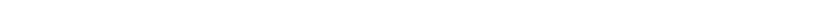


City of Craig

Craig Community Economic Development Strategy (CEDS)

Annual Report

May 2007



Craig Overall Economic Development Committee

City of Craig

The 2007 Overall Economic Development Plan Committee Members and Staff met on April 10th and 11th, 2007 in the Craig City Council Chambers. During the two days of meetings the committee reviewed the projects currently on the list, proposed changes, and re-prioritized the list.

2007 CEDS Committee Members:

Bill Altland	Craig Planning Commission
Mark Beardsley	Westwind Plaza
Arlene Buoy	Craig Community Association
Paul Coffey	USDA – Natural Resources Conservation Service (NRCS)
Mary Edenshaw	Klawock-Heenya Corporation
Cindy Gamble	Alicia Roberts Medical Clinic (SEARHC)
Jodi Garza	Shaan-Seet Inc.
Greg Head	Craig City Council
Kelly Mackie	Craig Library
James See	Craig City Council
Barbara Stanley	US Forest Service
Lonnie Walters	Craig Planning Commission

2007 CEDS Committee Staff:

Brian Templin	Craig City Planner
Jon Bolling	Craig City Administrator

This plan was adopted by the Craig City Council on May 15, 2007.

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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

Project Description: Development 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: In April 2006 the City of Craig completed the purchase of the property for \$1.75 million. Also in 2006 a state legislative grant in the amount of \$1 million was given to the city for development of the property. The city spent a considerable effort and amount of time to engage the public in the development process. A public review draft was published and distributed in July 2006. Between August and December of 2006 more than ten public meetings were held to get public comment on the project. Comments were made on almost every aspect of the development and covered a variety of ideologies and ideas. In January 2007 the Craig planning commission, city council and city staff met in a workshop setting to move toward a final draft of the development plan. The final draft was adopted by the Craig City Council in April 2007.

Current Activity: The city is continuing to pursue funding both to offset the purchase and for the development of the property. Currently there are appropriations in the federal budget for debt reduction (these appropriations still have to survive the budget process and be approved). The city will also pursue funding for design and construction of breakwaters and harbor space at the site and parking/site development on the east end of the upland. The majority of the upland will be developed in a second development phase.

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: Using the facility and demand studies and the electrical estimates the city has completed the Economic Development Administration's funding process and has secured \$2 million in federal funding for construction of a shore based plant. This is in addition to the \$300,000 in state funding already secured and the local funding match. The city is currently seeking a potential operator for the proposed plant and will proceed to selection of an architect/engineer this year with construction starting in 2007/2008. Currently there are several potential operators interested in operating the facility. Currently the city is negotiating with Astoria Seafoods to bring their barge mounted operation onto the Ward Cove Cannery Site for the summer for the next several years. The city council recently approved the final terms of a lease with Astoria Seafoods leasing them tidelands and some uplands on the site for a period of three years. Astoria estimates that they will be active 2 ½ - 3 months processing seine caught salmon. The city and Astoria will be improving the site this spring prior to the fishing season. Astoria has said that they will have 80 – 100 employees processing up to 10,000 tons of seine caught fish each season.

Current Activity: The city is currently working on a request for proposals for potential operators and will continue to work with the EDA towards construction of the new facility at False Island. The city will also continue to work with Astoria Seafoods to complete upgrades to the Ward Cove Site to facilitate the barge Atlantis this summer.

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), and the Alaska Public Health Nurse program are working on 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 three 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. Until recently Community Connections was also involved in the project, however recent additions to their services have resulted in a need for more space than is available in the proposed facility. The city and community connections are looking at the potential of leasing the current Craig Clinic space to community connections after the new facility is completed and the Craig Clinic and the Public Health Nurse move into it.

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. An architect has been selected for the project and approximately half of the construction funds are in place.

Current Activity: City staff and the participating providers will continue to work on securing the remaining funding needed, complete design of the facility and proceed with construction when the design is complete and the funding is in place.

4. 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. One of the projects on this list, the West Hamilton Pump Station replacement was completed in 2006.

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 additional projects should begin in 2007.

5. 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.

6. 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: There has been a great deal of work completed in the past year. Engineering and design for the structure is complete, a boiler has been selected, most of the site work has been completed, and a bid solicitation was made for the construction of the building and plumbing. The construction bid came in above the available funding amount. The city is looking at ways to reduce the requirements, do some of the work by force account or other methods to bring the cost in-line with the funds available.

Current Activity: The sitework will be completed in early 2007 and construction of the building, installation of the boiler and plumbing will follow. The city will continue to work funding issues.

7. 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, particularly roof replacements for the middle and elementary schools.

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.

8. Port St. Nicholas Road Upgrade

Project Description: This project consists of survey, design, engineering and construction of a paved two lane road along the current Port St. Nicholas Road corridor from the Craig-Klawock Highway to 5.5 mile on the Port St. Nicholas 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. Design, engineering and environmental work has been 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. CCA has continued to work on the funding shortfall for construction of the road and look at cost alternatives.

Current Activity: CCA will continue 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, Denali Commission and other potential funders.

9. Municipal Water Source Improvements/King Salmon Enhancement

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.

Activity over the Last 12 Months: Construction of the building and sitework for the circulation ponds has been completed and fish are being incubated onsite and reared in ponds. The City of Coffman Cove is also using the facility to incubate and rear king salmon for release in Coffman Cove.

Current Activity: Although most of the initial construction is complete there is a list of items to be completed throughout the project. This will be worked on throughout the year. Fish should be released from the facility this year. An analysis and some engineering work on the dam site will be completed over the next twelve months.

10. Expansion of City Library

Project Description: The current library space is full with no room for much needed expansion. As the city develops property related to other projects relocation of the library to another facility or construction of a new library needs to be considered.

Activity over the Last 12 Months: The library staff and board have met with a library planner from the State of Alaska. The library has begun the process of assessing the community needs and how those relate to a new library.

Current Activity: Library staff plans on distributing an island wide survey of services and needs. Once the survey is complete the library staff and board will begin looking at alternatives for renovation or new construction to meet current and future needs.

11. 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: There has been some interest and discussion by the local historical society about the Ward Cove Cannery Site development. No formal actions have been taken by the group.

Current Activity: City staff will continue to 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.

12. 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.

13. 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 has completed all steps necessary to enter into leases with local fishermen once quota is in hand. Staff has been working with the Gulf of Alaska Coastal Communities Coalition, the state legislative delegates and other sources to find funding. So far there has been no funding. The board has been fairly inactive waiting for funding opportunities.

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

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: Although no formal actions have been taken there have been informal discussions about development of some of the available land by private developers.

Current Activity: The city will continue to explore ways to encourage development of both small tracts and large tracts in Craig for residential use.

15. 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 has two carriers actively working out of the facility. Upgrades to heating and mechanical systems are mostly complete with some additional work over the past year. The FAA has requested weather sensors and cameras to be located at the facility. The city is working with the FAA to accommodate these uses.

Current Activity: Staff will continue to maintain the facility, will analyze parking and access issues and will continue to work with the FAA for the installation of cameras and weather sensors.

16. Expand Aquatic Center Recreation Facilities

Project Description: The Craig Aquatic Center provides recreational and fitness activities to the area residents and provides swimming lessons for school districts on the island. The center is always looking to expand the available services and opportunities to area residents. Among the proposed expansions are a racquetball court and expanded physical fitness facilities.

Activity over the Last 12 Months: The Aquatic Center has prepared preliminary sketches of a possible addition to the current building to house a racquetball court, indoor basketball court, expanded fitness room and a general purpose room. The expansion may include some or all of the proposed uses. This project was added to the CEDS list in 2007.

Current Activity: The Aquatic Center staff will continue to look for potential funding and will move forward as funding becomes available.

17. Environmentally Friendly Refuse Containers (Bear Proof)

Project Description: After a boom year for bears in town trailer park operators found that current dumpsters were easily damaged by bears and that they were ineffective in keeping the bears from spreading the trash around. This project is to look at alternative dumpsters or other solutions that may decrease the amount of damage done and garbage spread by bears.

Activity over the Last 12 Months: None. This project is new to the CEDS list this year.

Current Activity: None.

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: Improvements to the PAPI system and other improvements have been worked on at the airport. The airport is filling areas for expansion and is continuing planning for additional improvements based on the completed update to the Klawock Airport Master Plan.

Current Activity: Analysis, funding and improvements will continue this year. Potential improvements include resurfacing the runway, continuing to fill expansion areas and analysis of the Capstone system to aid instrument type approaches.

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 has moved 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. 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 2006 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.

4. 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.

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: No activity has taken place on this item in the past twelve months.

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 proposed aquarium center in Ketchikan.

6. 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.

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: POWCAC and communities will continue to look at various alternative energy sources.

7. 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 2006 the city and the SSLEPC conducted exercises, hosted training and continued to assist communities with emergency planning. The city and SSLEPC planned and conducted a large mass casualty field exercise in January 2007 for area first responders.

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.

8. Borough Study (Pros and Cons)

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.

9. 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. The Craig-Klawock separated bike path has begun to get attention of Federal Highways and the Tri-Agency, who made a visit to Craig in late 2006 to look at the project.

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.

10. 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.

11. 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. 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.

12. 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.

13. Shooting Range

Project Description: Development of a multi-user shooting range on Prince of Wales.

Activity over the Last 12 Months: None

Current Activity: This project new to the CEDS list in 2007 and is in the conceptual stages.

14. Golf Course

Project Description: Development of a golf course on Prince of Wales.

Activity over the Last 12 Months: None

Current Activity: This project new to the CEDS list in 2007 and is in the conceptual stages.

15. 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.

16. 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.

17. 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 six factors to look at the economic trends of the city. Those factors were: population, school enrollment, sales tax, building permits, property assessment trends (added this year) and taxable property/property tax levied (added this year). Although these are not enough to provide detailed analysis, they are enough to get a quick idea of the trends.

Economic Factors Analyzed:

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

Year	Population	Increase/Decrease
2000	1,397 (2000 Decennial Census)	
2001	1,246	-11.0%
2002	1,227	- 2.0%
2003	1,174	- 4.0%
2004	1,127	- 4.0%
2005	1,102	- 2.0%
2006	1,105	+ 0.3%

After a series of years with significant population losses the 2006 estimate shows the beginning of stability in the city's population.

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%
2006	369	+ 4%

Factor 3: The city assesses 5% sales tax for goods and services and 6% sales tax on liquor in the City of Craig. 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	\$1,413,520	+10%
2006	\$1,449,166	+ 3%

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
2006	4	10	34	48

Factor 5: Property Assessment Trends. Trend adjustments assigned by the city assessors are generally broken into five categories which include; trailers, residential land, residential improvements, commercial land and commercial improvements. Trend adjustments are shown as an increase/decrease from the previous year's value. Assessments have shown general trend adjustments as follows:

Year	Res. Land	Res. Imp.	Comm. Land	Comm. Imp.	Trailers
2000	0%	0%	0%	0%	0%
2001	0%	0%	0%	0%	0%
2002	0%	0%	0%	0%	0%
2003	0%	0%	0%	-10%	-25%
2004	0%	0%	0%	0%	-25%
2005	0%	0%	0%	0%	0%
2006	0%	0%	0%	0%	0%
2007	+10%	+10%	0%	0%	0%

Factor 6: Taxable Property/Property Tax Levied. The total value of all property (less exempted property) in the city limits of Craig and the amount of property tax levied based on that total value are shown for 2002 – 2006. Changes in amounts are due to improvements, construction/reconstruction, boards of adjustment, and value trends (shown above). The levied property tax is 6 mills (0.6%) of the taxable value.

Year	Total Taxable Assessed Value	Total Levied Property Tax
2002	\$74,862,054	\$449,172
2003	\$72,297,500	\$433,785
2004	\$71,249,200	\$427,495
2005	\$71,564,400	\$429,386
2006	\$72,170,300	\$433,022