

**City of Craig**

**Craig Community Economic Development Strategy (CEDS)**

**Annual Report**

April 2008





# **Craig Overall Economic Development Committee**

## **City of Craig**

The 2008 Overall Economic Development Plan Committee Members and Staff met on May 8<sup>th</sup> and 9<sup>th</sup>, 2008 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.

### 2008 Committee Members

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Craig Volunteer Fire Department, Natural Resource Conservation Service

Ron Erickson

Craig City School District Superintendent

Greg Killinger, District Ranger

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The Craig City Council approved the 2008 CEDS Annual Report on May 15, 2008.

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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 2007 the city completed development planning for the first phase of the Cannery Site Development. Phase 1 includes the harbor, public parking on the east end of the property, short term (up to three year) leasing of the industrial dock and some uplands, sale of a parcel to First Bank and an undetermined 15,000 square foot development area. In early 2007 the city, in cooperation with Astoria Seafoods of Astoria Oregon began sitework in preparation for a three year lease of a portion of the upland and tideland for operations of a fish processing barge. Sitework included installation of water, sewer and electric lines; upgraded access; upgrades to the pier and industrial dock; and expanded parking. In June 2007 the barge Atlantis arrived and took up summer residence. The barge processed over 4 million pounds of seine caught salmon during the 2007 season. The city also expanded public parking on the east end of the property to accommodate parking needs downtown. In 2007 the appropriation to sell the Sunnahae Trail, mountaintop, parking area and some parcels adjacent to the USFS housing was approved. This money will be used to offset the debt on the cannery property. Also in 2007 First Bank submitted a request to purchase 7,500 square feet of property adjacent to their current lot.

Current Activity: The city is working with the USFS to complete the sale of the Sunnahae property to retire some of the debt on the property. The city is also working with the congressional delegation to reinstate additional debt repayment funding through HUD. The city will also continue to pursue funding for design and construction of breakwaters and harbor space at the site. The city will also complete the sale of the land to First Bank. The majority of the upland will be developed in a second development phase.

### 2. 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 continued to work on making the repairs identified. A contract has been let out for repair of the broken water main along the Craig-Klawock Highway. Public works has been working on water line loops and line replacement projects. Because of escalating costs and additional projects that were identified the city has continued to look for additional funding for projects.

Current Activity: Staff will continue to monitor the availability of funding and will continue engineering and construction work to accomplish identified utility projects.

### 3. 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. The environmental work has been completed and Federal Highways (the primary funder) has issued a categorical exclusion under the National Environmental Protection Act (NEPA) for all roads and a number of public parking lots in Craig. The planning commission has prepared a preliminary priority list of roads to be hard surfaced and is working to finalize that list and forward it to the city council for approval. The city has also been working with the Craig Community Association (CCA) who has offered to use available Indian Reservation Road (IRR) money for paving within the city limits as well. This money will be used to pave roads and parking lots that have been prioritized by the CCA. The CCA has begun preliminary surveying and engineering on roads they have identified for paving.

Current Activity: When the prioritization is complete the city will work with an engineer for design and will solicit a contractor to do the road improvements. The city hopes to take advantage of paving companies on the island for a number of paving projects in 2008. Road improvements should begin this summer.

### 4. 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 will construct a new \$6.5 million, 12,500 square foot facility to provide shared space for the health care providers above. Community Connections was also involved in the project, however additions to their services 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 has dedicated a 5.5 acre city owned parcel for the new clinic. City staff has been very busy this year working with various funding agencies on the project. Most recently almost \$1.3 million was included in the state capital budget for the project. Staff and representatives from the providers have been working with an architect and have completed 100% designs for the new facility. A proposal for sitework has been advertised and the engineer is completing permitting. The city is also working with PeaceHealth, a regional non-profit health care provider, to eventually take over operations of the Craig Health Clinic after it moves into the new facility.

Current Activity: City staff and the participating providers will continue to work on securing the remaining funding needed. Sitework and construction will begin this year.

##### 5. 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: The city has continued to work on two processing projects simultaneously. Astoria Seafoods, under a lease from the city, successfully processed over 4 million pounds of seine caught salmon from their floating processor, the Atlantis, at the cannery site in 2007. They have already paid lease fees for 2008 and there is no reason to not expect them to return and continue to process fish. This had a significant impact on the amount of jobs, fishing vessels, raw fish tax and general activity in Craig throughout the summer. We should see similar activity this year.

In addition to the floating processor, the city has been moving forward with its plans to construct a facility at False Island. Using \$2.3 million in state and federal grant funding the city plans to construct a processing and cold storage facility. During 2007 the city reviewed all of the feasibility studies and published a request for proposals for an operator/anchor tenant to lease the completed facility to. Two good proposals were submitted and the city chose Silver Bay Seafoods, of Sitka as the successful proposal. The city is negotiating the terms of the lease with them.

Current Activity: The city is working to complete the lease negotiations with the operator, conducting site work and will start construction of the plant in 2008.

#### 6. Port St. Nicholas Road Upgrade

Project Description: This project consists of survey, design, engineering and construction of road improvements along the current Port St. Nicholas Road corridor from the Craig-Klawock Highway to 5.5 mile on the Port St. Nicholas Road. Improvement 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. A maintenance agreement with the City of Craig is nearly complete. The CCA has decided to manage the project and has hired a project manager. Work commenced in April 2008. There are still significant funding issues and the scope of improvements, especially paving, will depend on available funds.

Current Activity: CCA will continue to work the funding issues to try to ensure that the current 5 ½ mile project is fully funded and completed. Construction will continue until the project is completed.

#### 7. 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: The building is complete and has released its first run of salmon in Port St. Nicholas. The hatchery has also sent its first batch of zero-check salmon to Coffman Cove to be reared in net pens. The second run of fish is nearly ready for release and will be placed into the saltwater later this year.

Current Activity: The salmon hatchery will continue to hatch and rear zero-check fry for Coffman Cove and one plus fry for release at Port St. Nicholas. Early fish will begin to come back to Craig in 2009 and by 2011 there will be a full run of fish consisting of three, four and five year old king salmon. Additional analysis and some engineering work on the dam site will be completed over the next twelve months.

#### 8. Public Safety Building

Current Situation: Existing public safety facilities in Craig are no longer satisfactory to provide adequate service to the community of Craig. The Craig Volunteer Fire Department (CVFD) is in the process of looking for a fire truck to replace a 28 year old apparatus. New safety requirements for vehicles and equipment demands necessary for fire suppression in Craig are only found on apparatus in at least the 32-36 foot range. The Craig Fire Hall can only accommodate a 30 foot vehicle. The Craig's Emergency Medical Services (EMS) squad has two ambulances and has only parking facilities for one. The second ambulance is parked in an out-of-the-way location resulting in delayed response time for calls requiring a second ambulance. The current facility also does not allow for adequate storage of other equipment or supplies for either service. The Craig Police Department (CPD) provides public safety services and provides the State of Alaska with jail services and DMV services in a space only designed for the Craig Police Department.

Project Description: This project would result in the construction of a new Public Safety Building which would include space for CPD, EMS, and CVFD. The building would include office space for Police Chief, Fire Chief, EMS Captain, police sergeant, a dispatch center, DMV office, classroom/conference room, temporary quarters with kitchen facilities, police interview rooms, and a jail. The aforementioned would be located on the second floor above a five- or six-bay garage for fire trucks and ambulances, and equipment storage areas for police, fire, and EMS.

Activity over the Last 12 Months: None

Current Activity: This project is new to the CEDS list in 2008 and is in the conceptual stage.

#### 9. 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 completed a customer survey and is analyzing the results as they plan for an expansion or new facility.

Current Activity: The library staff and board will continue looking at alternatives for renovation or new construction to meet current and future needs.

#### 10. 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. As the charter fleet moves toward an IFQ system the CQE will also work under any new rules to analyze incorporation of charter fishermen into the system.

Activity over the Last 12 Months: Staff has continued to look for funding sources for the CQE program.

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

#### 11. 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. 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.

Activity over the Last 12 Months: None. 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.

#### 12. 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: No action has been taken on this project in the past twelve months.

Current Activity: 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. City staff will continue to monitor the feasibility of this project during the upcoming year.

### 13. Community College/Community Center/Vocational Training

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. A focus added during the 2008 CEDS process adds vocational training as a part of this project.

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.

### 14. Recycling Program

Project Description: Due to increasing costs of solid waste disposal and renewed interest in recycling, the 2008 CEDS committee added this project to the list. This project is in the conceptual stages and will be further formed over the next twelve months.

Activity over the Last 12 Months: No action has been taken on this project in the past twelve months. The project was added new in 2008.

Current Activity: This project is still in the conceptual stages.

### 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: Operations of the float plane facility are going well. Both tenants appear to be satisfied with the facilities and utility bills are under control.

The city included environmental permitting for the access road and parking lot in the street improvement project.

Current Activity: At this time the access road and parking lot appear to be low on the priority list, but if funds allow, they may get paved as part of the current improvement project.

#### 16. 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 owns seven undeveloped lots that make up the Salmonberry Subdivision on the Port St. Nicholas Road.

Activity over the Last 12 Months: The city has been working to design utility installation for the Salmonberry Subdivision. Shaan-Seet has begun a preliminary look at development of Cemetery Island. The issue will be put to a vote of the shareholders later this year as to whether to proceed with this subdivision.

Current Activity: The city will continue to work on the Salmonberry Subdivision and will work with Shaan-Seet if they decide to proceed with the Cemetery Island development project.

#### 17. Skatepark and Other Youth and Adult Recreational Facilities

Project Description: There has been interest in development of a community skateboard park and other recreational facilities. Land near the municipal pool has been tentatively identified. Other recreation facilities that were suggested include a climbing wall and a covered basketball court.

Activity over the Last 12 Months: No action has been taken on this project in the past twelve months. The project was added new in 2008.

Current Activity: This project is still in the conceptual stages.

#### 18. Prince of Wales Island Emergency Resources (POWER) Facility

Project Description: POWER, a non-profit group in Craig runs a thrift store, food bank and assistance clearing house in Craig. POWER is currently located in an old city owned building that is in need of major upgrade or replacement. This project would upgrade the current facility, construct a new facility or move POWER into a different facility.

Activity over the Last 12 Months: No action has been taken on this project in the past twelve months. The project was added new in 2008.

Current Activity: This project is still in the conceptual stages.

19. 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.

Current Activity: None.

20. 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, elementary school and middle 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 has managed the sitework and construction of the pool boiler building by force account over the past year. Construction is complete and the boiler will fire up and be operational before summer. The city has completed an agreement with Viking Lumber to provide fuel from their mill and to transport shavings from other mill sites. The city has also completed an agreement with the school district to allow the district to operate and maintain the facility.

Current Activity: The boiler is currently firing up and will be operational before summer. The city will continue to monitor the operation of the new boiler and make adjustments as needed.

21. Craig – Klawock Separated Bike Trail

Project Description: This project includes the construction of a separated trail along the Craig – Klawock Highway. The trail would start at the Craig High School and run parallel to the highway approximately seven miles into Klawock. The trail would be used by bicycles, runners and hikers.

Activity over the Past 12 Months: No direct action has been taken on this project in the past twelve months. There have been several agencies including Western Federal Highways who have looked at the possibility of a separated trail in this area. The project was added by the Craig City Council in 2008.

Current Activity: This project is still in the conceptual stages.

### **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: The airport has continued to fill 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 and continuing to fill expansion areas.

2. Solid Waste Facility/Recycling Program

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. In 2008 the CEDS committee added a recycling program component to this project to encourage regional recycling efforts in relation to solid waste disposal.

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. 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: The City of Craig has completed construction of the wood fired boiler system in Craig. This boiler will utilize wood waste to heat the municipal pool, elementary school and middle school. Official fire-up of the boiler is expected in May 2008.

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

### 4. 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: Communities on Prince of Wales Island have watched as the Ketchikan Gateway Borough annexation was approved by the Local Boundary Commission and was allowed to take effect by the state legislature. Craig and other communities have been working together to seek legal relief regarding the issue. In

addition to the Ketchikan Gateway Borough Annexation the region is seeing efforts by Wrangell, Petersburg and others to form boroughs.

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.

#### 5. 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.

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.

#### 6. 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.

#### 7. 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.

#### 8. 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.

#### 9. 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 2007 the city and the SSLEPC conducted exercises, hosted training and continued to assist communities with emergency planning. The City of Craig completed shelter operations planning and conducted an exercise with the Craig School District.

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. The City of Craig plans on rewriting its emergency operations plan.

#### 10. 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: No activity has taken place on this project in the past twelve months.

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.

#### 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. 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.

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 was 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 was 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. 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.

17. 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.

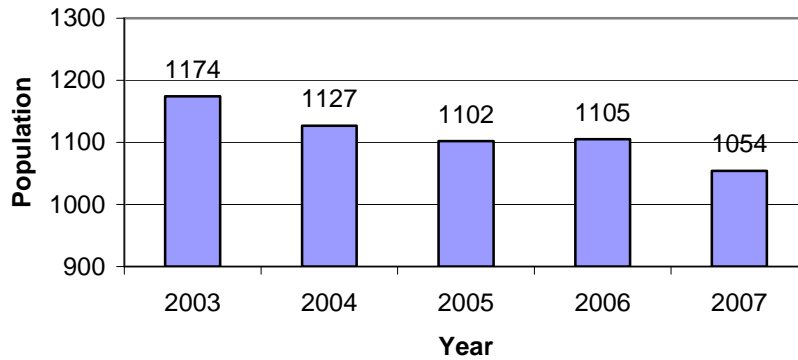
# Economic Climate

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:**

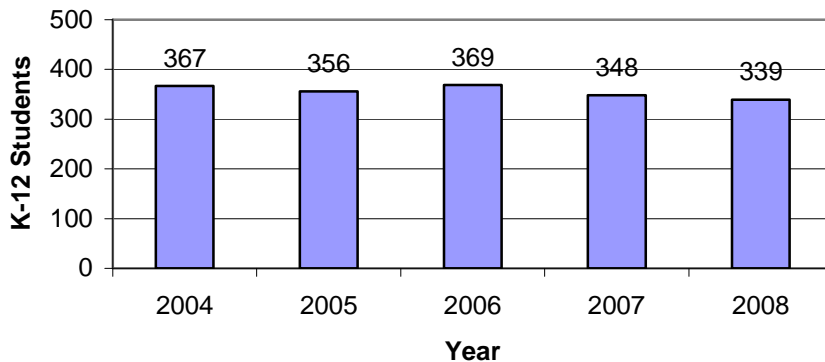
**Factor 1:** Population figures used by the State of Alaska for the last five years are as follows:

**Craig Population**

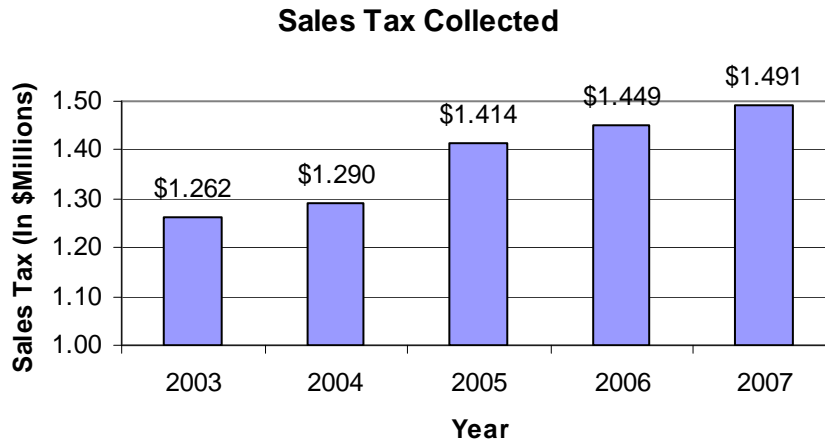


**Factor 2:** School Enrollment. Total enrollment of local students (excluding correspondence and cyber students) in the Craig City School District is as follows:

**Craig School Student Population**



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:



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

Year	New Homes	Commercial Permits	All Others	Total
2003	1	5	29	35
2004	8	7	30	45
2005	1	6	26	33
2006	4	10	34	48
2007	4	6	31	41

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
2004	0%	0%	0%	0%	-25%
2005	0%	0%	0%	0%	0%
2006	0%	0%	0%	0%	0%
2007	+10%	+10%	0%	0%	0%
2008	0%	0%	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 2003 – 2007. Changes in amounts are due to improvements, construction/reconstruction, boards of adjustment, and value trends (shown above). The levied property tax is 6 mils (0.6%) of the taxable value.

Year	Total Taxable Assessed Value	Total Levied Property Tax
2003	\$72,297,500	\$433,785
2004	\$71,249,200	\$427,495
2005	\$71,564,400	\$429,386
2006	\$72,170,300	\$433,022
2007	\$72,705,900	\$436,235