenheit in the summer.

**History, Culture and Demographics**

The Homer area has been home to Kenaitze Indians for thousands of years. In 1895, the U.S. Geological Survey arrived to study coal and gold resources. Prospectors bound for Hope and Sunrise disembarked at the Homer Spit. The community was named for Homer Pennock, a gold mining company promoter, who arrived in 1896 and built living quarters for his crew of 50 on the spit. Their plans were to mine the beach sands along Cook Inlet, from Homer to Ninilchik. The Homer Post Office opened shortly thereafter. In 1899, Cook Inlet Coal Fields Company built a town and dock on the spit, a coal mine at Homer's Bluff Point, and a 7-mile-long railroad that carried the coal to the end of Homer Spit. Various coal mining operations continued until World War I, and settlers continued to trickle into the area, some to homestead in the 1930s and 40s, others to work in the canneries built to process Cook Inlet fish. Coal provided fuel for homes, and there is still an estimated 400 million tons of coal deposits in the vicinity of Homer. The city government was incorporated in March 1964. After the Good Friday Earthquake in 1964, the Homer Spit sunk approximately 4 to 6 feet, and several buildings had to be relocated.

While commercial fishing has long been the mainstay of the Homer economy, tourism has become increasingly important. Homer is known as an arts community and is also a gateway community in relation to more remote destinations, such as Kachemak Bay State Park and Lake Clark National Park and Preserve. Homer's Alaska Islands & Ocean Visitor Center is partnered with the Alaska Maritime National Wildlife Refuge and the Kachemak Bay Research Reserve making it the largest sea bird refuge in the world. Activities and events, such as the Homer Jackpot Halibut Derby and Kachemak Bay Shorebird Festival, draw many participants.

According to Census 2010, there were 2,692 housing units in the community and 2,235 were occupied. Its population was 4.1 percent American Indian or Alaska Native; 89.4 percent white; 0.4 percent black; 1 percent Asian; 0.1 percent Pacific Islander; 4.5 percent of the local residents had multi-racial backgrounds. Additionally, 2.1 percent of the population was of Hispanic descent.

### **Facilities, Utilities, Schools and Health Care**

Over 90% of homes are fully plumbed. Water is supplied by a dam and 35-acre reservoir at Bridge Creek and is treated, stored in a 500,000-gallon tank, and piped to the majority of homes in the city. The system provides 2 million gallons per day. Others residents use individual wells or have water delivered to home tanks. City sewage is piped to a deep shaft sewer treatment plant; capacity is 880,000 gallons per day. Refuse is collected by Peninsula Sanitation, a private firm, and hauled to the borough-operated Class 2 landfill and balefill in Homer, at mile 169.3 Sterling Highway. Homer Electric Association operates the Bradley Lake Hydroelectric Plant and is part owner of the Alaska Electric Generation & Transmission Cooperative, which operates a gas turbine plant in Soldotna. It also purchases electricity from Chugach Electric. Electricity is provided by Homer Electric Association. There are 7 schools located in the community, attended by 1,262 students. Local hospitals and health clinics include Homer Medical Clinic, Kachemak Bay Medical Clinic, Seldovia Village Tribe Health Center, and South Peninsula Hospital. The hospital is a qualified Acute Care and Long Term Care facility. Specialized care includes Community Mental Health Center (outpatient care), Community Support Program (lodging and health care), and Promoting Responsibility & Individual Development (lodging and health care). Homer is a large town/Regional Center and is part of the Southern EMS Region. Emergency Services have highway marine airport and floatplane access. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Homer Volunteer Fire Dept. and Kachemak Emergency Services.

### **Economy and Transportation**

Homer is primarily a fishing, fish buying station, and trade and service center, and it enjoys a vibrant seasonal visitor industry. It has also become a popular retirement community. A few cruise ships dock each summer. Sport fishing for halibut and salmon contribute significantly to the economy. In 2010, 574 area residents held commercial fishing permits. The fish dock is equipped with cold storage facilities, ice manufacturing, and a vacuum fish-loading system. The Alaska Islands and Ocean Visitor Center is popular for tourism and also serves as the headquarters for the Alaska Maritime National Wildlife Refuge and Kachemak Bay National Estuarine Research Reserve. The National Park Service maintains a regional office. Government and health care are major employers.

The 2005-2009 American Community Survey (ACS) estimated 2,670 (MOE +/-178) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$54,730 (MOE +/--\$3,730). The per capita income (in 2009 inflation-adjusted dollars) was \$30,317 (MOE +/--\$2,027). About 8.2% (MOE +/-3.1%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

Homer is accessible through the Sterling Highway. It is often referred to as "The End of the Road," because it lies at the terminus of the Sterling Highway. The state owns and operates the Homer Airport, with a 6,701' long by 150' wide asphalt runway and float plane basin and a seaplane base at Beluga Lake. The city is served by scheduled and chartered aircraft services. There are additional private landing strips in the vicinity. The Alaska Marine Highway and local ferry services provide water transportation. The deep-water dock can accommodate 30-foot drafts and 340-foot vessels. There is a cruise ship dock, a boat harbor with moorage for 920 vessels, and a 4-lane boat launch ramp.

#### 4.2.5 Kachemak

Population	472 (2010 US Census)
Type of incorporation	Second Class City
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	1.6 sq. miles
Mill Rate	7.8 (City & Borough)
Sales Tax Rate	3% (Borough)



#### Location & Climate

Kachemak is on the East End Road, adjacent to Homer, on the Kenai Peninsula. It is on the northern shore of Kachemak Bay. It lies at approximately 59.67° North Latitude and -151.43417° West Longitude. (Sec. 23, T006S, R013W, Seward Meridian.) Kachemak is located in the Homer Recording District. The area encompasses 1.6 sq. miles of land and 0.0 sq. miles of water. Winter temperatures range 14 to 27; summer temperatures typically range from 45 to 65. Average annual precipitation is 24 inches.

#### History, Culture, Demographics

According to W.H. Dall of the U.S. Coast & Geodetic Survey, "Ka" means water, "chek" means cliff, and "mak" is a suffix meaning high, great, or large. It is a Native name, first published in

1847 on a Russian hydrological chart. The city was incorporated in 1961. Kachemak is a non-Native community.

According to Census 2010, there were 304 housing units in the community and 235 were occupied. Its population was 4 percent American Indian or Alaska Native; 91.7 percent white; 1.3 percent Asian; 2.8 percent of the local residents had multi-racial backgrounds. Additionally, 2.1 percent of the population was of Hispanic descent.

### **Facilities, Utilities, Schools and Health Care**

Residents haul water, have water delivered to home storage tanks, or have individual wells and/or cisterns. The City of Homer provides some homes with piped sewer, and the remainder use individual septic tank systems or privies. Approximately 75% of households are fully plumbed. Some homes in this area are used only seasonally. Homer Electric Association purchases electricity from Chugach Electric in Anchorage and distributes it to communities on the west side of the Kenai Peninsula. Residents use a borough-run refuse collection site off East End Road or the landfill in Homer. Electricity is provided by Homer Electric Association. Local hospitals or health clinics include South Peninsula Hospital in Homer or Kachemak Bay Medical Clinic in Homer. Emergency Services have highway coastal and helicopter access and are within 30 minutes of a higher-level satellite health care facility. Emergency service is provided by volunteers. Auxiliary health care is provided by Kachemak Emergency Services, South Peninsula Hospital in Homer and Homer Volunteer Fire Dept./EMS.

### **Economy and Transportation**

Nearby Homer offers a variety of employment opportunities. There are few businesses within the city boundaries; supplies and services are provided by Homer.

The 2005-2009 American Community Survey (ACS) estimated 254 (MOE +/-78) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$59,375 (MOE +/--\$33,115). The per capita income (in 2009 inflation-adjusted dollars) was \$27,656 (MOE +/--\$6,165). About 9.8% (MOE +/-10.3%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

Local roads connect to the Sterling Highway. Nearby Homer has an airport, harbor/dock, and state ferry access.

#### **4.2.6 Seldovia**

Population	241 (2010 US Census)
Type of incorporation	First Class City
Form of Government	Council - Manager
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	Seldovia Village Tribe, IRA

Village Corporation	Seldovia Native Association, Inc.
Land Area	.43 sq. miles
Mill Rate	4.6 (City); 5.5 (Borough)
Sales Tax Rate	4.5% (City Apr-Sept) 2.0% (City Oct-Mar); 3% (Borough)



### Location and Climate

Seldovia is located on the Kenai Peninsula across from Homer on the south shore of Kachemak Bay, a 15-minute flight from Homer. Flight time to Anchorage is 45 minutes. It lays at approximately 59.438060° North Latitude and -151.71139° West Longitude. (Sec. 32, T008S, R014W, Seward Meridian.) Seldovia is located in the Seldovia Recording District. The area encompasses 0.4 sq. miles of land and 0.2 sq. miles of water. Winter temperatures in Seldovia range from 12 to 21 degrees; summer temperatures range from 48 to 65 degrees. Annual precipitation is 34.5 inches.

### History, Culture and Demographics

Native residents are mixed Dena'ina Indian and Aleut and Sugpiaq Eskimo (also known as Alutiiq). The name Seldovia is derived from "Seldevoy," a Russian word meaning "herring bay." Between 1869 and 1882, a trading post was located in Seldovia. A post office was established in 1898. The village developed around commercial fishing and fish processing. The City of Seldovia was incorporated in 1945.

A federally-recognized tribe is located in the community -- the Seldovia Village Tribe. Seldovia is an Alutiiq village. Commercial fishing and subsistence are an integral part of the local culture.

According to Census 2010, there were 218 housing units in the community and 121 were occupied. Its population was 13.7 percent American Indian or Alaska Native; 72.6 percent white; 1.2 percent black; 1.2 percent Asian; 11.4 percent of the local residents had multi-racial backgrounds. Additionally, 3.9 percent of the population was of Hispanic descent.

### Facilities, Utilities, Schools and Health Care

Water is derived from the Fish Creek Reservoir and is then treated, stored in a tank, and distributed via water mains. Sewage is piped to a community septic tank for primary treatment, then discharged to an ocean outfall. One-hundred-seventy-five (175) homes and facilities are

served by the system; all homes are completely plumbed. Individual wells have been unable to produce potable water. A borough-operated landfill is available. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 54 students. Local hospitals or health clinics include Seldovia Medical Clinic. Auxiliary health care is provided by Seldovia Volunteer Fire & Rescue

### Economy and Transportation

Seldovia is a commercial fishing village. Shellfish farming also occurs. In 2010, 46 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 127 (MOE +/-44) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$51,111 (MOE +/--\$10,496). The per capita income (in 2009 inflation-adjusted dollars) was \$28,378 (MOE +/--\$5,364). About 7.7% (MOE +/-6.3%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

A state-owned 1,845' long by 60' wide gravel airstrip and a seaplane base are available. Direct flights are provided to Homer. The state ferry system connects to Homer, where the Sterling Highway provides road access. Water taxis from Homer also service the community. A harbor, boat wash down, and boat haul-out facility are available.

### 4.2.7 Port Graham

Population	177 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Chugach Alaska Corporation
Regional Native Nonprofit	Chugachmiut
Village Council	Port Graham Village Council
Village Corporation	Port Graham Corporation
Land Area	5.9 square miles
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



## **Location and Climate**

The community is located at the southern end of the Kenai Peninsula on the shore of Port Graham. It is adjacent to Nanwalek, 7.5 miles southwest of Seldovia and 28 air miles from Homer. It lies at approximately 59.351390° North Latitude and -151.82972° West Longitude. (Sec. 32, T009S, R015W, Seward Meridian.) Port Graham is located in the Seldovia Recording District. The area encompasses 5.9 sq. miles of land and 0.0 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## **History, Culture and Demographics**

The earliest known settlers were Russians from the nearby trading post at Nanwalek. In 1850, the Russian-American Company established a coal mine at Port Graham, but it was not economical and lasted only a few years. Port Graham became the site of a cannery and wharf, according to the U.S. Geological Survey in 1909. In 1911, the Fidalgo Island Packing Company established a cannery, and Aleuts from Nanwalek moved to the community. A post office operated between 1938 and 1961. The cannery burned in 1960. It was rebuilt in 1968 by Whitney/Fidalgo and was sold to the village corporation in 1983. A pink salmon hatchery began operations in 1991. In January 1998, the hatchery and salmon processing plant were destroyed by fire. The hatchery and processing plant were rebuilt and re-opened in June 1999. The cannery continues to be the main economic activity in the community, employing residents of Nanwalek as well.

A federally-recognized tribe is located in the community -- the Native Village of Port Graham. Port Graham is a traditional Alutiiq village with a fishing and subsistence lifestyle.

According to Census 2010, there were 108 housing units in the community and 79 were occupied. Its population was 71.2 percent American Indian or Alaska Native; 8.5 percent white; 1.1 percent black; 19.2 percent of the local residents had multi-racial backgrounds.

## **Facilities, Utilities, Schools and Health Care**

Water is derived from a surface source and is treated and stored in a 50,000-gallon redwood tank. Port Graham has a piped water system, sewage disposal in a community septic tank, and a sludge lagoon. Sixty-six (66) homes and facilities are served by the system; almost 90% of households are fully plumbed. Port Graham Corporation operates the washeteria. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 20 students. Local hospitals or health clinics include Anesia Anahonak Moonin Clinic (Port Graham). Specialized Care: South Kachemak Alcohol Program (operated by village council). Emergency Services have coastal and air access. Emergency service is provided by volunteers and a health aide. Auxiliary health care is provided by Port Graham Emergency Medical Services

## **Economy and Transportation**

A new \$4.5 million fish cannery and hatchery was completed in June 1999. Red salmon fry are raised for area lakes. In 2010, 5 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 47 (MOE +/-27) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$26,875 (MOE +/--\$11,759). The per capita income (in 2009 inflation-adjusted dollars) was \$11,939 (MOE +/--\$4,664). About 40.5% (MOE +/-25.1%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

Port Graham is not accessible by road. A state-owned 1,975' long by 45' wide dirt/gravel airstrip is available. The community offers docking facilities. There is a 4-mile trail to Nanwalek.

#### 4.2.8 Nanwalek

Population	254 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Chugach Alaska Corporation
Regional Native Nonprofit	Chugachmiut
Village Council	Nanwalek IRA Council
Village Corporation	English Bay Corporation
Land Area	8.5 sq. Miles
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



#### Location and Climate

Nanwalek is located at the southern tip of the Kenai Peninsula, 10 miles southwest of Seldovia and east of Port Graham. It lies at approximately 59.356390° North Latitude and -151.92083° West Longitude. (Sec. 35, T009S, R016W, Seward Meridian.) Nanwalek is located in the Seldovia Recording District. The area encompasses 8.5 sq. miles of land and 0.0 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 60. Average annual precipitation is 24 inches.

## **History, Culture and Demographics**

The village was originally the site of a Russian Trading Post called Alexandrovsk. It was later called "Odinochka," meaning "a person living in solitude." A Russian Orthodox Church was built in the community in 1870. In 1930, a replacement church was constructed, and it is a designated national historic site. In 1991, locals changed the community name of English Bay to Nanwalek, meaning "place by lagoon." Many of the current residents are of mixed Russian and Sugpiaq (Alutiiq) lineage. Villagers speak Sugtestun, a dialect of Eskimo similar to Yup'ik.

A federally-recognized tribe is located in the community -- the Native Village of Nanwalek. Nanwalek is a traditional Alutiiq village. Subsistence activities are a large part of the culture. The sale of alcohol is banned in the village, although importing and possession are allowed.

According to Census 2010, there were 73 housing units in the community and 55 were occupied. Its population was 80.3 percent American Indian or Alaska Native; 10.6 percent white; 9.1 percent of the local residents had multi-racial backgrounds. Additionally, 2 percent of the population was of Hispanic descent.

## **Facilities, Utilities, Schools and Health Care**

Water is derived from a surface stream and is treated. Nanwalek has a piped water and sewer system that serves all homes in the village; most are completely plumbed. Electricity is provided by Homer Electric Association. There is one school located in the community, attended by 81 students. Local hospitals or health clinics include Nanwalek Clinic. Emergency Services have coastal floatplane and air access. Emergency service is provided by volunteers and a health aide. Auxiliary health care is provided by Nanwalek First Responders

## **Economy Transportation**

The school, subsistence activities, and summer employment at the Port Graham cannery provide income. In 2010, six residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 38 (MOE +/-25) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$29,306 (MOE +/--\$12,640). The per capita income (in 2009 inflation-adjusted dollars) was \$7,731 (MOE +/--\$2,398). About 29.1% (MOE +/-21.8%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

Nanwalek is not accessible by road. Boats are the primary means of transportation locally. The state ferry provides service to nearby Seldovia. A state-owned, 1,850' long by 50' wide gravel airstrip is available

### 4.3 Eastern Peninsula Region

The Eastern Peninsula consists of the city of Seward and surrounding communities. An important industrial and transportation center, Seward is a gateway to the majestic Kenai Fjords National Park and Chugach National Forest. Excellent port and harbor facilities, a rail link to interior Alaska, and road access to Anchorage all provide Seward with infrastructure advantages and have contributed to the diversity of Seward’s economy. Seward is currently undergoing a small boat harbor expansion and upgrading the railway facilities. The 127-mile Seward Highway was designated a National Scenic Byway in 1999 and is a USDA Forest Service Scenic Byway as well as an All-American Road.

#### 4.3.1 Hope

Population	192 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	51.7 sq. miles land, 0.1 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



#### Location and Climate

Hope lies on the northern end of Kenai Peninsula, on the south shore of the Turnagain Arm of Cook Inlet. The community lies on the 17-mile Hope Highway, northwest of the Seward Highway, near the mouth of Resurrection Creek. It lays at approximately 60.920280° North Latitude and -149.64028° West Longitude. (Sec. 33, T010N, R002W, Seward Meridian.) Hope is located in the Seward Recording District. The area encompasses 51.7 sq. miles of land and 0.1 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 20 inches.

## History, Culture and Demographics

"Hope City" was a mining camp for Resurrection Creek, established in 1896. The Hope post office began operating in 1897. Portions of the town were destroyed in the 1964 earthquake.

According to Census 2010, there were 197 housing units in the community and 97 were occupied. Its population was 4.2 percent American Indian or Alaska Native; 88 percent white; 0.5 percent Asian; 0.5 percent Pacific Islander; 6.8 percent of the local residents had multi-racial backgrounds. Additionally, 3.1 percent of the population was of Hispanic descent.

## Facilities, Utilities, Schools and Health Care

Approximately one-fourth of homes use individual water wells and septic tank systems and are fully plumbed. The school operates its own well water system. Many homes in this area are used only seasonally. The borough provides a refuse transfer site in Hope. Electricity is provided by Chugach Electric Association. There is one school located in the community, attended by 13 students. Local hospitals or health clinics include Central Peninsula General Hospital in Soldotna or Anchorage hospitals. Emergency Services have highway and air access. Emergency service is provided by volunteers Auxiliary health care is provided by Hope/Sunrise Emergency Medical Services

## Economy and Transportation

The school and local retail businesses provide the only employment in Hope. Some mining activities continue today. A small sawmill is used by the community. In 2010, 1 resident held a commercial fishing permit.

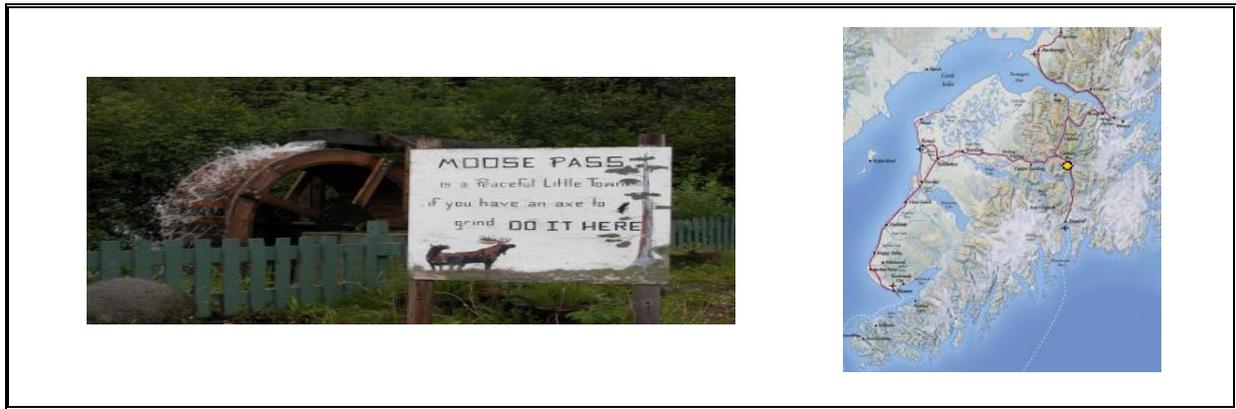
The 2005-2009 American Community Survey (ACS) estimated 90 (MOE +/-61) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$57,857 (MOE +/- \$41,748). The per capita income (in 2009 inflation-adjusted dollars) was \$33,852 (MOE +/- \$13,397). About 9.3% (MOE +/-17%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

Hope is accessible from the Seward Highway. A state-owned 2,000' long by 90' wide gravel airstrip is available. Both nearby Anchorage and Kenai offer a variety of transportation services.

### 4.3.2 Moose Pass

Population	219 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	18.0 sq. miles land, 0.1 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



## Location and Climate

Moose Pass is located 26 miles north of Seward on the Kenai Peninsula. It is on the southwest shore of Upper Trail Lake, off the Seward Highway, at mile 29.3 of the Alaska Railroad. It lies at approximately 60.4875° North Latitude and -149.36889° West Longitude. (Sec. 25, T005N, R001W, Seward Meridian.) Moose Pass is located in the Seward Recording District. The area encompasses 18.0 sq. miles of land and 0.1 sq. miles of water. Winter temperatures range from 14 to 27; summer temperatures vary from 45 to 65. Average annual precipitation is 24 inches.

## History, Culture and Demographics

The community was first named in 1912 as a station on the Alaska Railroad. The name is reportedly derived from a mail carrier's team of dogs that in 1903 had considerable trouble gaining the right-of-way from a moose. A post office was established in 1928.

Moose Pass is easily accessed by highway and is close to Seward.

According to Census 2010, there were 137 housing units in the community and 93 were occupied. Its population was 1.4 percent American Indian or Alaska Native; 94.1 percent white; 1.4 percent black; 0.5 percent Asian; 0.9 percent Pacific Islander; 1.8 percent of the local residents had multi-racial backgrounds. Additionally, 2.3 percent of the population was of Hispanic descent.

## Facilities, Utilities, Schools and Health Care

The majority of homes use individual water wells and septic tank systems; over 50% of households are fully plumbed. The school operates its own water system. The remainder of residences haul or have water delivered, and use privies. Many homes in this area are used only seasonally. Borough refuse transfer containers are located at mile 29 Seward Hwy. Electricity is provided by Chugach Electric Association. There is one school located in the community, attended by 17 students. Local hospitals or health clinics include Central Peninsula General Hospital in Soldotna and Providence Seward Medical Center. Emergency Services have highway and helicopter access and are within 30 minutes of a higher-level satellite health care facility. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Moose Pass Volunteer Fire/EMS Seward General Hospital or Central Peninsula Hospital in Soldotna.

## Economy and Transportation

The state Division of Forestry and local businesses provide most employment. The community is not within an easy commute of either Seward or Kenai. In 2010, 2 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 123 (MOE +/-59) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$61,667 (MOE +/--\$16,912). The per capita income (in 2009 inflation-adjusted dollars) was \$49,047 (MOE +/--\$31,776).

All ACS statistics are published with their respective margin of error (MOE).

The Seward Highway connects to Alaska's road system. Nearby Seward offers an airport, railroad, harbor/dock facilities, and state ferry access. Seaplanes land at Summit Lake.

### 4.3.3 Cooper Landing

Population	289
Type of incorporation	Unincorporated
Form of Government	N/A
City Mayor/Manager	N/A
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	N/A
Village Corporation	N/A
Land Area	66.0 sq. miles land, 3.9 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



### Location and Climate

Cooper Landing is at the west end of Kenai Lake on a stretch of the Sterling Highway, 30 miles northwest of Seward in the Chugach Mountains. The community lies at approximately 60.490000° North Latitude and -149.834170° West Longitude. (Sec. 29, T005N, R003W, Seward

Meridian.) Cooper Landing is located in the Seward Recording District. January temperatures range from 4 to 22 °F. July temperatures vary from 46 to 65 °F. Average annual precipitation is 20 inches.

### **History, Culture and Demographics**

Between 1848 and 1851, Russian engineer P. Doroshin found gold in the area. Cooper Landing was named for Joseph Cooper, a miner who discovered gold here in 1884. Cooper Creek was first recorded in 1898 by the U.S. Geological Survey. In 1900, the census found 21 miners and 1 wife living at Cooper Creek. The Riddiford Post Office began operations in 1924, and the Riddiford School opened in 1928. In 1938, a road was constructed to Seward. In 1948, a road to Kenai was opened, and by 1951 residents could drive to Anchorage. The Cooper Landing Community Club was first formed in 1949. The Cooper Lake Hydroelectric Facility was constructed in 1959-60.

The Cooper Landing Community Club is the community's civic organization. The population of the area nearly doubles each summer to support tourism businesses and activities.

According to Census 2010, there were 395 housing units in the community and 161 were occupied. Its population was 1.4 percent American Indian or Alaska Native; 95.5 percent white; 0.7 percent Asian; 2.4 percent of the local residents had multi-racial backgrounds.

### **Facilities, Utilities, Schools and Health Care**

Two-thirds of homes use individual water wells and septic tank systems and are completely plumbed. The school has its own well water system. The remainder haul or have water delivered and use privies. The borough provides a refuse transfer site at mile 44 Sterling Hwy. Electricity is provided by Chugach Electric Association. There is one school located in the community, attended by 10 students. Local hospitals or health clinics include Central Peninsula General Hospital in Soldotna or Providence Seward Medical Center. Cooper Landing is a highway location it is part of the Southern EMS Region. Emergency Services have highway air river and lake access. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Cooper Landing Volunteer Ambulance

### **Economy and Transportation**

Tourism and services provide the majority of employment. The 70-room Kenai Princess Lodge accommodates Princess cruise ship passengers and other visitors. In 2010, 3 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 223 (MOE +/-147) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$72,837 (MOE +/--\$20,641). The per capita income (in 2009 inflation-adjusted dollars) was \$30,324 (MOE +/--\$7,226).

All ACS statistics are published with their respective margin of error (MOE).

The Sterling Highway provides access to Anchorage and beyond. Kenai offers air transportation and docking facilities. A privately-owned boat launch is available. The state-owned Quartz

Creek Airport provides a 2,200' long by 60' wide gravel runway, and float planes may land at Cooper Lake.

#### 4.3.4 Seward

Population	2,693 (2010 US Census)
Type of incorporation	Home Rule City
Form of Government	Council - Manager
Regional Native Corporation	Chugach Alaska Corporation
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	Qutekcak Native Tribe
Village Corporation	N/A
Land Area	14.4 sq. miles land, 7.1 sq. miles water
Mill Rate	8.12 (City & Borough)
Sales Tax Rate	4.0% & 4% Bed Tax (City), 3% (Borough)




#### Location and Climate

Seward is situated on Resurrection Bay on the east coast of the Kenai Peninsula, 125 highway miles south of Anchorage on the scenic by-way. It lies at the foot of Mount Marathon, and is the gateway to Kenai Fjords National Park. Bear Creek and Lowell Point are adjacent to Seward. It lies at approximately 60 degrees 07. North Latitude, 149 degrees 26 West Longitude (Sec. 10, T1S, R1W, Seward Meridian.) Seward is located in the Seward Recording District. The area encompasses 14.4 sq. miles of land and 7.1 sq. miles of water. Seward experiences a maritime climate. Winter temperatures range from 17 to 38; summer temperatures range from 49 to 63. Annual precipitation includes 66 inches of rain and 80 inches of snowfall.

#### History, Culture and Demographics

Resurrection Bay was named in 1792 by Russian fur trader and explorer Alexander Baranof. While sailing from Kodiak to Yakutat, he found unexpected shelter from a storm in this bay. He named the Bay Resurrection because it was the Russian Sunday of the Resurrection. Seward was named for U.S. Secretary of State William Seward, 1861-1869, who negotiated the purchase of Alaska from Russia in 1867. In the 1890s, Capt. Frank Lowell arrived with his family. In 1903, John and Frank Ballaine and a group of settlers arrived to begin construction of a railroad. Seward became an incorporated city in 1912. The Alaska Railroad was constructed between 1915 and 1923, and Seward developed as the ocean terminus and supply center. By 1960,

Seward was the largest community on the peninsula. Tsunamis generated after the 1964 earthquake destroyed the railroad terminal and killed several residents. As an ice-free harbor, Seward has become an important supply center for Interior Alaska.

Seward is primarily a non-Native community, although the Qutekcak Tribe is very active within the community. Seward's annual Fourth of July celebration and its grueling Mount Marathon race attracts participants and visitors worldwide. Other annual events include the Seward Silver Salmon Derby in August and the Polar Bear Jump-Off Festival in January.

According to Census 2010, there were 1,124 housing units in the community and 928 were occupied. Its population was 16.8 percent American Indian or Alaska Native; 68.5 percent white; 3.1 percent black; 2.4 percent Asian; 0.6 percent Pacific Islander; 8.1 percent of the local residents had multi-racial backgrounds. Additionally, 3.6 percent of the population was of Hispanic descent.

### **Facilities, Utilities, Schools and Health Care**

Water is supplied by nine wells and is treated and distributed throughout Seward. Sewage is collected via pipes to a secondary treatment lagoon. Almost all homes are fully plumbed. Refuse collection is provided by the city under contract; the borough provides solid waste disposal. The borough refuse transfer facility is located on Hemlock Street in Seward. Seward Electric System purchases power from Chugach Electric and owns six standby diesel generators. Electricity is provided by Seward Electric System. There are 4 schools located in the community, attended by 553 students. Local hospitals or health clinics include Providence Seward Medical Center and North Star Health Clinic. The hospital is a qualified Acute Care facility. Long Term Care: Wesley Rehabilitation and Care. Specialized Care: Seward Life Action Council Counseling Facility. Emergency Services have highway limited marine and airport access. Emergency service is provided by 911 Telephone Service and volunteers. Auxiliary health care is provided by Seward Volunteer Ambulance Corp. Bear Creek Fire/EMS Dept.

### **Economy and Transportation**

As the southern terminus for the Alaska Railroad and road link to Anchorage and the Interior, Seward has long been a transportation center. The economy has diversified with tourism, commercial fishing, fish processing, ship services and repairs, an Alaska Railroad Corporation export facility for Usibelli coal, Alaska Vocational Technical Center (AVTEC), a state prison, and the University of Alaska's Institute of Marine Sciences. The Alaska SeaLife Center, the Kenai Fjords National Park, and the Mount Marathon Race and Fourth of July festivities attract visitors. Cruise ship passengers visit Seward during summer. In 2010, 62 residents held commercial fishing permits.

The 2005-2009 American Community Survey (ACS) estimated 1,074 (MOE +/-245) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$44,457 (MOE +/--\$26,229). The per capita income (in 2009 inflation-adjusted dollars) was \$18,189 (MOE +/--\$3,972). About 13.5% (MOE +/-9%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

Seward is connected to the Alaska Highway system by the Seward Highway. Bus and commercial trucking services to and from Anchorage are available daily. Air services and charters are available at the state-owned airport. Two paved runways are utilized; one is 4,240' long by 100' wide, and the other is 2,279' long by 75' wide. The port serves cruise ships, cargo barges, and ocean freighters from Seattle and overseas. The small boat harbor has moorage for 650 boats and 2 boat launch ramps. It is a major transit site for the Alaska Railroad. Seasonal passenger transportation is available by rail.

#### 4.4 Western Peninsula Region

In 1778, British explorer Captain James Cook described the Upper Cook Inlet Athabascans in his journal. The Athabascans possessed iron knives and glass beads, leading Cook to conclude that the Natives were trading indirectly with the Russians. Shortly thereafter, over half the regions Natives died from a smallpox epidemic between 1836 and 1840, and the Alaska Commercial Company established their first major outpost in Tyonek by 1875. In 1880, the area had a total of 117 residents, including 109 Athabascans, 6 ‘creoles’, and 2 whites. During this time, gold was discovered at Resurrection Creek. This made Tyonek become a major disembarkment point for both goods and people. In 1896, a saltery was established at the mouth of the Chuitna River north of Tyonek, and in 1915 the Tyonek Reservation was established.

The community was struck by the devastating influenza epidemic of 1918 & 1919, which left few survivors among the Athabascans. The population of the region continued to decline when Anchorage was founded in the early 20<sup>th</sup> century. Today, the West Side of the Inlet is home to about three hundred people - approximately 200 in Tyonek and Beluga, and another 100 scattered around as homesteaders in various small settlements of Old Tyonek Creek, Robert Creek, Timber Camp, Beluga and Moquawkie Indian Reservation.

##### 4.4.1 Tyonek

Population	171 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	Cook Inlet Region, Inc. (CIRI)
Regional Native Nonprofit	Cook Inlet Tribal Council, Inc.
Village Council	Native Village of Tyonek (IRA)
Village Corporation	Tyonek Native Corporation
Land Area	67.6 sq. miles land, 1.2 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



#### Location and Climate

Tyonek lies on a bluff on the northwest shore of Cook Inlet, 43 miles southwest of Anchorage. Tyonek is not located directly on the Kenai Peninsula. It lays at approximately 61.068060° North Latitude and -151.13694° West Longitude. (Sec. 01, T011N, R011W, Seward Meridian.) Tyonek

is located in the Anchorage Recording District. The area encompasses 67.6 sq. miles of land and 1.2 sq. miles of water. Winter temperatures typically range 4 to 22; summer temperatures range from 46 to 65. Temperature extremes have been recorded from -27 to 91. Average annual precipitation is 23 inches, including 82 inches of snow.

### **History, Culture and Demographics**

It is a Dena'ina Athabascan village. Various settlements in this area include Old Tyonek Creek, Robert Creek, Timber Camp, Beluga, and Moquawkie Indian Reservation. Captain Cook's journal provides a description of the Upper Cook Inlet Athabascans in 1778, which possessed iron knives and glass beads. He concluded that the Natives were trading indirectly with the Russians. Russian trading settlements were established at "Tuiunuk" and Iliamna prior to the 1790s but were destroyed due to dissension between the Natives and the Russians. Between 1836 and 1840, half of the region's Indians died from a smallpox epidemic. The Alaska Commercial Company had a major outpost in Tyonek by 1875. In 1880, "Tyonok" station and village, believed to be two separate communities, had a total of 117 residents, including 109 Athabascans, 6 "creoles", and 2 whites. After gold was discovered at Resurrection Creek in the 1880s, Tyonek became a major disembarkment point for goods and people.

A saltery was established in 1896 at the mouth of the Chuitna River north of Tyonek. In 1915, the Tyonek Reservation (also known as Moquawkie Indian Reservation) was established. The devastating influenza epidemic of 1918-19 left few survivors among the Athabascans. The village was moved to its present location atop a bluff when the old site near Tyonek Timber flooded in the early 1930s. The population declined when Anchorage was founded. In 1965 the federal court ruled that the Bureau of Indian Affairs (BIA) had no right to lease Tyonek Indian land for oil development without permission of the Athabascans themselves. The tribe subsequently sold rights to drill for oil and gas beneath the reservation to a group of oil companies for \$12.9 million. The reservation status was revoked with the passage of the Alaska Native Claims Settlement Act in 1971.

A federally-recognized tribe is located in the community -- the Native Village of Tyonek. Tyonek is a Dena'ina Indian village practicing a subsistence lifestyle.

According to Census 2010, there were 144 housing units in the community and 70 were occupied. Its population was 88.3 percent American Indian or Alaska Native; 5.3 percent white; 6.4 percent of the local residents had multi-racial backgrounds. Additionally, 5.3 percent of the population was of Hispanic descent.

### **Facilities, Utilities, Schools and Health Care**

A piped water and sewer system serves the entire community -- approximately 90 homes and facilities. Water is derived from Second Lake and is treated and stored in a 175,000-gallon tank. Back-up water supplies are available from a lake near the airport. A small coin-operated washeteria, with one washer and dryer, is available. Electricity is provided by Chugach Electric Association. There is one school located in the community, attended by 35 students. Local hospitals or health clinics include Indian Creek Health Clinic. Emergency Services only have air access. Emergency service is provided by volunteers and a health aide. Auxiliary health care is provided by Tyonek Volunteer Rescue Squad

## Economy and Transportation

Subsistence activities provide salmon, moose, beluga whale, and waterfowl. In 2010, 16 residents held commercial fishing permits. Tyonek offers recreational fishing and hunting guide services. Some residents trap during winter. The North Foreland Port Facility at Tyonek is the preferred site for export of Beluga coal.

The 2005-2009 American Community Survey (ACS) estimated 58 (MOE +/-35) residents as employed. The ACS surveys established that average median household income (in 2009 inflation-adjusted dollars) was \$22,813 (MOE +/--\$27,210). The per capita income (in 2009 inflation-adjusted dollars) was \$14,149 (MOE +/--\$4,970). About 28.7% (MOE +/-22.2%) of all residents had incomes below the poverty level.

All ACS statistics are published with their respective margin of error (MOE).

No road access exists. Permission is required to land at the local 3,000' long by 90' wide gravel airstrip, owned by the Village of Tyonek, although regularly-scheduled flights are available. A state-owned 4,003' long gravel airstrip is available at Nikolai Creek, and a 2,400' gravel airstrip, owned by CH2MHill Alaska, is located at Beluga. A local road connects to nearby Beluga. Barges deliver goods to the village.

### 4.4.2 Beluga

Population	20 (2010 US Census)
Type of incorporation	Unincorporated
Regional Native Corporation	N/A
Regional Native Nonprofit	N/A
Village Council	N/A
Village Corporation	N/A
Land Area	102.6 sq. miles land, 0.7 sq. miles water
Mill Rate	4.5 (Borough)
Sales Tax Rate	3% (Borough)



## **Location and Climate**

Beluga is located 8 miles northeast of Tyonek, along Cook Inlet in the Kenai Peninsula Borough. It lies 40 air miles southwest of Anchorage. The community lies at approximately 61.171910° North Latitude and -151.168260° West Longitude. (Sec. 35, T017N, R010W, Seward Meridian.)

Beluga is located in the Anchorage Recording District. Winter temperatures typically range 4 to 22 °F. Summer temperatures average 46 to 65 °F. Temperature extremes have been recorded from a low of -27 to a high of 91 °F. Average annual precipitation is 23 inches, and average annual snowfall is 82 inches.

## **History, Culture and Demographics**

Various Tanaina Athabascan settlements in this area include Old Tyonek Creek, Robert Creek, Timber Camp, Beluga, and Moquawkie Indian Reservation. Russian trading settlements were established in the area prior to the 1790s. Beluga means "white whale" in Russian and refers to the beluga whales that feed in Cook Inlet. Between 1836 and 1840, half of the region's Natives died from a smallpox epidemic. The Alaska Commercial Company had a major outpost at nearby Tyonek by 1875. In 1880, "Tyonok" station and village, believed to be two separate communities, had a total of 117 residents, including 109 Athabascans, 6 "creoles", and 2 whites. After gold was discovered at Resurrection Creek in the 1880s, Tyonek became a major disembarkment point for goods and people. A saltery was established in 1896 at the mouth of the Chuitna River north of Tyonek. In 1915, the Tyonek Reservation (also known as Moquawkie Indian Reservation) was established. The village of Tyonek was moved to its present location atop a bluff when the old site flooded in the early 1930s.

According to Census 2010, there were 53 housing units in the community and 10 were occupied. Its population was 10 percent American Indian or Alaska Native; 90 percent white.

## **Facilities, Utilities, Schools and Health Care**

All occupied homes are fully plumbed. There are three permitted landfill sites in the area. Electricity is provided by Chugach Electric Association. There are schools located in the community, local hospitals or health clinics include Tyonek Health Clinic in Tyonek. Auxiliary health care is provided by Tyonek Volunteer Rescue Squad

## **Economy and Transportation**

Beluga is the site of a power plant owned by Chugach Electric Association and provides some electricity for Anchorage. There are seven combustion turbines fueled by natural gas and one fueled by steam. A large reserve of coal is located nearby, although permitting, road, and port improvements would be necessary to develop a product for export.

The 2005-2009 American Community Survey (ACS) estimated 32 (MOE +/-45) residents as employed.

All ACS statistics are published with their respective margin of error (MOE).

Beluga has two private runways. One is a 2,400' by 60' gravel lighted airstrip, the other is a 5,000' X 100' gravel strip that is not maintained in the winter. A road connects Beluga to nearby Tyonek. Barges deliver heavy goods to the area, and a dock is available.

## 5.0 Projects – FY13

### 5.1 Borough Wide Projects

Projects affect large areas and populations within the Kenai Peninsula Borough. Projects are listed by priority based on impact to the borough economy and quality of life for residents. Jobs are based on the construction and/or lifetime maintenance of a project.

<b>Tier 1 Priorities</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Seward Bear Creek Flood Mitigation	\$5,000,000	40
Central Peninsula Landfill Leachate Evaporator Unit	\$3,772,619	10
Homer & Soldotna High School Artificial Turf Field	\$4,200,000	10

<b>Tier 2 Priorities</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Wildfire Mitigation	\$1,000,000	20
HVAC Systems Replacement	\$5,970,000	50
Central Landfill Equipment Maintenance Building	\$1,688,000	5
Tall Tree Bridge Replacement & Road Improvement	\$2,500,000	25
District Wide Security Camera System	\$1,035,000	10

<b>Tier 3 Priorities</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Right-of-way Power Line Vegetation Mitigation	\$2,000,000	10

## 5.2 Service Area Projects

The Kenai Peninsula Borough organizes areas outside incorporated cities into service areas. These areas include emergency services such as fire and rescue, community recreation, hospital and flood service. Jobs are based on the construction and/or lifetime maintenance of a project.

### 5.2.1 Anchor Point Fire and Medical Service Area

Projects by Priority	Project Cost	Estimated Jobs
Sewer System Replacement	\$50,000	5
Replace Cardiac Monitors & Defibrillators	\$79,000	1

### 5.2.2 Bear Creek Fire Service Area

Projects by Priority	Project Cost	Estimated Jobs
Structural/Wildland Interface Response Unit	\$500,000	5
Fire and Medical Training Room Equipment	\$118,000	5

### 5.2.3 Central Emergency Service Area

Projects by Priority	Project Cost	Estimated Jobs
Soldotna Fire Station Remodel or Relocate	\$10,900,000	15

### 5.2.4 Kachemak Emergency Service Area

Projects by Priority	Project Cost	Estimated Jobs
Diamond Ridge fire Station	\$3,900,00	10
Quint Fire Apparatus	\$750,000	5

### 5.2.5 Nikiski Fire Service Area

Projects by Priority	Project Cost	Estimated Jobs
Fire Station #1 Repair/Remodel	\$1,500,000	15
Fire Station #2 Training Ground Development	\$250,000	5

### 5.2.6 North Peninsula Recreation Service Area

Projects by Priority	Project Cost	Estimated Jobs
Nikiski Pool - Tile Floor Replacement	\$300,000	5
Ice Rink & Gym Lighting Replacement	\$175,000	5

### 5.2.7 Seldovia Recreational Service Area

Projects by Priority	Project Cost	Estimated Jobs
Sea Otter Community Center Addition	\$40,000	5

### 5.2.8 Seward - Bear Creek Flood Service Area

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Kwechak Creek Bank Stabilization	\$203,656	15
Bridge Conveyance	\$884,800	5

### 5.2.9 South Kenai Peninsula Hospital Service Area

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Hillside Reinforcement	\$80,000	5
Homer Hospital Conversion to Gas	\$180,000	10

### 5.3 Community Projects

Many unincorporated communities within the Kenai Peninsula Borough have populations of less than 50 year round residents. Projects listed are based within the community but have broad impact on the area. Projects for each community is listed by priority. Jobs are based on the construction and/or lifetime maintenance of a project.

#### 5.3.1 Anchor Point

Projects by Priority	Project Cost	Estimated Jobs
New Library Building	\$800,000	15
Kallman Cemetery Fence Project	\$100,000	5

#### 5.3.2 Cooper Landing

Projects by Priority	Project Cost	Estimated Jobs
Emergency Services Fire Tanker	\$340,000	5
Community Health Clinic	\$830,000	10

#### 5.3.3 Diamond Ridge

Projects by Priority	Project Cost	Estimated Jobs
Kachemak Ski Club Machinery Upgrade	\$30,000	1
Watermelon Trail Improvements	\$6,000	5

#### 5.3.4 Fritz Creek

Projects by Priority	Project Cost	Estimated Jobs
Quint Fire Apparatus	\$750,000	5
Greer Road Upgrade	\$1,000,000	15

#### 5.3.5 Funny River

Projects by Priority	Project Cost	Estimated Jobs
Natural Gas Source	\$1,300,000	20
River Access Through Alaska Parks	\$2,500,000	10

#### 5.3.6 Hope

Projects by Priority	Project Cost	Estimated Jobs
Community Signage	\$40,000	5

#### 5.3.7 Kachemak Selo Water Company, Inc., Village of

Projects by Priority	Project Cost	Estimated Jobs
Parking Lot Improvement	\$156,800	5

### 5.3.8 Kasilof

Projects by Priority	Project Cost	Estimated Jobs
Ionia Barn	\$1,140,000	5
Johnson Lake Road/Crooked Creek Crossing Recon	\$250,000	5

### 5.3.9 Lowell Point

Projects by Priority	Project Cost	Estimated Jobs
Community Water System	\$6,576,900	25
Road Improvement for Emergency Vehicle Access	\$33,750	10

### 5.3.10 Moose Pass

Projects by Priority	Project Cost	Estimated Jobs
Water Tanker	\$380,000	5
Community Hall Renovation	\$140,000	0

### 5.3.11 Nikiski

Projects by Priority	Project Cost	Estimated Jobs
Public Viewing/Beach Access Park	\$1,000,000	10
Nikiski Beautification	\$300,000	10

### 5.3.12 Nikolaevsk

Projects by Priority	Project Cost	Estimated Jobs
Water Treatment Building/Gas Line Extension	\$87,885	15

### 5.3.13 Ninilchik

Projects by Priority	Project Cost	Estimated Jobs
Weatherization, Renovation & Upgrade Fairgrounds	\$164,000	5
Library Parking Lot Improvement	\$103,400	5

### 5.3.14 Razdolna

Projects by Priority	Project Cost	Estimated Jobs
Road/Street Light & Parking Improvements	\$325,836	10

### 5.3.15 Sterling

Projects by Priority	Project Cost	Estimated Jobs
Community Center	\$1,575,000	10

### 5.3.16 Voznesenka

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Voznesenka Loop Road Improvements	\$350,000	15

## 5.4 City Projects

Six incorporated cities within the Kenai Peninsula Borough have identified projects for FY13. Projects for each city is listed by priority as determined by each city governing body. Jobs are based on the construction and/or lifetime maintenance of a project.

### 5.4.1 City of Homer

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Port and Harbor Building Improvements	\$2,689,641	40
Skyline Fire Station	\$410,400	10
Pratt Museum New Facility and Design	\$2,800,000	10
Homer Education & Recreation Center Upgrades	\$9,000,000	10
Homer Improvement Revenue Bond Project	\$4,206,000	15
Harbor Entrance Erosion Control	\$2,512,800	15
Fire Engine 4 and Tanker	\$315,000	10
Public Safety Building	\$13,050,000	20
Barge Mooring Facility	\$360,000	10
Kachemak Drive Rehabilitation/Pathway	\$20,000,000	25
Brush/Wildland Firefighting Truck	\$108,000	1
Marine Ways Large Vessel Haulout Facility	\$2,700,000	20
Baycrest Overlook Gateway Project	\$230,400	10
Water Storage/Distribution Improvements	\$3,510,000	15

### 5.4.2 City of Kenai

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Paving & Improvement to City Streets	\$1,000,000	20
Wastewater Treatment Plant Improvements	\$1,670,790	15
Million Gallon Water Storage Reservoir	\$2,500,000	15
New City Heavy Equipment Shop	\$2,000,000	10
Industrial Park Construction - Phase II	\$500,000	10
Personal Use Fishery Support Improvements	\$300,000	10

### 5.4.3 City of Seldovia

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Water Treatment Facility	\$4,593,000	10
Heavy Equipment Acquisition	\$250,000	1
Full Equipment Police Vehicle	\$88,000	1
Park & Rec Area Development	\$135,000	5
Survey of Seldovia Cemetery	\$35,000	5
Sports Fishing Access Stairway	\$125,000	10
Smolt Stocking	\$65,000	5

#### 5.4.4 City of Seward

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Lowell Canyon Water Tank Refurbish	\$575,000	5
City Work Shop	\$2,500,000	15
Sealife Center Upgrades	\$750,000	20
Marine Industrial Center Expansion	\$52,000,000	150
Transmission line to Fort Raymond Substation	\$17,500,000	50
City ADA Improvements	\$85,000	10
Road Improvements	\$2,250,000	20
Fire Station Replacements	\$6,000,000	10

#### 5.4.5 City of Soldotna

<b>Projects by Priority</b>	<b>Project Cost</b>	<b>Estimated Jobs</b>
Binkley Street Improvements	\$1,315,000	20
Reconstruction of Failed Water Reservoir	\$3,000,000	10
Centennial Water and Sewer Improvements	\$1,400,000	10
North Aspen Drive	\$55,000	10
Construction Maintenance Shop	\$2,000,000	5
Soldotna Creek Park Improvement	\$150,000	5
West Redoubt Sidewalk Improvements	\$250,000	5
Safety and Security Improvements	\$120,000	1
Sport Center Roof Replacement	\$950,000	5
Community Memorial Park Phase II	\$500,000	10

## **6.0 Goals and Accomplishments**

### **6.1 Goals**

#### **Broaden and diversify the Kenai Peninsula Borough economy, expand the wealth base and employment opportunities:**

- KPEDD held the very successful Industry Outlook Forum in January. This event provides opportunities for the oil, gas and mining industry as well as state and federal government together to discuss common issues. One topic most commonly discussed was the need for a skilled work force in the region. Expansion in drilling has just begun and already skilled labor is being brought in from outside the state.
- KPEDD contracted an assessment of the existing workforce and infrastructure in place to support the increasing oil and gas development in the region. This resulted in a comprehensive report on the current workforce, employer identified gaps as well as training currently available and training that is needed. The infrastructure assessment identified current pipelines, docks, storage facilities, etc. as well as potential gaps. Both topics were measured against the output of oil and gas at a high, medium or low production rate and how prepared the region is to accommodate each.

#### **Area leader in forming and maintaining collaborative partnerships:**

- KPEDD works with local government in support of infrastructure projects that not only affect individual communities but the entire region. These projects include a gasline to Homer and the harbor expansion in Seward. Both projects need a unified voice to ensure accomplishment of the project goals.
- In July 2013 the gasline to Homer project will be completed. A ceremony with the governor will be held in celebration of this important accomplishment. City wide infrastructure is underway to bring gas service to local business and residents.

#### **Support existing economic sectors and new initiatives that promise economic outcomes for the Region:**

- All areas of rural Alaska are seeking to improve internet access to its residents and businesses. Lack of access influences not only economic development but also access to education and health care. Working with Connect, Alaska has secured funding to bring services to the more rural areas of the state. The Kenai Peninsula regions that are off the road system are being tested now. Plans are in the works to improve internet access for these regions. This work is ongoing.
- KPEDD rolled out a new program in early 2013 to support small businesses across the region. A three day QuickBooks training course is offered once per month. Clients are referred by local banks, accounting firms, and through advertisement. Each student is supplied with the use of a laptop and given a manual that covers the basics of setting up a company to invoicing, bank reconciliation, payroll, accounts payable and receivable. Class are held at the Kenai Job Center and have been scheduled in Seward and Homer this fall in response to local demand.

## 6.2 Accomplishments

### 6.2.1 Economic Development Partnerships

KPEDD is a member of the Alaska Partnership for Economic Development (APED) a 501(c)3 umbrella organization made up of many different economic development organizations. APED initially came together to work on developing a statewide comprehensive economic development strategy and accompanying realistic action plan to identify, prioritize, and implement the strategy. KPEDD will continue working in partnership with APED in the formation of industry cluster working groups, identification of industries that are reflective of the cluster model, establishment of criteria (regional, NAICS codes, etc.) that comprise a representative cluster sample, conducting facilitated action plan of identified working group and implementation of action items that generate from the working group process.

#### Mid-year update:

Through APED's Alaska Forward Initiative a program of action that will ultimately provide Alaska's policy and decision makers with on-going private sector input and engagement for sound economic development. Upon completion of Alaska Forward Phase I, discussions amongst partners intensified surrounding Phase II activities. Funding for ongoing efforts was pursued and a financial commitment from the State of Alaska was obtained.

The purpose of an Economic Development Action Plan is to provide guidance to government, private sector, civil society organizations, and individual residents, on rationale and actions for improving the overall economy of our state. It is believed that this approach will yield results in the near term, immediately and meaningfully engage key economic sectors, and result in actions that can be shared and implemented (and modified) by stakeholders.

#### Year-end update:

The Tourism Cluster Workforce Development Initiative Team released the results of its Visitor Industry Needs Survey. Distributed last fall to businesses in the tourism industry throughout Alaska, the goal of the project is to identify the challenges and needs of business in attracting and employing a skilled workforce. Partners in the development of this survey and its distribution include: Alaska Travel Industry Association, the State of Alaska Department of Commerce, Community and Economic Development, the Alaska Hotel and Lodging Association, the State Department of Fish and Game, and the University of Alaska. 156 participants completed the survey, 68% of which were for profit companies. A majority of the respondents were small businesses (less than 20 employees) and 84% of individuals employed by the respondents are Alaska residents. The survey indicates that employers are having difficulty finding the skill sets they are looking for in both front-line and management employees. Topping the list of needed skills and skills training are Customer Service and Communications skills for front-line employees and Communication and Supervision Techniques for management employees.

KPEDD is a member of Connect Alaska, a nonprofit organization that works to close the digital divide by working with state and local agencies and Alaska's broadband providers to deliver a comprehensive and accurate state-level broadband map showing both rural and urban broadband access. Lack of access is identified as the number one barrier to small business in rural areas. KPEDD will continue working with Connect Alaska to (1) map broadband service availability across the state, (2) understand broadband adoption rates throughout Alaska, and (3) determine what barriers exist (community by community) that inhibit broadband usage. The maps and data that result from our work will be available to the public, and will be used to positively impact Alaska's broadband landscape for future generations.

Mid-year update:

New research unveiled by Connect Alaska shows that the broadband availability gap in the state of Alaska is shrinking, with 86% of Alaska households now having access to fixed broadband speeds of 3 Mbps download or higher, compared to 85% just six months ago.

Connect Alaska has been working diligently with local partners and providers to ensure that Alaskans have access to the economic, educational, and quality of life benefits derived from increased broadband access, adoption, and use.

Some of the key findings include:

- 86.09% of Alaska households now have access to fixed broadband at advertised speeds of 3 Mbps download/768 Kbps upload.
- 91.75% of Alaska households have access to fixed broadband speeds of at least 768 Kbps download/200 Kbps upload, but only 83.75% of rural households.
- Only 1.76% of Alaska households have access to fixed broadband speeds of at least 10 Mbps download/1.5 Mbps upload indicating upload speeds are a major hindrance as 81.52% of Alaska households have fixed broadband access of at least 10 Mbps download/200 Kbps upload.

Year-end update:

Connect Alaska has maintained its focus on regions in rural Alaska. This has not included any work nor are there plans to work in the Kenai Peninsula Borough region. However any strides Connect Alaska makes in supporting the improvement of board band access will affect the businesses and residents of the region.

Kenai Peninsula Resource Conservation & Development District lost its USDA funded administrative liaison. As a charter member, KPEDD will continue to provide support in identifying funding opportunities, assist with strategic planning, and provide technical support to ensure the longevity of the organization.

Mid-year update

KPEDD provides KPRC&D administrative support however, the group is becoming less active due to limited funding. It is anticipated that the recent

disbanding of a sub-committee will allow attention to be redirected back to RC&D projects. In 2013 KPEDD will provide a small sponsorship for the annual Ag Forum slated for April.

#### Year-end update

KPRC&D held its annual Ag Forum at the Challenger Learning Center in Kenai, Alaska. This is the first time in many years that the event was held exclusively in the northern part of the peninsula. Just over 80 people attended the all-day event. Speakers made presentations on high tunnels, sustainable agriculture, food safety as well as the Kenai Peninsula Borough revealed the initial results of its land use survey. Attendees were encouraged to update maps to show how their land was being used. Next year the forum will be held in the southern peninsula region and will continue to rotate locations.

### **6.2.2 Infrastructure Development & Improvement**

KPEDD will prepare the Cook Inlet Infrastructure and Workforce Assessment. Part I of the report will (1) inventory the existing public and private oil and gas infrastructure and assess of its adequacy; (2) include a capacity analysis that will assess the capabilities of the infrastructure based on a forecast of low, medium, and high oil and gas activity in the Cook Inlet region with a consideration for the possibility of in-state natural gas pipeline from the North Slope; (3) recommend future public and private infrastructure projects, again utilizing three possible activity levels: low, medium, and high; and (4) include a comprehensive report presenting the findings of the research and forecasting efforts.

Part II will address workforce issues. The assessment will survey the workforce capacity by (1) conducting a baseline study of the existing workforce within the Kenai Peninsula region; (2) identifying workforce needs of existing producers and developers; (3) identifying workforce needs for future gas & oil development; (4) surveying existing training facilities for baseline training capacity; (5) identifying new training facilities or programs needed to meet current and future demand for a trained workforce, and (5) compiling the information in a comprehensive report that addresses the Kenai Peninsula's ability to accommodate current and future oil and gas production and recommendations on bridging workforce development gaps for current and future oil and gas production

#### Mid-year update:

CH2MHill is under contract to conduct the oil and gas infrastructure portion of the project. Staff meets with the consultant bi-weekly to review progress of the project. The first draft of the report is due March 1.

The McDowell Group is under contract to conduct the workforce assessment portion of the project. Staff meets with the consultant bi-weekly to review progress of the project. The first draft of the report is due February 18.

KPEDD submitted an application to EDA for \$75,000 as matching funds for this project. The application was not approved for funding.

Year-end update:

The final reports are now available on the KPEDD website. [www.kpedd.org](http://www.kpedd.org)

The reports are an analysis of the following:

- The existing workforce in Kenai Peninsula Borough
- Workforce needs of existing producers and developers
- Workforce needs for future gas and oil development
- Capacity of existing training facilities located in Kenai Peninsula Borough
- New training facilities or programs needed to meet current and future demand for a trained workforce in the Cook Inlet oil and gas industry

The home port for the southwest Alaska Coastal Villages Fund CDQ commercial fishing fleet is located out of state. KPEDD will continue working with the City of Seward in identifying funding sources for the development of a harbor, dock and warehousing for the relocation of the fleet, returning to Alaska waters. The project is estimated to cost \$40 million and create 500 jobs.

Mid-year update:

The City of Seward received state funding for \$400,000 in the FY11 legislative session. These funds were for the preliminary engineering work that is underway now. It is anticipated that federal funding to move the project forward will be pursued with the support of the Alaska delegation.

Year-end update:

Progress on this massive project continues forward. Engineering work on phase one should be complete in the next few months. This draft plan will go through the public comment period prior to acceptance. KPEDD has provided letters of support for the latest round of TIGER grant applications.

### **6.2.3 Community & Regional Development Planning**

Facilitate comprehensive planning in communities on the Kenai Peninsula. Communities will be assisted in identifying its economic values, delineate their economic strengths, recognized hindrances and develop a plan to guide the community in meeting its economic development goals. The results of these activities will be incorporated in the FY10 - FY15 CEDS document.

Mid-year update:

Work to update the FY10-FY15 CEDS document is ongoing.

Year-end update:

FY13 CEDS update is complete.

KPEDD will continue with the development a Municipal Conference. The group will be comprised of city mayors and chamber of commerce representatives. The goal of the conference is to identify commonalities in economic barriers and devise strategies to overcome these barriers.

Mid-year update:

The group met several times this summer and fall. By-laws and a fee scale have been drafted. The By-laws are to be reviewed by an attorney and presented for approval at the next meeting.

Year-end update:

The Municipal Conference concept has not gained sufficient support to continue. Requests for matching funds have not been successful. This project has been shelved.

## **6.2.4 Training & Workshops**

Cosponsor the two day Industry Outlook Forum in January 2013. This annual event offers the latest updates on the oil, gas and mining industries and well as the economy from federal, state and local officials. Participants attend at no cost.

Mid-year update:

Planning for the 2013 Industry Outlook Forum is underway. The event will be held in Homer at the Land's End Resort Thursday, January 31<sup>st</sup> and Friday February 1<sup>st</sup>. The City of Homer is the co-host this year.

Year-end update:

The 2013 Industry Outlook Forum was held Thursday, January 31<sup>st</sup> and Friday February 1<sup>st</sup> at the Land's End in Homer; the City of Homer was the co-host of the event. 212 registered participants, 30 Sponsors and 23 Speakers made the forum a great success. Speakers included the Homer, Kachemak City, and Kenai Peninsula Borough Mayors as well as representatives from Seldovia and Seward. Homer Electric Association and Enstar made presentations on their respective on-going projects. The oil and gas industry was represented by speakers from Buccaneer, Cook Inlet Oil, Apache Energy and Hilcorp. Presentations from the Pebble Partnership and Donlan Gold projects were on the agenda. Speakers from the Dept. of Commerce, Division of Tourism and the Dept. of Environmental Conservation gave overviews of current issues. The Lt. Government Mead Treadwell was the scheduled lunch speaker but was unable to attend due to a flight delay in the lower 48.

KPEDD will provide continued support to the Kenai Peninsula Construction Academy in securing funding for completion of its training facilities, assist with the formation of its 501(c) 3 as well as provide technical support.

Mid-year update:

KPEDD spends a significant amount of time assisting KPCA. The 501(c) 3 application for KPCA is near completion pending final review by legal. Administrative and accounting support continues monthly.

Year-end update:

The application package for Recognition of Exemption Section 501(c) 3 for KPCA was submitted to the IRS in late April. A letter of receipt and initial review from the IRS was received in June. This project required a lot of man hours.

## 6.2.5 Continuing Economic Development

KPEDD owns and operates the Business Innovation Center (BIC). This small business incubator is designed to provide assistance for new and expanding businesses in the Kenai Peninsula Borough. Small business incubators across the nation have dramatically lowered the failure rate of small businesses through such services as:

- Business assistance - KPEDD provides guidance in business plan development, strategic planning, market research, bookkeeping, office management, marketing and workforce development.
- Aid in identifying financing opportunities - KPEDD provides assistance in developing loan packages and information about available loan programs and potential investors.
- Tenancy space - The BIC has light manufacturing and professional office space ranging from 250 to 1,000 square feet.
- Shared office services - Shared office amenities and lower overhead allow small business to concentrate on the business at hand, and also encourage regular interaction with each other. Amenities include DSL, conference room and ample parking.

Mid-year update:

The Business Innovation Center (BIC) is 100% occupied. 75% of our turned raw land is leased. Tenants include a startup oil/gas exploration company, two oilfield support services companies, two oil/gas construction companies, two pipeline inspection companies, a safety training business, a self-employed video production/editor, a startup petroleum based products and lubricants sales and services company and a nonprofit radio station.

Year-end update:

The Business Innovation Center (BIC) is 100% occupied. 90% of our turned raw land is leased. In the last year the oilfield support services company has grown from 3 employees to 120. As more work comes in it is expected to continue to expand. A new start up that provides contract catering and housekeeping for the oil platforms in Cook Inlet currently employees 52 people.

KPEDD works closely with the Small Business Development Center in the development of business plans in preparation for loan requests from KPEDD, state, and/or private funding sources.

Mid-year update:

Approximately \$80,000 is available for lending through our MicroLoan Program. Five loans are active with an outstanding balance of \$24,000.

Year-end update:

Approximately \$98,000 is available for lending through our MicroLoan Program.  
Three loans are active with an outstanding balance of \$12,000.