

City of Craig

Craig Community Economic Development Strategy

Annual Report

May, 2006

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City of Craig
2006 Overall Economic Development Plan Committee Members

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Development Strategies and Accomplishments

Following is a priority list of strategies developed by the Craig Economic Development Strategy Committee as a part of the Overall Economic Development Plan. Each item contains a brief description of the project and its impacts and details any activities that have taken place in the last 12 months. There is also a brief description of current activities being taken on each item.

Local Strategies

1. Development of the Ward Cove Packing Co. Site including Harbor Improvements and Library Expansion

Project Description: Purchase of this 10 acre parcel (five upland and five tideland/submerged acres) will greatly enhance the traffic flow, parking, appearance and commercial attraction to the downtown area. Increased harbor facilities will help relieve the crowded conditions and attract pleasure boats traveling through the area. Projected uses for this parcel include parking, light industrial, commercial, public and harbor space.

Activity over the Last 12 Months: The city has been negotiating with Ward Cove for the purchase of the property. After much discussion Ward Cove and the City have settled on a purchase price of \$1.75 million. The city has decided to use the proceeds from its endowment account to pay a loan from first bank. This will require the dedication of these funds for the next 7 to 10 years. The city has continued to work with the congressional delegation to get the Sunnahae Mountain land sale appropriated. This should result in about \$400,000 toward the purchase of the land. The city has held a couple of public information meetings and has developed a draft conceptual land use plan for the area.

Current Activity: In April 2006 the City of Craig closed on the property. The city will continue to pursue funding both to offset the purchase and for the development of the property. The city will also continue to engage the public in the development process. The City of Craig will participate in long term library planning to determine the city's library needs and will pursue funding to meet those needs with the Ward Cove Packing site as one possible location for a new library. The city will also pursue funding for design and construction of breakwaters and harbor space at the site.

2. Fish Processing Capacity

Project Description: Reestablishing fish processing capability in Craig is an important development step. The employment, fish processing tax, and selling point for commercial fishing boats all generate new income for the local private and public sector. That revenue increases payroll, and in turn the net amount of dollars circulating within the community. The net increase in raw fish tax receipts provides a revenue stream for maintenance and upgrade of the community's harbors that is now absent. In order to increase the infrastructure, add value to the area fisheries, provide economic flexibility to the local fleet and add local jobs to the community it is crucial that we upgrade fish

processing and storage capabilities in Craig. Commercially available ice, fish processing capability and cold storage space are critical to increasing this industry in Craig.

Activity over the Past 12 Months: In pursuing the feasibility of a cold storage and processing plant in Craig the city has secured \$300,000 in legislative grant funding and has completed a facilities feasibility study (prepared by Polar Industries), a market/demand study (prepared by Southeast Strategies) and a study of the electrical usage based on these facility and demand studies (prepared by Northstar Electrical Engineers). The completed studies show that a facility should have enough demand to be feasible in Craig. The electrical demand study shows that electrical costs may be a hindrance to successfully operating a facility in Craig. We are continuing to look at the electrical usage and costs in order to bring this potential cost more in line with costs to similar users in other communities. The most recent development in increasing fish processing capability for Craig has been discussions with a barge mounted processor. In its research for a facility the city began discussing the possibility of purchasing a turnkey barge mounted operation from Astoria Seafoods in Astoria, Oregon. In the course of the discussions Astoria Seafoods may be interested in operating the barge in Craig for the upcoming season with an emphasis on the pink salmon seine fishery.

Current Activity: Using the facility and demand studies and the electrical estimates the city will continue to work to bring electrical costs into a workable range. Currently the city is negotiating with Astoria Seafoods to bring their barge mounted operation into Craig for the summer. We are looking at the Ward Cove Packing Site dock as a possible operating location for the barge and False Island as a final location for a permanent processor. The City of Craig will continue to work with the Economic Development Administration and the State of Alaska to fund construction of a land based plant in Craig.

3. Expand Health Services

Project Description: With a long-term view to meeting their physical space, service delivery and operational needs, the City of Craig Clinic, Communities Organized for Health Options (COHO), Community Connections and the Alaska Public Health Nurse program propose the construction of a shared facility from which to provide their core primary health care services to residents of Prince of Wales Island. The convergence of these needs provides a unique opportunity for the four groups to collaborate on a project that can meet their physical needs and improve the delivery of services to the patients and clients on the Island. The city proposes to construct a new 12,500 square foot facility that will provide shared space for the health care providers above.

Activity over the Last 12 Months: Currently each provider is operating out of separate locations, many of which are too small or substandard and in need of renovation or replacement. The new facility will provide advantages to all providers and the public in the form of reduced operational costs, reduced capital costs and commonality of services and clientele. The City of Craig will provide the land for the project, and has identified a 5.5 acre city owned parcel for the new clinic. The total project cost will be

approximately \$6 million. The capital cost will be shared between several funding sources.

Current Activity: If all funding is in place the new facility should be designed by December 2006 and requests for construction bids will be solicited in winter 2006/spring 2007 and construction should begin in summer 2007.

4. Port St. Nicholas Road Upgrade

Project Description: This project consists of survey, design, engineering and construction of a paved two lane road. Final construction of this road will reduce long term maintenance of roads and will improve driving conditions for residents of Port St. Nicholas.

Activity over the Past 12 Months: The Craig Community Association (CCA) has continued to work this project. Preliminary design, engineering and environmental work has been nearly completed. Of the \$6 million available for the project (\$3 million in BIA funds and \$3 million in state funds) \$1 million has been expended on design, engineering and environmental work. At present there is \$5 million available for construction. Recently CCA has put an application in with the Denali Commission and may receive an additional \$2 million towards the project.

Current Activity: CCA continues to work the funding issues to ensure that the current 5 ½ mile project is fully funded and completed. Funding negotiations will continue to go on with the State, BIA and the Denali Commission.

5. Community Quota Entity

Project Description: The project is the purchase of halibut quota shares by the Prince of Wales Island Community Holding Corporation (POWICHC), a non-profit corporation representing the City of Craig in the Community Quota Entity program. The Community Quota Entity program was enacted by Amendment 66 to the National Marine Fisheries Service rules. Craig quickly took the lead in the state in participation in this program. The city completed formation and approval of the POWICHC as a Community Quota Entity under amendment 66.

Activity over the Last 12 Months: The corporation received its transfer eligibility certificate in December 2004 and has been working since then on a funding package to purchase quota shares in order to become active in the program. This project has been a high priority in the economic development planning process in Craig for the past several years. The Craig city council has passed numerous resolutions and has pledged \$15,000 towards the purchase of quota share. The POWICHC has also completed a review of all required documents and is ready to proceed when fund become available for purchase of quota.

Current Activity: Staff will continue to look for funding sources.

6. Utility Upgrades

Project Description: Upgrades to Craig's water treatment/distribution and sewer systems are very important to maintaining health and safety. Due to the age of parts of the system and changing needs, the city needs to continually look at maintenance, repair and upgrade of Craig utilities. The water distribution system has had a high rate of water loss due to broken pipes in the system. A major leak has caused the shutdown and rerouting of water distribution along the highway in East Craig.

Activity over the Last 12 Months: The city has been working with R&M Engineering of Ketchikan to survey and design repairs, upgrades and extensions identified during the Village Safe Water grant application. The city has \$973,000 identified in the state budget for this work.

Current Activity: Staff will continue to monitor the availability of match funding and will begin continue engineering work in order to accomplish listed utility projects. Construction on some projects should begin in 2006.

7. Community College/Community Center

Project Description: Establishing a community college program locally could provide a wide array of vocational, arts, and academic classes for residents. An associate degree program could allow local high school graduates the option of staying home for two years of a four-year program, reducing the cost of postsecondary education substantially. The Craig Community Foundation has completed a scope of work and a draft site plan for development of a community center at Crab Creek. The foundation envisions many of the projects on this list, including a library, museum, visitor center and college classes at the facility.

Activity over the Last 12 Months: The university has greatly expanded its offerings at the Craig Community Association building and has placed a part time adviser there.

Current Activity: The Craig Community Association continues to work with the university to incorporate college classes on Prince of Wales Island. In addition the CCA has been very active in making technology classes available to island residents. The Craig Community Foundation will continue to complete tasks included in their scope of work for this year. Tasks in the foundation's scope of work include; review the purpose of the Craig Foundation and the site planning and development work completed to date; draft a preliminary program for site development and conceptual design based on the foregoing review for discussion with the Craig Foundation Board of Directors; prepare a revised preliminary site plan and conceptual design for a community center project; and, prepare an application for a State of Alaska named recipient grant for presentation to the Alaska State Legislature.

8. Museum/Historical Center/Visitor Center

Project Description: With the increase of tourism and related industry on Prince of Wales a central visitor center and associated attractions could be very beneficial. This project is in its conceptual stages.

Activity over the Last 12 Months: None.

Current Activity: City staff will monitor the feasibility of this project during the upcoming year. The city will consider the Ward Cove Packing site and the Craig Community Foundation site for these projects and will look for partner groups appropriate to these projects.

9. Street Improvements

Project Description: A number of the collector streets in Craig merit upgrading. The addition of sidewalks and asphalt surfacing will define property lines, provide safe places for pedestrians to walk, and lower street maintenance costs. In addition, reducing dust generated by traffic on dirt roads keeps adjacent homes and businesses cleaner, and improves air quality for those with asthma and other diseases that are exacerbated by ambient air particulates. Maintenance and upgrade of existing roads and intersections are major concerns.

Activity over the Last 12 Months: The city has worked on coordinating utility improvements with the street improvements in order to ensure that all projects are done at the appropriate time. Preliminary work on an environmental document has begun.

Current Activity: Staff will continue to work utility issues needed prior to road upgrades. Staff will also continue to work on environmental documents and will begin engineering required for utility and street upgrades.

10. Float Plane Terminal Access and Parking

Project Description: The State of Alaska has turned over ownership and operation of the float plane terminal property in Craig to the city. Reopening this facility has improved the appearance of the float plane terminal, has been a benefit to travelers, and has allowed local air carriers to operate more efficiently. Continued work on this project would include improvement of parking at the facility and continuing to analyze the feasibility of access along the Eighth Street corridor.

Activity over the Last 12 Months: The city completed upgrades to the electrical, heating and space problems that plagued the facility while under state ownership. Currently there are two air carriers operating out of the facility and it appears to be operating smoothly.

Current Activity: Staff will continue to maintain the facility and will analyze parking and access issues.

11. Municipal Water Source Improvements

Project Description: Water source improvements will benefit the king salmon enhancement project and the community drinking water capacity. This project includes improvements and raising the dam at North Fork Lake, which is the municipal water source for Craig. Raising the water level will result in increased water flow to the king salmon hatchery located at Port St. Nicholas and will result in higher capacity for stored

raw water for treatment and use by the City of Craig. Improving stocks of high value king salmon has benefits for all categories of fish users. Increased populations of these fish will mean greater opportunities for commercial, subsistence, charter and sport fishermen. Working in cooperation with the Prince of Wales Hatchery Association, king salmon stocks can be increased locally.

By enhancing king salmon stocks, all fishermen will have access to more high value fish. In addition, those king salmon will not be counted toward the Southeast Alaska King Salmon Harvest under the Pacific Salmon Treaty, resulting in a net gain of available king salmon. The local charter and sportfishing fishing sectors will benefit by increasing the number of popular king salmon available to charter customers and sportfishermen.

The Prince of Wales Hatchery Association, which received EDA assistance in 1996, is the natural choice for developing new runs of king salmon. The association's Klawock River facility has the egg taking, incubation, and rearing facilities, as well as the personnel needed to develop and maintain the annual runs. The association could develop a cost recovery fishery with the local fleet to fund the annual operating expenses related to the enhancements.

Activity over the Last 12 Months: Construction of the building and sitework for the circulation ponds has been completed.

Current Activity: Construction of the circulation ponds and other sitework will be completed this spring. Fish will be introduced into the facility this year. An analysis and some engineering work on the dam site will be completed over the next twelve months.

12. Craig Pool and Schools Alternate Heating System

Project Description: The project includes purchase and installation of a wood fired boiler system sufficient to provide heat to the pool water, pool building and selected school buildings. The project also includes renovations as necessary to existing heating systems in the pool building and schools. Converting from propane/oil to wood will result in significant annual cost savings to the city and the school district. This project is a pilot project in Craig and may result in similar projects being considered in the future.

Activity over the Past 12 Months: The city oversaw the completion of two feasibility reports on the project, both of which support adding wood heat to the existing mechanical systems. The issue has been discussed at length in various forums throughout the year. City staff has taken the opportunity to observe small and large wood fired systems in Alaska and in Montana. Engineering has been completed. Most of the required \$1.4 million capital funds are available and sitework is expected to start this year.

Current Activity: Two thirds of the funding is in place. City of Craig staff will continue to work funding issues to see this project completed. Site preparation and construction are expected to take place this year.

13. High School/Middle School/Elementary School Upgrades

Project Description: Due to the age and condition of some of our school facilities there is a need to do some major maintenance and renovation.

Activity over the Last 12 Months: The city and the school district have been working to secure funding for this project.

Current Activity: The city continues to work the roof issue and has applied for legislative grant aid in funding. The school district feels confident that this funding will be included in legislative appropriations this year.

14. Residential Land Availability

Project Description: Due to community growth and the land-locked nature of the City of Craig there is limited residential land available for development. In addition to small undeveloped areas in Craig there are two large undeveloped tracts and a small city subdivision which are currently zoned for residential development. The western half of Cemetery Island is owned by Shaan-Seet and is zoned residential. This tract may be developed into numerous prime residential lots in an area that is currently undeveloped. Tract 18 of USS 2611 in East Craig is owned by the Craig Community Association and may yield as many as eleven residential lots in the middle of a residential neighborhood. The city owned seven undeveloped lots that make up the Salmonberry Subdivision on the Port St. Nicholas Road.

Activity over the Last 12 Months: None.

Current Activity: This project is new to the CEDS list this year. It was placed on the list because availability of housing is one of the limiting factors to recruitment and retention of a workforce in Craig. The city will explore ways to encourage development of both small tracts and large tracts in Craig for residential use.

Regional Strategies

1. Peratrovich Airport Improvements

Project Description: The State of Alaska-owned airport near Klawock, formally called the Frank Peratrovich Airport, is a critical piece of island infrastructure. The facility's 5,000 foot long paved runway can accommodate many classes of passenger and freight aircraft. Regular air freight service from the airport to markets in the continental U.S. or on to the east via Anchorage can increase the price paid to local fishermen by selling their product on the fresh market, rather than selling to cold storage buyers for eventual sale in the frozen or processed markets.

In addition, scheduled air passenger service to and from the island would eliminate the expensive, unpredictable and all-too-often unpleasant travel required to board the jet in Ketchikan.

The airport runway is already long enough for jet cargo and passenger service. The State of Alaska last year contracted for the installation of a security fence along the airport perimeter. The presence of a perimeter fence and the installation of an instrument

approach provide two important prerequisites for introduction of jet passenger service to the island. Other physical improvements, as well as promotion of the airport, are necessary to bring regular jet service to the island.

Activity over the Last 12 Months: Discussions with FAA staff and Dowl Engineers (Anchorage firm hired to prepare the Klawock Airport Master Plan update) have determined that an ILS approach system would not lower minimums at the Klawock airport. Additional discussion showed that other improvements to the airport could be done with money already set aside for the ILS system. Most of these improvements are shown in the final Klawock Airport Master Plan.

Current Activity: Analysis, funding and improvements will continue this year.

2. Solid Waste Facility

Project Description: The local landfill transships solid waste to a landfill in eastern Oregon. Initially, the landfill, operated by the City of Klawock, and used primarily by the cities of Craig and Klawock, anticipated changing their disposal method from landfill to incineration. However, Klawock is moving away from incineration after hearing reports of unsatisfactory results in other southeast communities.

There is some interest in the region in developing a SE Alaska solid waste site to serve the area's communities, almost all of whom now transship their municipal solid waste to points in Washington and Oregon. The effort to find a regional solid waste facility should continue through feasibility and site studies.

Activity over the Last 12 Months: Communities and Southeast Conference have continued to look at alternative methods of dealing with municipal wastes. No formal program has developed.

Current Activity: Communities will continue to look at options as the price of transshipment continues to rise.

3. Borough Study

Project Description: Prince of Wales Island is in Alaska's unorganized borough. Put another way, no borough-level government exists on the island. From time to time discussions surface as to the merits of forming an island borough. However, a lack of understanding of the consequences of borough formation results in action on the issue ending at the discussion level. A comprehensive analysis of the changes brought about by the formation of a Prince of Wales Island Borough is necessary to give island residents a complete look at what borough formation would mean, and whether or not it is in the island's best interest to organize in that manner.

Activity over the Last 12 Months: Although no moves to consolidate school districts or to force mandatory boroughs have developed the state legislature is looking at the concept of an "administrative" borough and financial incentives for areas to form boroughs. Borough issues including the petition to by the Ketchikan Gateway Borough

to annex over 4,700 square miles and borough petitions being prepared and filed by Wrangell and Petersburg have brought this subject higher on the list of actions.

Current Activity: Craig city staff continues to closely monitor borough issues in the legislature, governor's office and the Local Boundary Commission. The city will continue to weigh the benefits and drawbacks of conducting an independent study on the feasibility of borough formation.

4. Island-Wide Economic Development Planning

Project Description: With a wide array of common economic and social issues facing all the communities on Prince of Wales Island, a coordinated, Island-wide effort to address these issues is merited. The obvious place to begin is with an update of the 1992 Prince of Wales Economic Development Strategy produced by C.L. Cheshire and funded by a grant from the U.S. Forest Service.

Activity over the Last 12 Months: The City of Craig has deferred to the Prince of Wales Community Advisory Council as lead organization on this project. Over the last 12 months POWCAC invited various people to speak on economic development issues but has not yet begun to develop a comprehensive economic plan for the Island. In 2005 POWCAC did collaborate on an island wide capital project list. This list was submitted to Southeast Conference, which is recognized by the Federal Economic Development Administration as the regional economic development entity for southeast Alaska. Southeast Conference published the island wide list as part of the Southeast Alaska Community Economic Development Strategy.

Current Activity: City staff will look at the feasibility of conducting an island wide economic summit in the next couple of years. Staff will also look for funding to have a new economic development plan written.

5. Paralytic Shellfish Poisoning Testing Laboratory

Project Description: Prince of Wales area waters contain commercial quantities of shellfish. In addition, a number of shellfish farms exist that culture product for commercial markets. Prior to their sale to retail markets, all of these species must be tested for paralytic shellfish poisoning (PSP). PSP occurs periodically and unpredictably in both wild and cultured shellfish stocks. The only PSP laboratory in Alaska is in Palmer. Shipping product to Palmer can take several days depending upon weather conditions. These several days delay the shipping of the harvested shellfish to market. Having a PSP laboratory in Southeast Alaska will reduce the time between when shellfish is harvested and when it can be tested for PSP. This will get the fresh product to market sooner, and ultimately fetch a higher price for shellfish producers.

Activity over the Last 12 Months: The CCA and the Organized Village of Kasaan are interested in assisting in the establishment of a paralytic shellfish poisoning (PSP) lab on the island. CCA and OVA may be able to access funding sources otherwise unavailable to the project.

Current Activity: This project is still in the developmental stages. In addition to the Kasaan project there is some discussion about including testing facilities in the

6. Emergency Planning

Project Description: Preparedness for emergencies and response to them has critical economic impact. The local emergency planning committee has been charged with the responsibility of preparing draft emergency response plans for area communities. Adoption and implementation of plans are completely at the discretion of each individual community.

Activity over the Last 12 Months: The Southern Southeast Local Emergency Planning Committee (SSLEPC) has continued to meet and work on community emergency response plans. In 2005 the SSLEPC completed a draft mass prophylaxis/vaccination plan for Prince of Wales Island with the assistance of the Public Health Nurses..

Current Activity: The SSLEPC continues to work on draft emergency plans for communities to consider adopting. The committee will also help to arrange training in emergency management issues and will help to plan community and area wide exercises to test response capabilities.

7. Alternative Energy Sources

Project Description: With the high and increasing cost of fuel there has been a major impact in gas, home heating, electricity, transportation and purchase of consumer goods. Biomass, wind, hydro and other alternative fuel and power sources are becoming more and more feasible and prudent given the high cost of fuel. The CEDS Committee would like to see some exploration of alternative energy and fuel sources. This project was new to the CEDS list last year.

Activity over the Last 12 Months: Various communities in the area have been looking at small alternative energy projects. The most notable is the Wood Fired Boiler system being put into place by the City of Craig.

Current Activity: None.

8. Timber and Value Added Processing Input and Support

Project Description: With the overall decline of the timber industry it becomes more and more critical for municipalities to support a marketable level of timber harvest and development of added value industries.

Activity over the Last 12 Months: None.

Current Activity: Craig city staff will continue to monitor timber sale availability relative to local demand and will seek ways to develop or enhance the value added timber industry in Craig. Staff will also work with the USFS to seek ways to diversify the use of local timber.

9. Island-Wide Transportation System

Project Description: With the advent of daily ferry service by the Inter Island Ferry Authority (IFA), with north end IFA service now in service, and with great growth potential at the Island's airport, an effort to organize and plan for passenger and freight transportation needs is needed. An integrated system will allow for orderly growth and ideally encourage on-island businesses to meet anticipated needs. Additionally, the document will qualify the Island for mass transit and other grant programs geared toward moving people and freight between the various transportation modes.

Activity over the Last 12 Months: The Craig Community Association (CCA) has tasked its transportation planner with developing a transit system for portions of Prince of Wales Island. An advisory group consisting of community representatives has formed and made preliminary recommendations. CCA has continued to work funding issues with state and federal representatives.

Current Activity: CCA will continue to develop a draft program and seek funding.

10. Island-Wide Electrical Intertie

Project Description: The Alaska Energy Authority, with the Denali Commission, is considering an on-island intertie between the existing electric grid serving (Craig, Klawock and Thorne Bay), and the communities on the north end of the island. Doing so will reduce kilowatt hour costs in the north end communities by about one half, resulting in significant cost savings for north end rate payers. Connecting the Island's electric grid to the east side communities of Coffman Cove and Whale Pass also provides two additional connection points for an eventual tie into a region-wide intertie in Southeast Alaska.

Activity over the Last 12 Months: AP&T has continued to extend lines on the island.

Current Activity: The City of Craig continues to work with Southeast Conference and other communities on the electrical intertie project.

11. Vocational Training Center

Project Description: Post-high school education is important to our area. The ability for local graduates, industry workers looking to enhance their skills and marketability and displaced workers in the timber and fishing industries to receive vocational training is important. This project is to encourage development of vocational training in the area for these target populations.

Activity over the Last 12 Months: Island school districts, with the Klawock City School District taking the lead, have been working to bring select vocational training programs to the island.

Current Activity: The island school districts will continue to take the lead in developing vocational training opportunities with a long term view of creating a vocational training center.

12. Bicycle & Pedestrian Paths

Project Description: With the improved ferry service to the island, additional interest in a tourist industry that caters to the independent traveler, and the focus in recent years on improving Prince of Wales Island's road system, there is merit in including in road designs bicycle and pedestrian paths along the island's main roads. Such improvements are useful not only to seasonal tourists and to the annual POW marathon, but also to local residents. The paths would increase transportation alternatives and may help facilitate new businesses.

Activity over the Last 12 Months: While major road improvements have taken place, very few bicycle and pedestrian paths have been included.

Current Activity: Area residents continue to seek bicycle and pedestrian paths in and around Craig. The city will continue to work with the State of Alaska and the Federal Highway Administration to extend the existing bike path.

13. Island Wide Recreational Vehicle Facilities

Project Description: With the island roads being upgraded, existing ferry availability to Hollis and the upcoming ferry connection in Coffman Cove there will be an increase in self directed tourism on the island. In order to meet this increase in traffic the establishment of RV facilities both in communities and at regional locations is necessary. The committee supports private and public development of such sites.

Activity over the Last 12 Months: None

Current Activity: This project is in the conceptual stages.

14. North POW Campground

Project Description: The U.S. Forest Service has property at El Capitan and at Labouchere Bay, either one of which could be developed into prime campground sites. A north end campground facility would provide a destination for independent travelers on the island, and would coordinate nicely with the proposed Coffman Cove/Wrangell/Petersburg ferry route now in development by the Inter Island Ferry Authority.

Activity over the Last 12 Months: No activity over the past twelve months

Current Activity: The US Forest Service continues to look at development of recreational activities that will meet user needs.

15. West Coast Kayak and Skiff Route

Project Description: A west coast kayak and skiff route, from Prince of Wales Island to points north, would add another dimension to the seasonal tourism market. Campsites on national forest or private land placed along the route at intervals equal to a day's travel would allow boaters the opportunity to camp along the route while also staging in the

west coast communities along the way. The simple infrastructure required by the program would add an attractive new opportunity for recreation in the area.

Activity over the Last 12 Months: The Forest Service has continued to include recreation facilities that will make this project possible.

Current Activity: None at this time.

Economic Climate

Staff has looked at some economic factors to develop a quick, rough set of economic trends for the City of Craig over the last five years. We used four factors to look at the economic trends of the city. Those factors were: population, school enrollment, sales tax and building permits. Although these are not enough to provide detailed analysis, they are enough to get a quick idea of the trend.

Economic Factors Analyzed:

Factor 1: Population figures used by the State of Alaska for the last five years are as follows:

Year	Population	Increase/Decrease
2000	1,397	
2001	1,246	-11%
2002	1,227	- 2%
2003	1,174	- 4%
2004	1,127	- 4%
2005	1,102	- 2%

Although there appears to be a dramatic change between 2000, 2001 and 2002 this is mostly due to the different methods of gathering information.

Factor 2: School Enrollment. Total enrollment of local students (excluding correspondence and cyber students) in the Craig City School District is as follows:

Year	Enrollment	Increase/Decrease
2000	412	
2001	385	- 7%
2002	391	+ 1%
2003	382	- 2%
2004	367	- 4%
2005	356	- 6%

Factor 3: Annual sales tax revenues are as follows:

Year	Sales Tax Collected	Increase/Decrease
2000	\$1,417,979	
2001	\$1,389,235	- 2%
2002	\$1,271,875	- 9%
2003	\$1,262,239	- 1%
2004	\$1,290,000	+ 2%
2005	\$1,447,291	+10%

Factor 4: Building Permits issued over the past several years are as follows:

Year	New Homes	Commercial Permits	All Others	Total
2000	1	3	21	25
2001	0	4	25	29
2002	2	5	29	36
2003	1	5	29	35
2004	8	7	30	45
2005	1	6	26	33