

# Wrangell Alaska Economic Conditions Report 2020

For the City and  
Borough of Wrangell  
Updated October 2020



A Publication by  
Rain Coast Data

# Table of Contents

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|   |           |
|---|-----------|
| <b>A HISTORY OF THE WRANGELL ECONOMY .....</b>            | <b>1</b>  |
| <b>DEMOGRAPHICS .....</b>                                 | <b>4</b>  |
| POPULATION .....  | 4         |
| POPULATION PROJECTIONS .....                              | 5         |
| AGE.....  | 6         |
| RACE.....   | 7         |
| POVERTY.....  | 7         |
| UNEMPLOYMENT .....  | 7         |
| MEDIAN HOUSEHOLD INCOME.....                              | 8         |
| EDUCATIONAL ATTAINMENT.....                               | 9         |
| RESIDENCY.....  | 9         |
| <b>GOVERNMENT .....</b>                                   | <b>10</b> |
| <b>SEAFOOD SECTOR.....</b>                                | <b>11</b> |
| 2020 SEAFOOD SEASON .....                                 | 11        |
| TOTAL VOLUME AND VALUE OF WRANGELL SEAFOOD.....           | 12        |
| SEAFOOD PROCESSING.....                                   | 13        |
| <b>MARITIME.....</b>                                      | <b>16</b> |
| THE WRANGELL SHIPYARD .....                               | 16        |
| <b>HEALTH CARE.....</b>                                   | <b>17</b> |
| <b>VISITOR OVERVIEW.....</b>                              | <b>18</b> |
| EMPLOYMENT .....  | 19        |
| CHANGE IN THE VISITOR INDUSTRY.....                       | 19        |
| SUMMER VISITATION AND SPENDING ANALYSIS.....              | 20        |
| SUMMER TOURIST EXPENDITURES BY CATEGORY .....             | 23        |
| CRUISE PASSENGERS .....                                   | 24        |
| SMALL CRUISE SHIPS .....                                  | 25        |
| YACHT VISITORS .....                                      | 26        |
| AIR PASSENGERS.....                                       | 27        |
| FERRY PASSENGERS .....                                    | 28        |
| <b>2019 WRANGELL ECONOMIC SURVEY .....</b>                | <b>29</b> |
| <b>HOUSING.....</b>                                       | <b>30</b> |
| <b>LAND OWNERSHIP.....</b>                                | <b>33</b> |
| <b>WRANGELL OCTOBER 2020 BUSINESS IMPACT SURVEY .....</b> | <b>33</b> |

# A History of the Wrangell Economy

The City and Borough of Wrangell—located on Wrangell Island near the Stikine River—represents approximately 3 percent of total population, jobs, and earnings for Southeast Alaska. The community of Wrangell has restructured its economy and identity many times over the years. Centered around the fur trade in the early 1800's, Wrangell went on to become a military fort, a mining center, and a base for canneries and fishing. In the early 1900's plentiful spruce and hemlock in the area gave rise to a timber economy, and by the early 1990's timber industry jobs accounted for twenty percent of Wrangell's workforce, and nearly a third of all direct local wages.

When the Alaska Pulp Company sawmill closed in 1994, the local economy was devastated. During the same period, salmon prices tumbled reducing the value of the area's commercial fisheries, and community's largest seafood processor filed bankruptcy. Although the community would go on to briefly attract major interest from the large-scale cruise industry, after three years the ships moved on. Between 1994 and 2006, the population of the community fell by 18% (losing more than 500 residents). Reeling from these losses, the community leaders reviewed their remaining assets, and refocused on developing and supporting their maritime resources. Immediately the community set about enhancing its locally based seafood and marine services sector: converting the old mill site downtown into a marine services center and boat yard; building a third boat harbor; upgrading the local seafood processing infrastructure; and investing in its boatbuilding and repair facilities. The community also turned its attention to the visitor and maritime economy, upgrading its cruise ship dock, constructing a convention and visitors center, restoring the Chief Shakes Tribal House, and completing a major downtown revitalization facelift.

In 2019, Wrangell Alaska had 1,143 year-round equivalent jobs and nearly \$50 million in workforce earnings. The top economic drivers of the community were seafood, tourism, health care, and industrial maritime. With some of the lowest electrical rates in Alaska, the highest school district test scores, a reemerging visitors industry, the lowest unemployment rate in decades, and a high level of entrepreneurship (more than a quarter of all workers are self-employed), Wrangell was moving in a positive economic direction.

However in 2020, the COVID-19 virus devastated the global economy, with Southeast Alaska and Wrangell in particular, reeling from the impacts. An estimated 26,500 visitors, who had been projected to spend \$6.24 million in Wrangell's economy in 2020, did not come. In an abundance of terrible timing, the 2020 Wrangell fishery is said to be the worst since 1976, with COVID-19 further reducing demand and lowering prices. In August the Wrangell Borough Assembly declared an economic disaster in the municipality. An October 2020 business survey found that responding Wrangell employers has laid off 32% of their staff due to 2020 economic conditions, business revenue had fallen by 50%, and 21% are at risk of closing permanently.

This document, Wrangell Alaska Economic Conditions Report, provides a baseline summary of the economy of Wrangell prior to the 2020 pandemic event, to provide an economic planning tool for stabilizing and re-growing the economy moving forward.

# CHANGES IN WRANGELL: 2010 to 2019

This table tracks key economic indicators in Wrangell 2010, 2015, 2018 and 2019, along with associated changes.

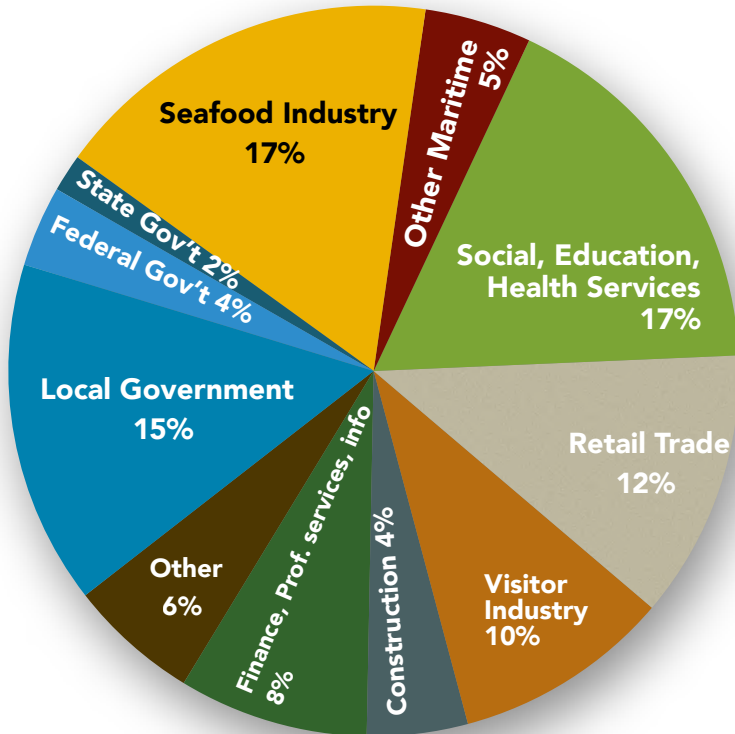
|  | 2010  | 2015          | 2018          | 2019          | % Change 2018-2019 |
|--|---|---------------|---------------|---------------|--------------------|
| <b>Demographics</b>                    |   |               |               |               |                    |
| <b>Wrangell Population</b>             | <b>2,369</b>  | <b>2,444</b>  | <b>2,418</b>  | <b>2,400</b>  | <b>-0.7%</b>       |
| 65+-year olds                          | 374   | 469           | 513           | 528           | 2.9%               |
| Median Age Wrangell (AK is 35.5)       | 46.4  | 47.8          | 47.9          | 47.5          | -0.7%              |
| K-12 Students                          | 312   | 274           | 308           | 308           | 0.0%               |
| 18 and under                           | 542   | 518           | 536           | 540           | 0.6%               |
| <b>General Economic Conditions</b>     | <b>2010</b>   | <b>2015</b>   | <b>2018</b>   | <b>2019</b>   | <b>Change</b>      |
| Total Annualized Jobs                  | 1,168   | 1,215         | 1,151         | 1,143         | -0.7%              |
| Total Job Earnings                     | \$45,285,755  | \$46,507,622  | \$49,575,379  | \$49,804,705  | 0.5%               |
| Annual Average Wage                    | \$38,772  | \$38,278      | \$43,072      | \$43,574      | 1.2%               |
| Annual Unemployment Rate               | 8.8%  | 7.8%          | 6.9%          | 7.7%          | 1%                 |
| <b>Maritime Economy</b>                | <b>Top Sector: 24% of employment earnings</b>                           |               |               |               |                    |
| Seafood Jobs                           | 271   | 281           | 220           | 198           | -10%               |
| Seafood Earnings                       | \$14,961,150  | \$13,371,074  | \$11,868,545  | \$10,528,260  | -11%               |
| Other Maritime (Boatbuilding, etc.)    | 24  | 47            | 49            | 51            | 4%                 |
| Other Maritime Earnings                | \$1,335,825   | \$1,620,018   | \$1,546,650   | \$1,573,899   | 2%                 |
| Port of Wrangell: Total Seafood Pounds | 2,116,100   | 3,751,754     | 3,292,910     | 2,312,678     | -30%               |
| Port of Wrangell: Total Seafood Value  | \$2,857,169   | \$4,809,060   | \$4,883,033   | \$4,667,561   | -4%                |
| <b>Government</b>                      | <b>Public Sector: 22% of all employment earnings</b>                    |               |               |               |                    |
| Total Government Employment            | 318   | 309           | 292           | 234           | -20%               |
| Federal Employment                     | 58  | 51            | 43            | 41            | -5%                |
| State Employment                       | 23  | 23            | 20            | 19            | -5%                |
| City and Tribal Employment             | 236   | 235           | 229           | 174           | -24%               |
| Total Government Payroll               | \$14,148,023  | \$14,291,774  | \$15,403,583  | \$11,070,750  | -28%               |
| <b>Health Care Sector</b>              | <b>Key Industry: 14% of all employment earnings (data confidential)</b> |               |               |               |                    |
| <b>Visitor Industry</b>                | <b>Key Industry: 10% of all jobs</b>                                    |               |               |               |                    |
| Visitor Industry Employment            | na  | 95            | 106           | 110           | 4%                 |
| Total Visitor Industry Wages/Earnings  | na  | \$2,093,291   | \$2,889,447   | \$3,077,530   | 7%                 |
| <b>Wrangell Passenger Arrivals</b>     | <b>2010</b>   | <b>2015</b>   | <b>2018</b>   | <b>2019</b>   | <b>Change</b>      |
| <b>Total Arrivals</b>                  | <b>22,741</b>   | <b>29,979</b> | <b>34,167</b> | <b>40,702</b> | <b>19%</b>         |
| Air Passengers                         | 10,587  | 12,512        | 13,809        | 14,637        | 6%                 |
| Cruise Ship Passengers                 | 3,869   | 10,011        | 14,991        | 21,540        | 44%                |
| Alaska Marine Highway System           | 7,325   | 6,130         | 3,749         | 2,907         | -23%               |
| Yacht Passengers                       | 960   | 1,326         | 1,618         | Pending       | Pending            |
| <b>Other Selected Statistics</b>       | <b>2010</b>   | <b>2015</b>   | <b>2018</b>   | <b>2019</b>   | <b>Change</b>      |
| Sales Tax Receipts                     | \$2,196,229   | \$2,682,623   | \$1,788,890   | \$1,951,016   | 9%                 |
| Housing Starts                         | 3   | 13            | 7             | 4             | -43%               |
| Total MWh Sold in Wrangell             | 27,221  | 34,166        | 37,729        | 34,166        | -9%                |
| Total Assessed Property Value          | \$122 million   | \$143 million | \$149 million | \$153 million | 2%                 |

**Sources:** Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age; Alaska Department of Education and Early Development; Based on the quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; US Census Nonemployer (self-employment) Statistics; ADF&G Southeast Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Cruise Line Agencies of Alaska; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System data. Note: Because no self-employment data for Wrangell was available pre-2013, 2013 numbers were used in place of 2010 numbers. Self-employment represents approximately one-fourth of Wrangell's annualized employment.

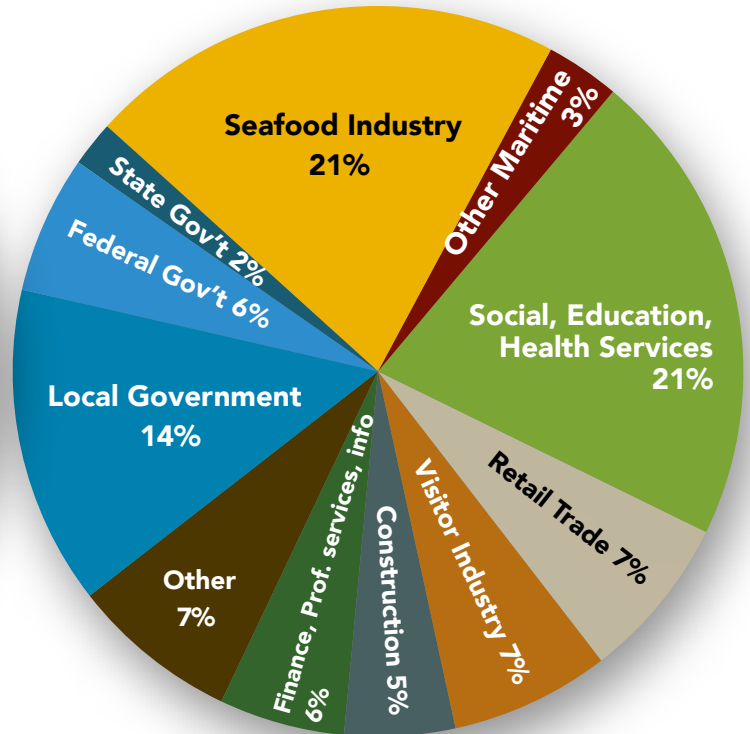
# The Whole Wrangell Alaska Economy 2019

In 2019, Wrangell Alaska had 1,143 year-round equivalent jobs and nearly \$50 million in workforce earnings. Half of all jobs and three-fifths of all wages are in government or maritime, including seafood.

## Annualized Jobs 1,143 Jobs



## Employment Earnings \$49.8 Million Workforce Earnings



## 2019 Wrangell Alaska Employment Earnings

|                                       | EMPLOYMENT RELATED EARNINGS |                                 |                     | EMPLOYMENT NUMBERS               |                      |                  |
|---------------------------------------|-----------------------------|---------------------------------|---------------------|----------------------------------|----------------------|------------------|
|                                       | Wages (2019)                | Self-Employment Earnings (2018) | Total Earnings      | Annual Average Employment (2019) | Self-Employed (2018) | Total Employment |
| Local Government                      | \$7,029,663                 |                                 | \$7,029,663         | 174                              |                      | 174              |
| Federal Government                    | \$3,038,485                 |                                 | \$3,038,485         | 41                               |                      | 41               |
| State Government                      | \$1,002,602                 |                                 | \$1,002,602         | 19                               |                      | 19               |
| Seafood Industry                      | \$2,094,260                 | \$8,434,000                     | \$10,528,260        | 44                               | 154                  | 198              |
| Other Maritime                        | \$1,350,899                 | \$283,000                       | \$1,633,899         | 43                               | 11                   | 54               |
| Social, Health and Education Services | \$10,269,714                | \$251,000                       | \$10,520,714        | 187                              | 11                   | 198              |
| Retail Trade                          | \$3,360,883                 | \$267,000                       | \$3,627,883         | 122                              | 14                   | 136              |
| Visitor Industry                      | \$2,284,530                 | \$1,230,500                     | \$3,515,030         | 82                               | 28                   | 110              |
| Construction Industry                 | \$1,259,680                 | \$1,179,000                     | \$2,438,680         | 33                               | 18                   | 51               |
| Financial Activities                  | \$675,267                   | \$641,000                       | \$1,316,267         | 21                               | 18                   | 39               |
| Professional and Business Services    | \$264,145                   | \$502,000                       | \$766,145           | 9                                | 36                   | 45               |
| Information                           | \$687,372                   |                                 | \$687,372           | 12                               |                      | 12               |
| Other                                 | \$1,928,205                 | \$1,771,500                     | \$3,699,705         | 37                               | 29                   | 66               |
| <b>Total</b>                          | <b>\$35,245,705</b>         | <b>\$14,559,000</b>             | <b>\$49,804,705</b> | <b>824</b>                       | <b>319</b>           | <b>1,143</b>     |

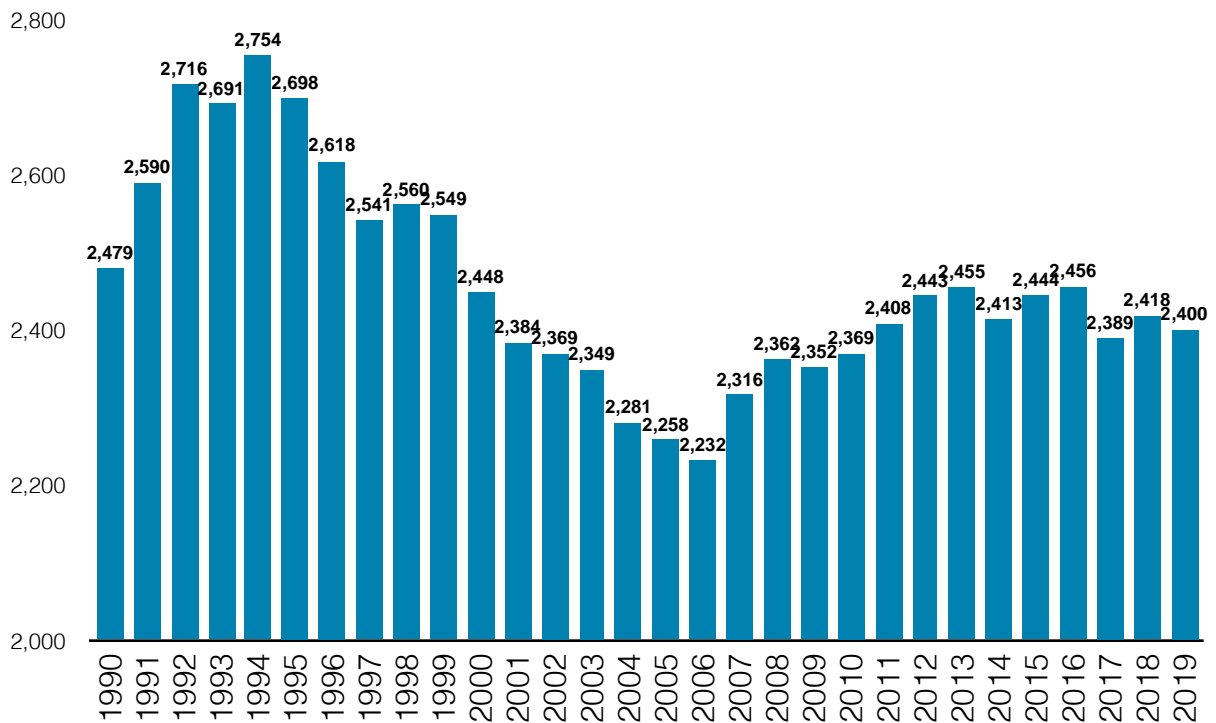
Sources: Alaska Department of Labor 2019 Employment & Wage data; 2018 (latest available) US Census Nonemployer (self-employment) Statistics. Due to data confidentiality, some figures are estimates by Rain Coast Data, based on all available inputs.

# Demographics

## Population<sup>1</sup>

Wrangell's population peaked in 1994. After decreasing for twelve years due to the loss of the timber industry, Wrangell's population hit bottom in 2006 with 2,232 residents. Between 2006 and 2013, the population increased each year but one, for an overall gain of ten percent—rising to 2,456 in 2013. This rise made Wrangell one of the fastest growing communities in the region during this period. Since then, the population has decreased by 2% to 2,400 people in 2019.

### Wrangell Alaska Population 1990-2019

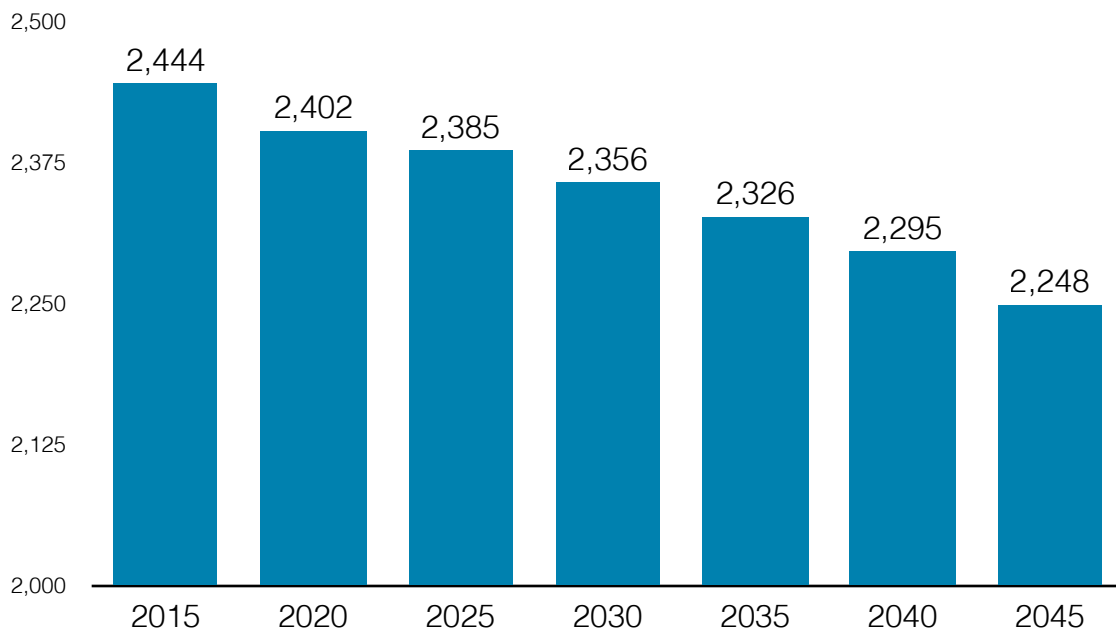


<sup>1</sup> State of Alaska, Department of Labor and Workforce Development, Research and Analysis. 1990-2020.

## Population Projections<sup>2</sup>

Wrangell population is expected to grow incrementally in 2020 with two additional residents projected. However, sustained decline is projected following 2020. The Alaska Department of Labor and Workforce Development released population projections for Alaska in March of 2020. According to these pre-COVID-19 estimates, between 2020 and 2045, the community is expected to lose 6% of its population, with a loss of 8% in the three decades between 2015 and 2045. These numbers must be understood as projections should indicators continue along their current paths. Much can and will change between now and 2045.

### Wrangell Alaska Population Projections 2020 to 2045



<sup>2</sup> Alaska Department of Labor and Workforce Development. The population projections are based on the current population and historical birth, death, and migration trends, and were developed before an analysis of COVID-19's impact on population levels could be developed. <https://live.laborstats.alaska.gov/pop/projections.cfm>

### Age<sup>3</sup>

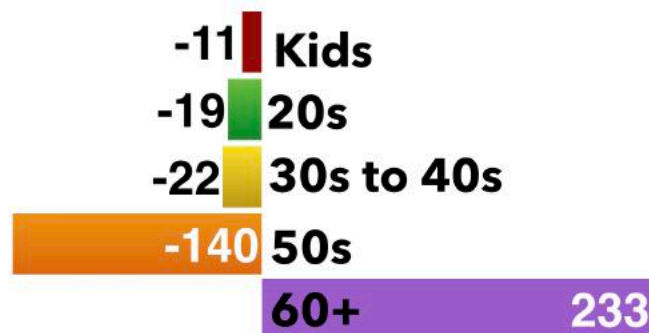
Despite a similar overall population levels over the past decade, some specific sub-demographic groups have changed much more quickly than total population. Between 2010 and 2019, those under the age of ten increased by 15% (+41), while those aged ten to nineteen fell by 17% (-52), and those in their 20s fell by 8%, for a loss of 19 people in this age category. Those in their 30s grew by 29%, which was balanced by a loss of 26% of those in their 40s.

On the other end of the age spectrum, those aged 60 and older grew by 39%, for an increase of 233 older residents, who are aging in place in Wrangell. This 60+ age group was 24% of the total Wrangell population in 2010 and grew to 33% of the population in 2019. The median age in 2019 was 47.5, far above the state median age of 35.5 years old.

### Wrangell Population by Age Group, 2010 to 2019

| Age Group        | 2010  | 2019  | Change 2010-2019 |
|------------------|-------|-------|------------------|
| Under 10         | 265   | 306   | 15%              |
| 10 to 19         | 307   | 255   | -17%             |
| Twenties         | 231   | 212   | -8%              |
| Thirties         | 202   | 261   | 29%              |
| Forties          | 313   | 232   | -26%             |
| Fifties          | 478   | 338   | -29%             |
| Sixties          | 322   | 470   | 46%              |
| 70s+             | 251   | 326   | 30%              |
| Median Age       | 46.4  | 47.5  | 2%               |
| Total Population | 2,369 | 2,400 | 1%               |

### 9 Years of Wrangell Population Change +31 people +1%



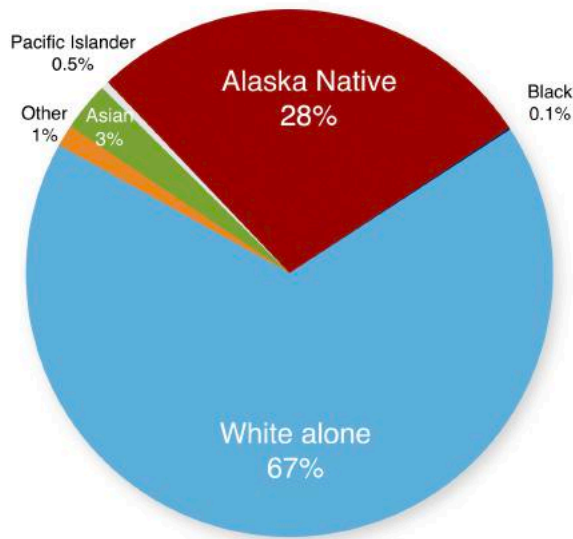
<sup>3</sup> State of Alaska, Department of Labor and Workforce Development, Research and Analysis. Age and Sex, Cities of 1,000 or More People, 2010 to 2019.



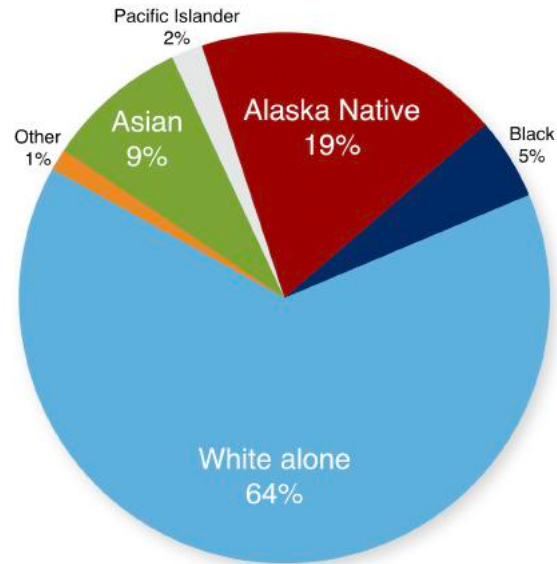
## Race<sup>4</sup>

Wrangell has a very significant Alaska Native population. More than a quarter of all residents are Alaska Native, a proportion that has been growing. The community has a larger Alaska Native population than the state as a whole, as well as a larger white population, with little other ethnic diversity. Across the community, 67% of all residents are Caucasian, 28% are Alaska Native, 3% are Asian, and just 0.1% are black.

### WRANGELL ETHNICITY



### ALASKA ETHNICITY



## Poverty<sup>5</sup>

Eight percent of the total Wrangell population lives below the poverty level (192 individuals). While in many communities children, the elderly, or minority groups are more likely to have higher poverty levels than the community as a whole, in Wrangell the only group to experience poverty more acutely are young adults. Those aged 18 to 34 were more than twice as likely to experience poverty as the rest of the population, with 19% living below poverty levels in 2018.

## Unemployment<sup>6</sup>

Unemployment over the past 10 years in Wrangell has ranged from an annual high of 8.4% in 2014, to a low of 6.9% in 2018. Because much of the employment in the community is

<sup>4</sup> 2018: American Community Survey 5-Year Estimates

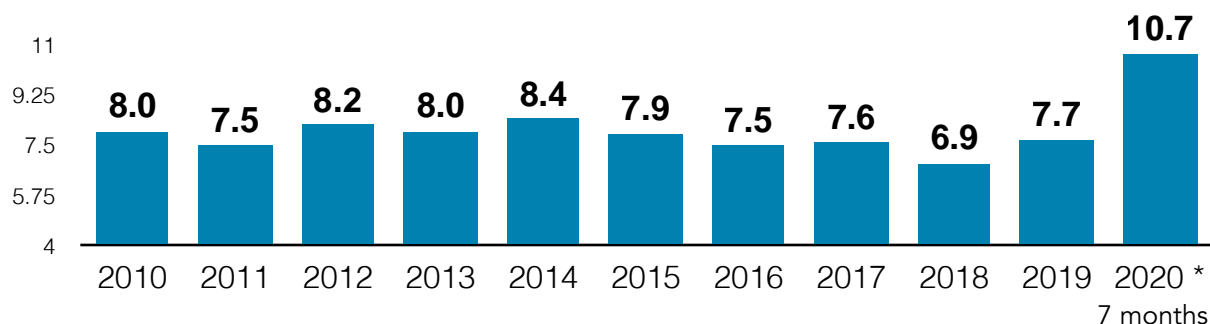
<sup>5</sup> 2018: American Community Survey 5-Year Estimates

<sup>6</sup> Alaska Department of Labor. Annual Unemployment Rates for City and Borough of Wrangell and Alaska 2010 to 2019. <https://live.laborstats.alaska.gov/labforce/labdata.cfm?s=30&a=0> Note: Rain Coast Data was advised against relying on ADOL unemployment rates during pandemic, as the model is not calibrated to accurately measure this type of event on our economy.

seasonal, there is significant variation between unemployment rates during a given year. January and February typically are the months with the highest unemployment levels. January 2010 had been the highest standalone month in the past 10 years, with an unemployment rate of 13.2%, but was surpassed by the May 2020 unemployment rate of 13.2%. July and August have the lowest levels. August 2018 had just a 5% unemployment rate, the lowest of the past decade.

### Unemployment in Wrangell, 2010 to 2020

| Year | Jan  | Feb  | Mar | Apr  | May  | Jun  | Jul  | Aug | Sep | Oct | Nov | Dec | Annual |
|------|------|------|-----|------|------|------|------|-----|-----|-----|-----|-----|--------|
| 2020 | 8.0  | 7.9  | 7.4 | 14.8 | 13.2 | 12.9 | 10.8 |     |     |     |     |     | 10.7   |
| 2019 | 9.8  | 10.2 | 9.2 | 7.6  | 6.7  | 7.4  | 6.2  | 6.1 | 6.0 | 7.1 | 8.0 | 8.4 | 7.7    |
| 2018 | 9.4  | 9.3  | 8.4 | 6.2  | 5.9  | 6.6  | 5.2  | 5.0 | 5.2 | 6.3 | 7.4 | 8.0 | 6.9    |
| 2017 | 9.9  | 9.7  | 9.0 | 7.4  | 6.8  | 7.0  | 5.7  | 6.1 | 6.6 | 6.8 | 8.2 | 8.5 | 7.6    |
| 2016 | 10.5 | 10.3 | 9.2 | 6.9  | 6.3  | 7.0  | 5.7  | 5.7 | 6.5 | 6.8 | 8.1 | 8.1 | 7.5    |
| 2015 | 10.6 | 10.5 | 9.0 | 7.5  | 7.2  | 7.5  | 6.1  | 5.5 | 6.3 | 7.1 | 8.7 | 9.5 | 7.9    |
| 2014 | 12.0 | 12.5 | 9.7 | 8.0  | 7.0  | 7.5  | 6.0  | 5.9 | 6.8 | 7.8 | 9.1 | 9.8 | 8.4    |



### Median Household Income<sup>7</sup>

The median household income in Wrangell is significantly lower than the state or region figures. The median household income of \$57,583 in Wrangell is 25% lower than Alaska as a whole, and 24% lower than Southeast Alaska. It is 4% lower than the national average.

#### Median Household Income, 2018

| United States | Alaska   | Wrangell | Southeast Alaska |
|---------------|----------|----------|------------------|
| \$60,293      | \$76,715 | \$57,583 | \$75,657         |

<sup>7</sup> 2018: American Community Survey 5-Year Estimates

## Educational Attainment<sup>8</sup>

For those aged 25 and older in Wrangell, 12% have less than a high school degree, 38% have only a high school degree only, 21% have an associate's or bachelor's degree, and 7% have a graduate or professional degree. Those with only a high school degree earned a median of \$30,395 last year, while those with graduate or professional degrees earned a median of \$68,611.

### Top Educational Attainment and Wages for Wrangell Residents Aged 25 and Older

| Population 25 years and over                     | Percent | Median Earnings |
|--|---------|-----------------|
| Less than high school                            | 11.7%   | \$31,023        |
| High school graduate only (includes equivalency) | 37.6%   | \$30,395        |
| Some college, no degree                          | 23.1%   | \$36,842        |
| Associate's degree                               | 6.9%    | na              |
| Bachelor's degree                                | 14.0%   | \$44,342        |
| Graduate or professional degree                  | 6.7%    | \$68,611        |

## Residency<sup>9</sup>

Wrangell generally has a high level of residential workforce compared to other Southeast Alaska communities. Of the total workforce, 390 employees are from outside Wrangell or Alaska, and 749 are local Wrangell residents. (This is not a measurement of annualized jobs, but workers). Locals make up 66% of all workers in Wrangell, and earn 78% of all community workforce wages.

An exception to this is the seafood processing sector. Only 21.5% of Wrangell's seafood processing workers are local residents, who earn 39% of total seafood processing workforce wages. These figures do not include self-employment numbers.

### Wrangell Non Residents versus Resident Workers, 2018

| Sector                    | Total Wrangell Workers | Wages (millions) | Seafood Processing Workers | Seafood Processing Wages |
|---------------------------|------------------------|------------------|----------------------------|--------------------------|
| Locals                    | 749                    | \$25.7           | 37                         | \$0.95 mill              |
| Nonlocal Alaskans         | 90                     | \$2.4            | Combined below             | Combined below           |
| Non Alaska Residents      | 300                    | \$4.9            | Combined below             | Combined below           |
| <b>Total non Wrangell</b> | <b>390</b>             | <b>\$7.3</b>     | <b>137</b>                 | <b>\$1.43 mill</b>       |
| Percent local workers     | 65.8%                  | 77.9%            | 21.3%                      | 39.9%                    |

<sup>8</sup> 2018: American Community Survey 5-Year Estimates

<sup>9</sup> Nonresidents Working in Alaska: 2018. Alaska Department of Labor and Workforce Development. February 2018.

# Government

Government in Wrangell makes up 28% of all workforce earnings, and 20% of all jobs. In 2019, government accounted for 234 average annual jobs, and \$11.1 million in earnings. Local government (including tribal government)—with 174 employees last year and \$7 million in wages last year—make up the bulk of all government jobs in the community. This represents an enormous shift. A quarter of city and borough employment had been hospital related, and approximately 55 of these jobs were transferred to SEARHC in November 2018. City and Borough of Wrangell (CBW) employment in 2019 included employees of the Wrangell School District, Wrangell Municipal Light and Power, Wrangell Medical Center, the Public Library, the Nolan Center, and garbage services.

Government employment is down substantially over the past year. Total government jobs fell by 20% between 2018 and 2019. Federal employment dropped by 5% (2 jobs), state jobs were reduced by 5% (1 job) and local government employment fell by 24%, due to the move to SEARHC. Total workforce earnings fell by 28%, for the same reason.

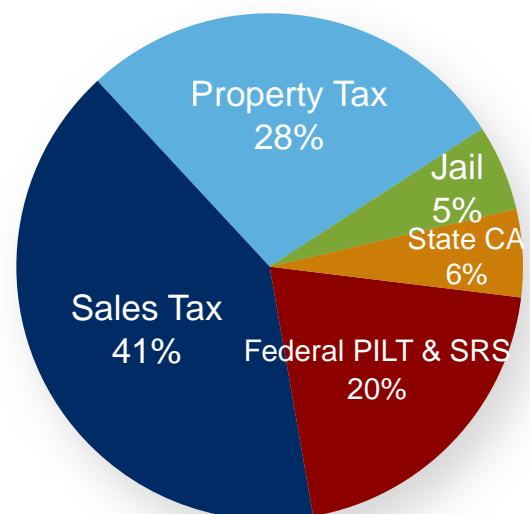
## Government employment and earnings in Wrangell, 2010 to 2018

| Government Sector                  | 2010        | 2013        | 2015        | 2018        | 2019        | Change 2018-2019 |
|------------------------------------|-------------|-------------|-------------|-------------|-------------|------------------|
| <b>Total Government Employment</b> | <b>318</b>  | <b>325</b>  | <b>309</b>  | <b>292</b>  | <b>234</b>  | <b>-20%</b>      |
| Federal Employment                 | 58          | 50          | 51          | 43          | 41          | -5%              |
| State Employment                   | 23          | 25          | 23          | 20          | 19          | -5%              |
| City and Tribal Employment         | 236         | 250         | 235         | 229         | 174         | -24%             |
| Total Government Payroll           | \$14.1 mill | \$15.2 mill | \$14.3 mill | \$15.4 mill | \$11.1 mill | -28%             |

## Major Wrangell Revenue Sources FY2019

**Total = \$6,486,334<sup>10</sup>**

Sales tax represents the largest source of annual revenue for the municipality of Wrangell, at 41% in FY2019. Property tax provided 28% of revenue in that year, followed by federal payment in lieu of taxes (PILT) and Secure Rural Schools (SRS) dollars (20%). State Community Assistance (CA) was 6%. In real dollars, revenue has decreased by 13% between FY2015 and FY2019, primarily representing a loss of state income.



<sup>10</sup> Approved budget of the City and Borough of Wrangell

## Seafood Sector<sup>11</sup>

Seafood is one of the most important sources of jobs and workforce earnings for Wrangell. In 2019 seafood provided 17% of all community annualized jobs (198), and 21% of total workforce earnings (\$10.5 million). The Wrangell fishing sector is important to community due to the number of fishermen the rich fisheries support, but also due to its seafood processing facilities.

Jobs and wages decreased significantly over the past 10 years due to a significant decline in processing in the community. While the seafood harvest by Wrangell fishermen has been relatively stable in recent years, total seafood processing jobs have been down significantly. Between 2015 and 2019, total seafood processing jobs in Wrangell dropped by 63%, including a 39% drop in 2019.

### Wrangell Seafood Sector, 2010-2019

| Seafood Sector                    | 2010         | 2015         | 2018         | 2019         | Change 2018-2019 |
|-----------------------------------|--------------|--------------|--------------|--------------|------------------|
| Seafood Jobs (annualized)         | 271          | 281          | 220          | 198          | -10%             |
| Total Seafood Workforce Earnings  | \$14,961,150 | \$13,371,074 | \$11,868,545 | \$10,528,260 | -11%             |
| Seafood Processing Workers (peak) | 377          | 284          | 174          | 106          | -39%             |
| Total Seafood Processing Wages    | \$2,743,874  | \$4,006,185  | \$2,383,743  | \$1,480,952  | -38%             |
| Total Seafood Pounds Landed       | 2,116,100    | 3,751,754    | 3,292,910    | 2,312,678    | -30%             |
| Total Seafood Value (nominal \$)  | \$2,857,169  | \$4,809,060  | \$4,883,033  | \$4,667,561  | -4%              |

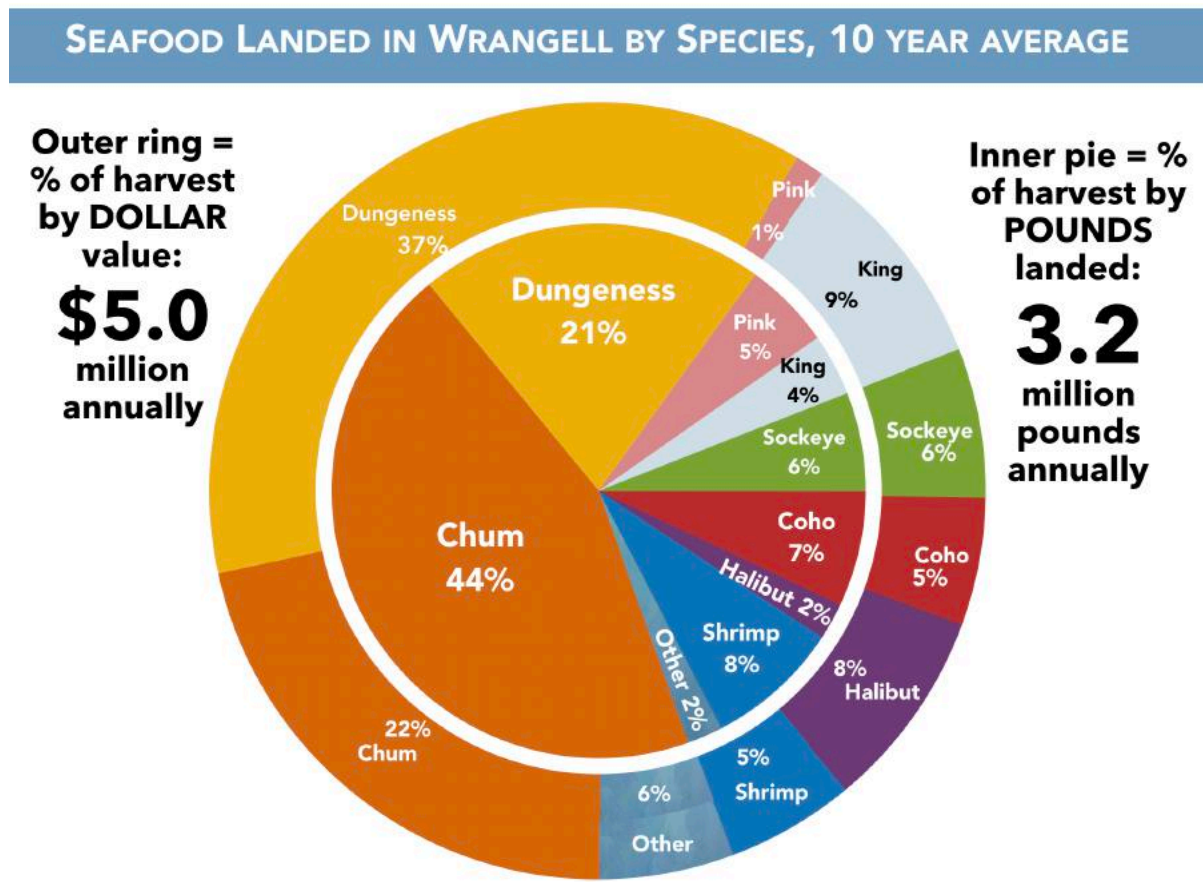
### 2020 Seafood Season

Twenty-twenty is currently on track to go down as one of the worst seafood seasons in Southeast Alaska history. Reduced seafood prices — due to the shutdown of the global restaurant sector, as well as trade war tariffs — coincided devastatingly with one of the worst salmon catches on record. While the data is not yet in, Wrangell fishermen said in October 2020 that their revenues was down 49% over 2019 levels. As one Wrangell fisherman put it, “I am a commercial fisherman. I had a 52 percent loss of revenue in comparison to last 5-yr. income average. Demand for product lessened partially due to restaurants closing during pandemic, causing price at dock to be almost 50 percent lower than last year.”

<sup>11</sup> Alaska Department of Labor 2019 Employment & Wage data; 2018 (latest available) US Census Nonemployer. 2019 data for peak seafood processing jobs and wages are Rain Coast Data estimates.

## Total Volume and Value of Wrangell Seafood<sup>12</sup>

By pounds, two-thirds of the Wrangell fishery is salmon. On average salmon made up 66% of total pounds caught over the past 10 years, primarily Chum salmon. By value, salmon make up approximately two-fifths (43%) of total fishery value over the last decade. More than one-third, 37% of the total Wrangell harvest value is Dungeness crab. Halibut and King salmon make up 6% of pounds landed, and 17% of the total harvest value, on average. Pink salmon, which has a very cyclical return, are much less prevalent in Wrangell than the region as a whole.

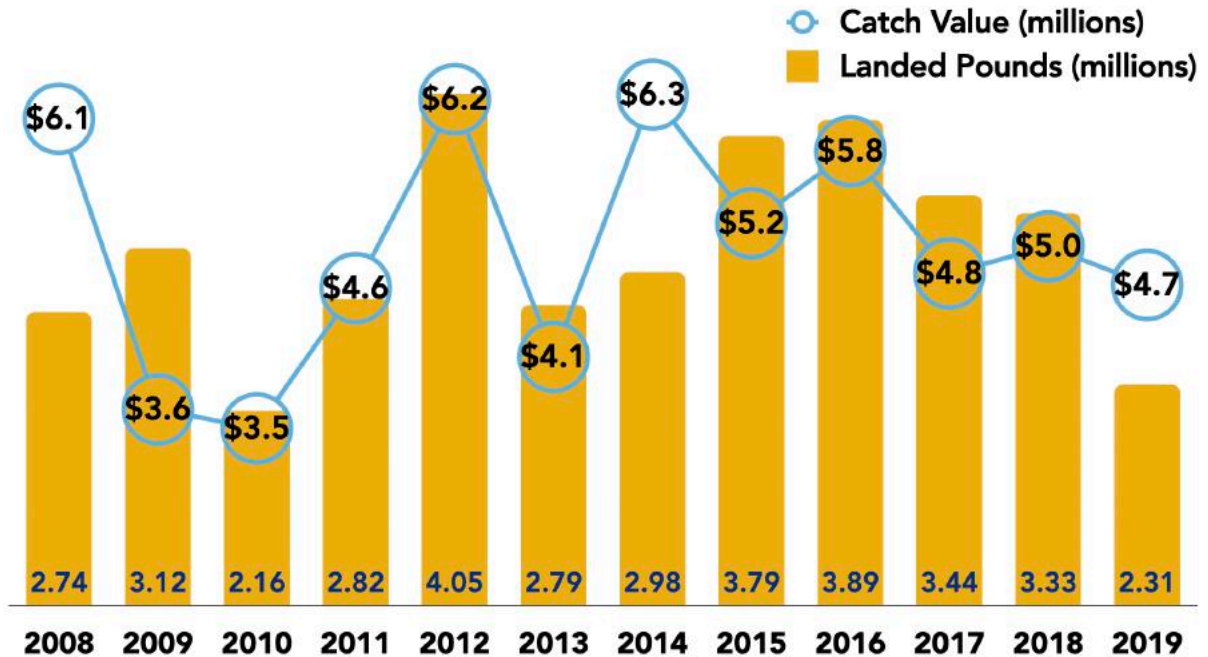


Between 2008 and 2019, the average value of the Wrangell fishery was \$5 million (adjusted for inflation) and the average volume landed was 3.2 million pounds.

<sup>12</sup> Alaska Department of Fish and Game Division of Commercial Fisheries 2008 - 2019 Commercial Fisheries Value by Species, Wrangell

Because the volume of seafood can fluctuate so much annually, it is important to track using average values over time, rather than comparing years directly. In the last decade, the value of the Wrangell seafood catch has fluctuated between \$6.3 million in total value in 2014 to \$3.5 million in 2010, while total pounds landed was over four million pounds in 2012, and down to 2.2 million pounds in 2010.

### VALUE & POUNDS OF SEAFOOD LANDED WRANGELL ALASKA 2008 TO 2019 (INFLATION ADJUSTED)



### Seafood Processing<sup>13</sup>

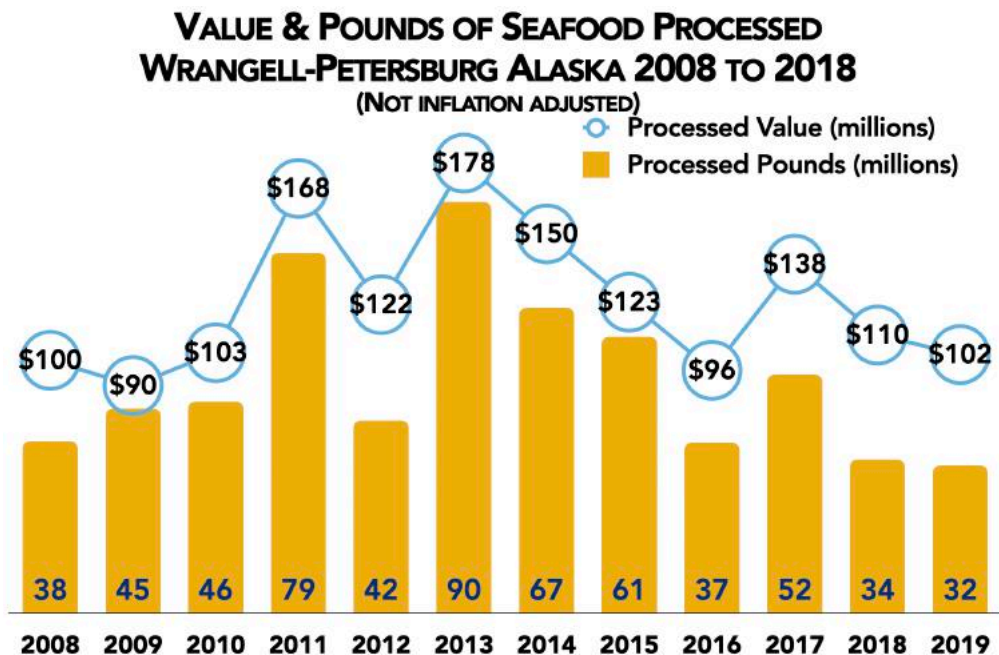
Seafood processing creates additional value in this industry. In 2012 a total of 11.4 million pounds of seafood were processed in Wrangell, with a wholesale value of \$32.6 million. However, in the years 2013-2019, the Wrangell specific data is confidential.

<sup>13</sup> Alaska Department of Fish and Game Division of Commercial Fisheries 2008 - 2019 Petersburg/Wrangell Production Shorebased Processors and Direct Marketers custom processing with Shorebased Processors

## Value and Pounds of Seafood Processed, Wrangell

| Operation Year | Port Name | Net Weight (Sum) | Wholesale Value (Sum) |
|----------------|-----------|------------------|-----------------------|
| 2008           | Wrangell  | 4,339,840        | \$11,441,454          |
| 2009           | Wrangell  | 6,168,541        | \$9,891,141           |
| 2010           | Wrangell  | 13,227,717       | \$26,774,348          |
| 2011           | Wrangell  | 20,409,870       | \$42,382,058          |
| 2012           | Wrangell  | 11,401,552       | \$32,564,612          |
| 2013 to 2019   | Wrangell  | confidential     | confidential          |

In 2012 Wrangell processing accounted for 26% of both pounds processed and value in the Wrangell-Petersburg area. In 2018 there were 17 seafood processors in the Petersburg-Wrangell area. These processed 34 million pounds of seafood with a wholesale value of \$110 million, significantly below 2017 levels in which 52 million pounds of seafood were processed in the area.



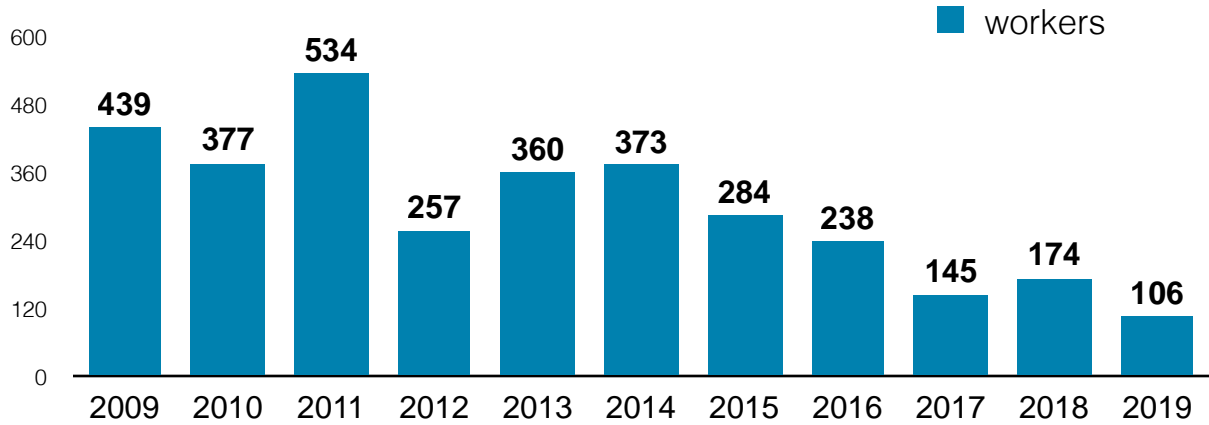
Total count of workers in the Wrangell seafood industry is much higher than the annualized job count. Seafood processing employment peaks in late July when the processors are at maximum effort.

Wrangell seafood processing jobs have been declining. In 2011 there were 534 jobs, and by 2019 that number has fallen by 80% to 106 total seafood processing worker in the community.<sup>14</sup> Trident Seafoods, one of the two main seafood processors in Wrangell, has decided not to operate during the 2020 salmon season, even prior to the pandemic, due to a prediction of a low salmon abundance.

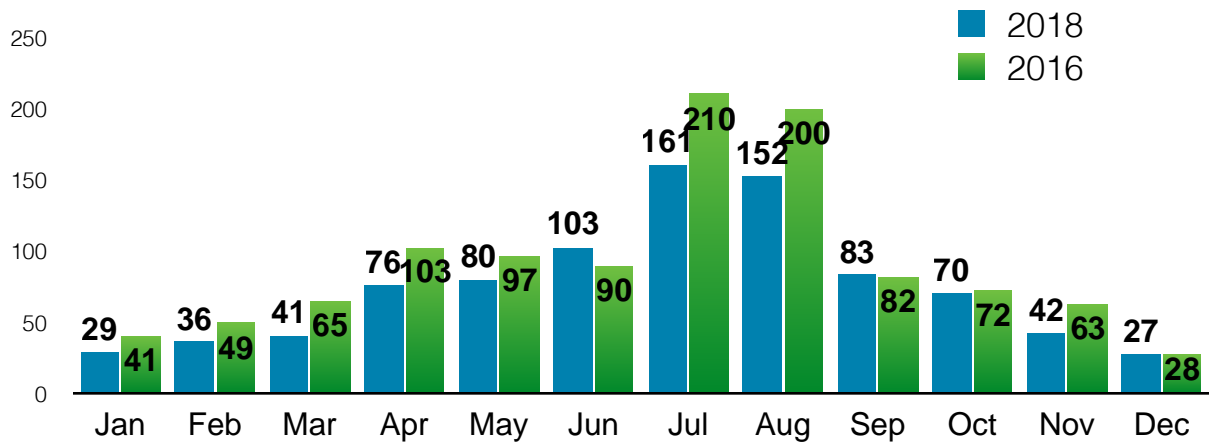
<sup>14</sup> Alaska Department of Labor. Seafood Processing Workforce and Wages by Borough, 2009 - 2018. 2019 figure is an estimate by Rain Coast Data, based on ADOL data.



### Wrangell Seafood Processing Workers 2009 to 2018



### Wrangell Seafood Processing Workers 2016 & 2018 by Month



### Seafood Processing Workforce and Wages 2009-2018

| Year                    | Total Workers | Wages       | % non-resident workers |
|-------------------------|---------------|-------------|------------------------|
| 2009                    | 439           | \$2,760,843 | 71.3%                  |
| 2010                    | 377           | \$2,743,874 | 71.1%                  |
| 2011                    | 534           | \$3,991,965 | 80.9%                  |
| 2012                    | 257           | \$2,610,723 | 68.5%                  |
| 2013                    | 360           | \$4,472,669 | 75.8%                  |
| 2014                    | 373           | \$4,015,454 | 79.4%                  |
| 2015                    | 284           | \$4,006,185 | 75.7%                  |
| 2016                    | 238           | \$2,643,179 | 63.0%                  |
| 2017                    | 145           | \$1,980,904 | 68.3%                  |
| 2018                    | 174           | \$2,383,743 | 76.4%                  |
| 2019                    | 106           | \$1,480,952 | pending                |
| <b>Change 2018-2019</b> | <b>-39%</b>   | <b>-38%</b> | <b>0.7%</b>            |

## Maritime

In Wrangell there were 249 private “blue jobs”—as maritime jobs are sometimes called—with \$12 million in associated workforce earnings in 2019. It is the community’s largest sector, and it draws from nearly every element of the local workforce. Nearly all of Wrangell’s maritime sector is driven by seafood. Seafood processing, mariculture and commercial fishing account for most of the maritime jobs in the community, but the shipyard also creates important jobs and wages.

### Wrangell Maritime Employment and Workforce Earnings, 2010 to 2019

| Maritime                    | 2010         | 2015         | 2018         | 2019         | Change 2018-2019 |
|-----------------------------|--------------|--------------|--------------|--------------|------------------|
| Maritime Jobs               | 295          | 328          | 269          | 249          | -7%              |
| Maritime Workforce Earnings | \$16,296,975 | \$14,991,092 | \$13,415,195 | \$12,102,159 | -10%             |

### The Wrangell Shipyard

After the demise of the regional timber industry, Wrangell began to focus on providing maritime industrial services to southern Southeast Alaska. Wrangell is centrally-located in Southeast Alaska, allowing fishermen to access emergency repairs while remaining close to fishing grounds. Southeast Alaska vessel owners are taking advantage of the ability to have their repairs completed close to home.

The City of Wrangell took advantage of the 5-acre former mill site, literally building its marine center—complete with tunnel freezer, cold storage, vessel haul-out, and boat storage—on top of the sawdust ruins left behind. In 2006, a 150-ton travel lift was installed. In 2014, a 300-ton boatlift was installed to haul out boats up to 180-feet long. As Wrangell’s marine services expand and the yard’s capabilities improve, the reputation and use of Wrangell’s maritime facilities has also grown. Wrangell is home to excellent craftsmen who provide services for yachters and the commercial fleet. There are people employed through shipyard activities as wooden shipwrights, fiberglass workers, machinists, steel welders, commercial painters, sandblasters, and in metal fabrication, along with those with expertise in hydraulics, electronics, and refrigeration.

## Health Care

Health care in the community has recently transitioned from a primarily public sector enterprise to a privately run industry. Southeast Alaska Regional Health Consortium (SEARHC) took over the city-owned Wrangell Medical Center in November 2018. SEARHC is constructing a new facility that is planned to be opened in 2021. For various reasons, health care jobs in 2019 in Wrangell are confidential. However in 2016, there were 112 annualized health care jobs in the community.<sup>15</sup> This includes an estimated 55 health care workers that were employed by the CBW.

Assuming Wrangell health care workers earned the average regional wage for that industry, the health care sector in Wrangell is responsible for 14% of all workforce earnings in the community, and 10% of all jobs.

### Alaska Health Care Workers, City and Borough of Wrangell, 2016

| Occupational Title             | Quarter 1  | Quarter 2  | Quarter 3  | Quarter 4  | Annual Average |
|--------------------------------|------------|------------|------------|------------|----------------|
| Healthcare Support Workers     | 26         | 25         | 24         | 23         | 25             |
| Medical Transcriptionists      | 18         | 18         | 21         | 20         | 19             |
| Nursing Assistants             | 18         | 17         | 15         | 16         | 17             |
| Registered Nurses              | 18         | 14         | 18         | 15         | 16             |
| Medical Assistants             | 7          | 7          | 7          | 7          | 7              |
| Dental Assistants              | 3          | 3          | 3          | 3          | 3              |
| Radiologic Technologists       | 3          | 3          | 3          | 3          | 3              |
| Healthcare Practitioners       | 2          | 2          | 4          | 3          | 3              |
| Nurse Practitioners            | 2          | 2          | 2          | 2          | 2              |
| Healthcare Social Workers      | 2          | 2          | 2          | 1          | 2              |
| Dental Hygienists              | 1          | 1          | 1          | 1          | 1              |
| Dentists, General              | 1          | 1          | 1          | 1          | 1              |
| Health Educators               | 1          | 1          | 1          | 1          | 1              |
| Medical Services Managers      | 1          | 1          | 1          | 1          | 1              |
| Health Information Technicians | 1          | 1          | 1          | 1          | 1              |
| Pharmacists                    | 1          | 1          | 1          | 1          | 1              |
| Home Health Aides              | 0          | 0          | 1          | 1          | 1              |
| Pharmacy Aides                 | 0          | 1          | 0          | 1          | 1              |
| Self-employed                  | 9          | 9          | 9          | 9          | 9              |
| <b>Total</b>                   | <b>114</b> | <b>109</b> | <b>115</b> | <b>110</b> | <b>112</b>     |

<sup>15</sup> Alaska Department of Labor. <https://live.laborstats.alaska.gov/odb/odb.cfm?a=000275>

## Visitor Overview

In the summer of 2019, an estimated 26,701 tourists visited Wrangell. This represented a 33% increase over 2018. Tourists spent an estimated \$6.3 million in Wrangell in the summer of 2019.

### Wrangell's Visitor Industry by the Numbers 2010 - 2019

|  | Year 2010          | Year 2014          | Year 2017          | Year 2018          | Year 2019          | % Change                |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|-------------------------|
| <b>Total Air, Cruise, Ferry, Yacht Passenger Arrivals</b>                        | <b>2010</b>        | <b>2014</b>        | <b>2017</b>        | <b>2018</b>        | <b>2019</b>        | <b>Change 2018-2019</b> |
| Air Passengers   | 10,587             | 11,896             | 13,088             | 13,809             | 14,637             | 6%                      |
| Summer Only Air Passengers (May-August)  | 4,833              | 5,380              | 6,163              | 6,309              | 6,621              | 5%                      |
| Mid Sized Cruise Ship Passenger Arrivals   | 3,869              | 5,171              | 11,442             | 12,000             | 18,683             | 56%                     |
| Small Ship Passenger Arrivals (capacity, not actuals)                            | 2,910              | 2,925              | 2,198              | 2,991              | 2988               | 0%                      |
| Alaska Marine Highway System   | 7,325              | 6,803              | 4,841              | 3,749              | 2,907              | -22%                    |
| Summer Only Passengers   | 3,954              | 3,674              | 2,359              | 2,056              | 1,537              | -25%                    |
| Total Yacht Visitors   | 960                | 1,052              | 1,334              | 1,618              | pending            |                         |
| <b>Total Passenger Arrivals in Wrangell (via Air, Cruise, Ferry &amp; Yacht)</b> | <b>25,651</b>      | <b>27,847</b>      | <b>32,903</b>      | <b>34,167</b>      | <b>40,865</b>      | <b>20%</b>              |
| <b>Summer Tourists to Wrangell</b>   | <b>2010</b>        | <b>2014</b>        | <b>2017</b>        | <b>2018</b>        | <b>2019</b>        | <b>Change 2018-2019</b> |
| <b>Total Summer Tourists</b>   | <b>11,507</b>      | <b>13,256</b>      | <b>18,944</b>      | <b>20,019</b>      | <b>26,701</b>      | <b>33%</b>              |
| Cruise (21,540 passengers expected)  | 6,779              | 8,096              | 13,640             | 14,991             | 21,671             | 45%                     |
| Yacht Visitors   | 960                | 1,052              | 1,334              | 1,618              | pending            | pending                 |
| Air (estimate)   | 1,768              | 2,008              | 2,606              | 2,449              | 2,566              | 5%                      |
| Ferry (estimate)   | 2,000              | 2,100              | 1,364              | 961                | 814                | -15%                    |
| <b>Total Summer Tourist Spending (estimate)</b>                                  | <b>\$3,146,849</b> | <b>\$3,286,171</b> | <b>\$4,597,453</b> | <b>\$5,116,591</b> | <b>\$6,273,866</b> | <b>23%</b>              |
| <b>Summer Yacht Traffic</b>  | <b>2010</b>        | <b>2014</b>        | <b>2017</b>        | <b>2018</b>        | <b>2019</b>        | <b>Change 2017-2018</b> |
| Total Yacht Arrivals   | 310                | 377                | 489                | 605                | pending            | 24%                     |
| Average Days Yachts Visited  | 2                  | 2                  | 2                  | 2                  | pending            | 0%                      |
| Total Yacht Visitors   | 840                | 1,052              | 1,334              | 1,618              | pending            | 21%                     |
| Total Yachter Spending (estimate)  | \$273,840          | \$342,952          | \$434,884          | \$566,300          | pending            | 30%                     |
| <b>Hotel Room Nights</b>   | <b>2010</b>        | <b>2014</b>        | <b>2017</b>        | <b>2018</b>        | <b>2019</b>        | <b>Change 2017-2018</b> |
| Total Hotel Room Sales All Year  | 7,748              | 6,787              | 7,833              | 7,665              | pending            | -2%                     |
| May-Sept Only Room Rental Nights   | 4,877              | 4,574              | 3,995              | 4,737              | pending            | 19%                     |

| <i>Wrangell's Visitor Industry by the Numbers Continued</i> | Year 2014   | Year 2017   | Year 2018   | Year 2019   | % Change                |
|---|-------------|-------------|-------------|-------------|-------------------------|
| <b>Jobs and Earnings</b>                                    | <b>2014</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>Change 2018-2019</b> |
| Average Visitor Industry Wage                               | \$22,227    | \$24,066    | \$27,259    | \$31,955    | 17%                     |
| Total Visitor Industry Employment                           | 101         | 100         | 106         | 110         | 4%                      |
| Total Visitor Industry Workforce Earnings                   | \$2,244,990 | \$2,406,618 | \$2,889,447 | \$3,515,030 | 22%                     |
| Peak Visitor Industry Employment                            | 137 (July)  | 124 (July)  | 135 (July)  | 136 (July)  | 1%                      |
| Total Visitor Industry Businesses                           | 37          | 37          | 39          | 44          | 13%                     |

## Employment

Tourism is an economic driver in the community. In 2019, visitor industry employment made up 10% of all employment in Wrangell, accounting for 110 annual average jobs with associated workforce earnings of \$3.5 million. The visitor industry accounted for 7% of total Wrangell workforce earnings in 2019. This sector is smaller in Wrangell than the region as a whole; the visitor industry represents 18% of all jobs and 12% of all employment earnings for Southeast Alaska, versus 10% and 7% respectively for Wrangell.

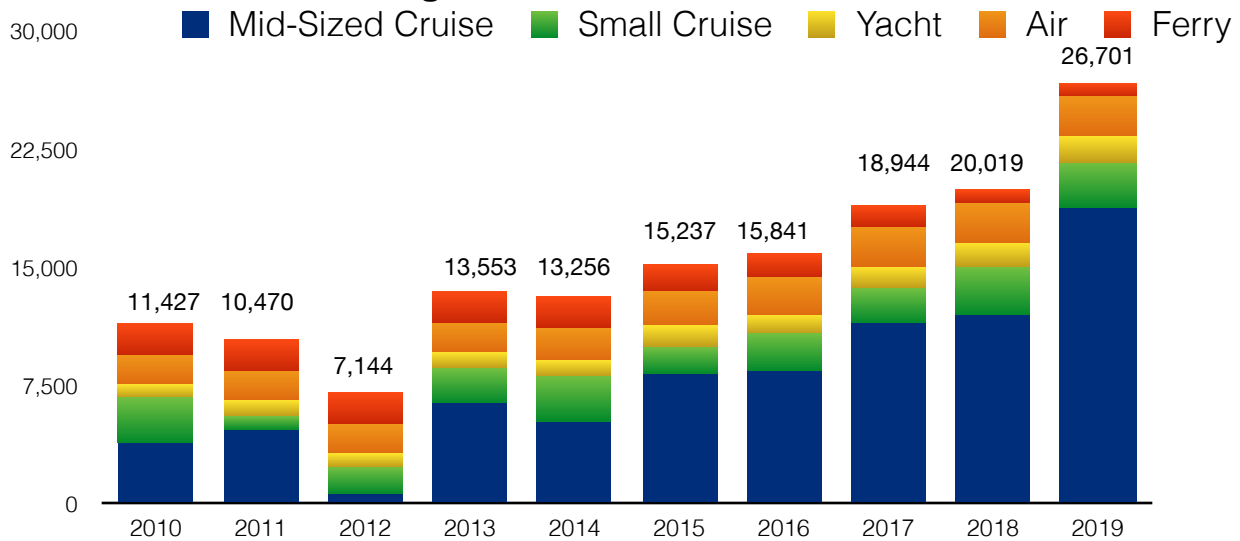
## Change in the Visitor Industry

After reaching a low point in 2012 of 7,144 tourists, the total number of visitors coming to Wrangell in the summer significantly increased over the past six years, mirroring regional trends. A total of 26,701 tourists came to Wrangell in 2019. Visitor industry jobs and wages in Wrangell had remained relatively stagnant through 2017, despite an increasing number of visitors. The primary reason for this disparity appears to be Wrangell's previous reliance on the ferry system for bringing independent (non-cruise) visitors to the community. Ferry tourism decreased by 61% in Wrangell between 2014 and 2019 due to deep budget cuts to the Alaska Marine Highway System, reduced and unattractive schedules for tourists, and a lack of reliability due to last-minute cancellations of bookings by the ferry system. While cruise visitation more than doubled during the same period, cruise passengers spend fewer dollars per visitor in the community than ferry tourists did, as they stay for a much shorter time and do not require overnight accommodations.<sup>16</sup> Another reason for lack of significant tourism employment growth is a cap on the number of people allowed to visit Anan each year.<sup>17</sup> The Anan Wildlife Observatory is managed by the Wrangell District of the Tongass National Forest and is only accessible by boat or plane. With constraints on this prime visitor attraction it is difficult to grow the visitor sector as a whole.

<sup>16</sup> Total arriving ferry passengers have decreased by 70% since 1999.

<sup>17</sup> While Anan capacity is not always met, daily caps in addition to seasonal caps mean that last minute cancellations for inclement weather or other factors cannot be "made up" at later dates.

## Total Wrangell Summer Tourists, 2010 to 2019



### Summer Visitation and Spending Analysis

In 2019, 26,701 summer tourists visited Wrangell and spent an estimated \$6.3 million in the local economy. This includes expenditures on accommodations, food, excursions, and shopping. Across all visitor arrival modes, visitor spending was calculated at \$256 per person per visit in 2018. As a full in-depth analysis of 2019 summer spending has not yet occurred, these spending averages were applied to 2019 arrival numbers to develop the overall spending estimate.

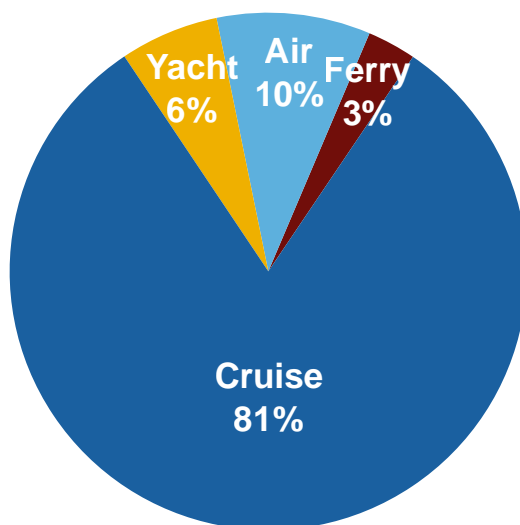
Cruise visitors represented three-quarters (81%) of all tourists in 2019, but represented just over half (58%) of all estimated summer visitor spending in 2019. Independent tourists (those staying overnight in Wrangell) are estimated to have spent \$2.6 million during the summer of 2019.

Ferry tourists represent an ever decreasing number of visitors to Wrangell. 2017 was the first year that tourists arriving by air outnumbered tourists arriving by ferry, and 2018 was the first year that tourists arriving by yacht outnumbered tourists arriving by ferry. In 2019, just 3% of tourists came by ferry, versus 28% in 2012.

## Summer Tourists by Mode of Arrival and Expenditures in Wrangell

|                       | 2019          | Estimated Summer Visitor Spending 2019 | Total Estimated Spending Per Passenger (2018 analysis) |
|-----------------------|---------------|--|--|
| <b>Total Tourists</b> | <b>26,701</b> | <b>\$6,273,866</b>                     | <b>\$256</b>   |
| Cruise Passengers     | 21,671        | \$3,662,399                            | \$169  |
| Yachters              | (1,650 est)   | \$577,500                              | \$350  |
| Visitors by Air       | 2,566         | \$1,667,744                            | \$650  |
| Ferry                 | 814           | \$366,223                              | \$450  |

### Summer Tourists Arriving in Wrangell by Mode, 2019



Four-fifths of all tourists arrived by cruise ship in 2019, while 10% arrived by air, 6% arrived by yacht, and just 3% arrived by ferry.

Total visitor arrivals in Wrangell were up by 33% between 2018 and 2019. Summer visitors arriving by cruise ship increased by 45%, while 5% more tourists arrived via plane to the community. However, one segment was down significantly—the total number of tourists traveling by ferry decreased by 15%.

Yacht passenger numbers are not yet available for 2019, so an estimate was used as a placeholder in the meantime.

## Summer Tourists to Wrangell 2010-2018

|              | 2010         | 2014         | 2017          | 2018          | 2019          | % Change<br>2010-2019 | % Change<br>2018-2019 |
|--------------|--------------|--------------|---------------|---------------|---------------|-----------------------|-----------------------|
| <b>Total</b> | <b>11,90</b> | <b>13,25</b> | <b>18,944</b> | <b>20,019</b> | <b>26,701</b> | <b>124%</b>           | <b>33%</b>            |
| Cruise       | 6,779        | 8,096        | 13,640        | 14,991        | 21,671        | 220%                  | 45%                   |
| Yachters     | 960          | 1,052        | 1,334         | 1,618         | Pending       | Pending               | Pending               |
| Air          | 1,768        | 2,008        | 2,606         | 2,449         | 2,566         | 45%                   | 5%                    |
| Ferry        | 2,000        | 2,100        | 1,364         | 961           | 814           | -59%                  | -15%                  |

Between 2010 and 2019, the total number of tourists arriving via ferry decreased by 124%, while those arriving by cruise ship more than tripled.



## Summer Tourist Expenditures by Category

In 2019, tourists spent an estimated \$6.3 million in the community of Wrangell, based on passenger arrival numbers.

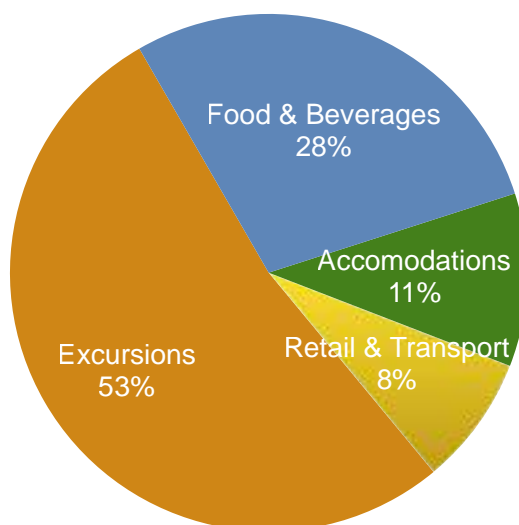
In 2017 and 2018, Rain Coast Data measured summer visitor spending by category using local sales tax records for retail spending, bars, and restaurants; transient tax database actuals for hotel rooms; Anan ticket fee actuals; Nolan Center receipts; estimates for other trips using operator survey data; and other executive interviews, research, and data analyses. This analysis has not yet been applied to 2019. In 2018, tourists spent \$5.1 million in Wrangell. Of the \$5.1 million in summer spending by visitors, \$2.7 million (53% of all spending) was spent on excursions. Excursions include jet boat tours, kayaking or canoe rentals and tours, whale watching, bus tours, sports fishing, photography tours, walking tours, flight seeing, museum visits and Shakes Island visitation.

Visitors spent close to an estimated \$1.5 million on food and beverages, including restaurants, bars, cafes, and grocery store spending. They spent more than a half million dollars on accommodations, including nights at hotels, inns, bed and breakfasts, cabins, and RV and tent campgrounds. Just under a half million dollars was spent by visitors on retail and localized transportation. Local transportation includes use of taxis and car rental, and does not include transportation to and from Wrangell, or excursions.

### Total Summer Tourist Spending

| Summer Spending by Visitors by Category        | 2017               | 2018               |
|--|--------------------|--------------------|
| <b>Total estimated summer tourist spending</b> | <b>\$4,597,453</b> | <b>\$5,116,591</b> |
| Excursions                                     | \$2,113,395        | \$2,694,747        |
| Food, Alcohol, Coffee                          | \$1,463,496        | \$1,452,121        |
| Retail Spending and Transportation             | \$549,016          | \$416,155          |
| Hotel  | \$471,546          | \$553,568          |

### Wrangell Summer Tourist Expenditures by Category, 2019



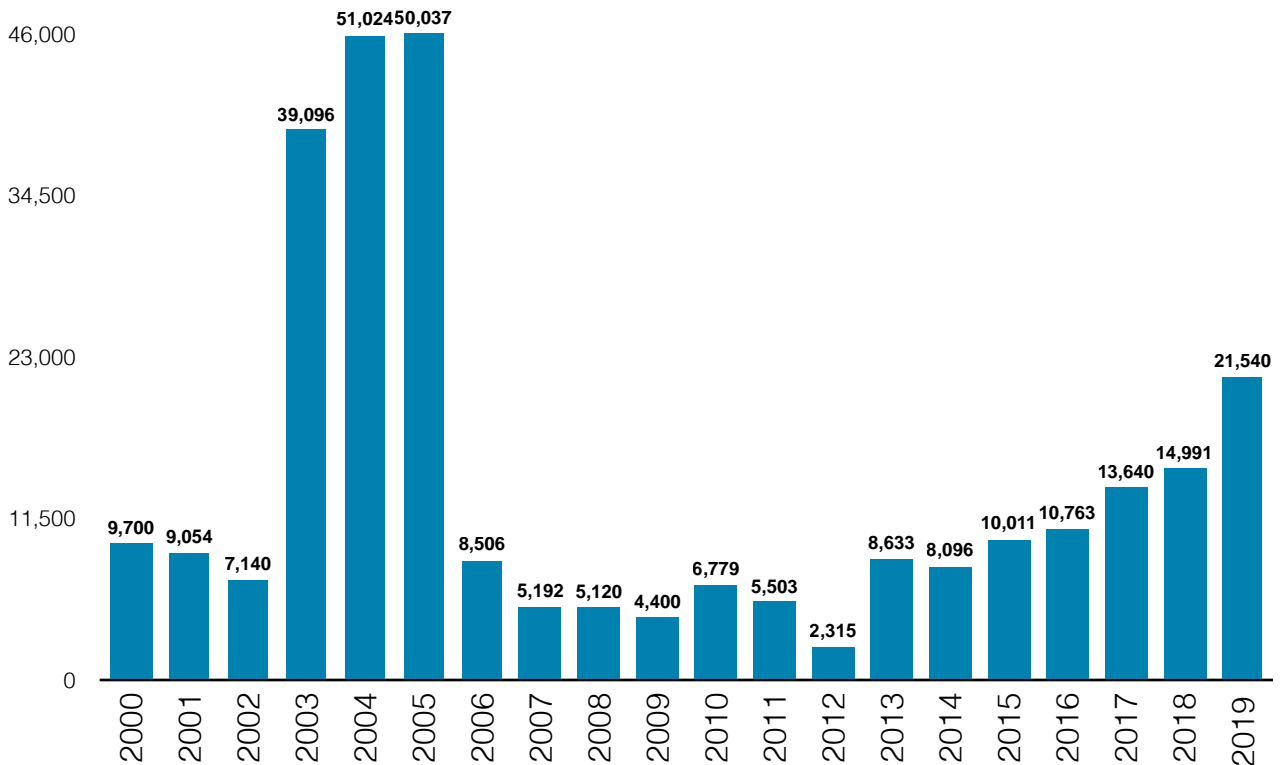
## Cruise Passengers<sup>18</sup>

The number of cruise passengers arriving in Wrangell on small to mid-sized cruise ships saw more than a nine-fold increase from 2012 to 2019.<sup>19</sup> Nine small cruise ships made port calls, and eight medium-sized cruise ships visited Wrangell in 2019. Four of these ships have the capacity for 200-700 passengers and made multiple visits to the community, including the Regatta, Seabourn Sojourn, Silver Muse, and Star Legend. The Maasdam was the largest cruise ship to visit Wrangell in 2019, with a total passenger capacity of 1,266. It made three visits.

For the purposes of this analysis, small cruise ships include those with 30 to 199 passengers per vessel; mid-sized cruise ships includes those with 200 to 1,299 passengers per vessel. Wrangell currently has no large cruise ship visitations, those with at least 1,300 passengers per vessel.

In 2019 more than 21,500 passengers visited Wrangell. This represents a 45% increase in total arriving passengers from 2018. In 2020, a total of 21,486 cruise ship passengers had been expected.

### Total Cruise Passengers in Wrangell 2000-2019



<sup>18</sup> Midsized cruise passenger actuals were provided by McDowell Group & Cruise Line Agencies of Alaska. 2019 are estimates based on capacity. All other cruise passenger data are estimated totals based on small cruise ship schedules and research regarding total capacity.

<sup>19</sup> This figure combines actual numbers from midsized cruise ship arrivals and capacity numbers from smaller cruise ships.

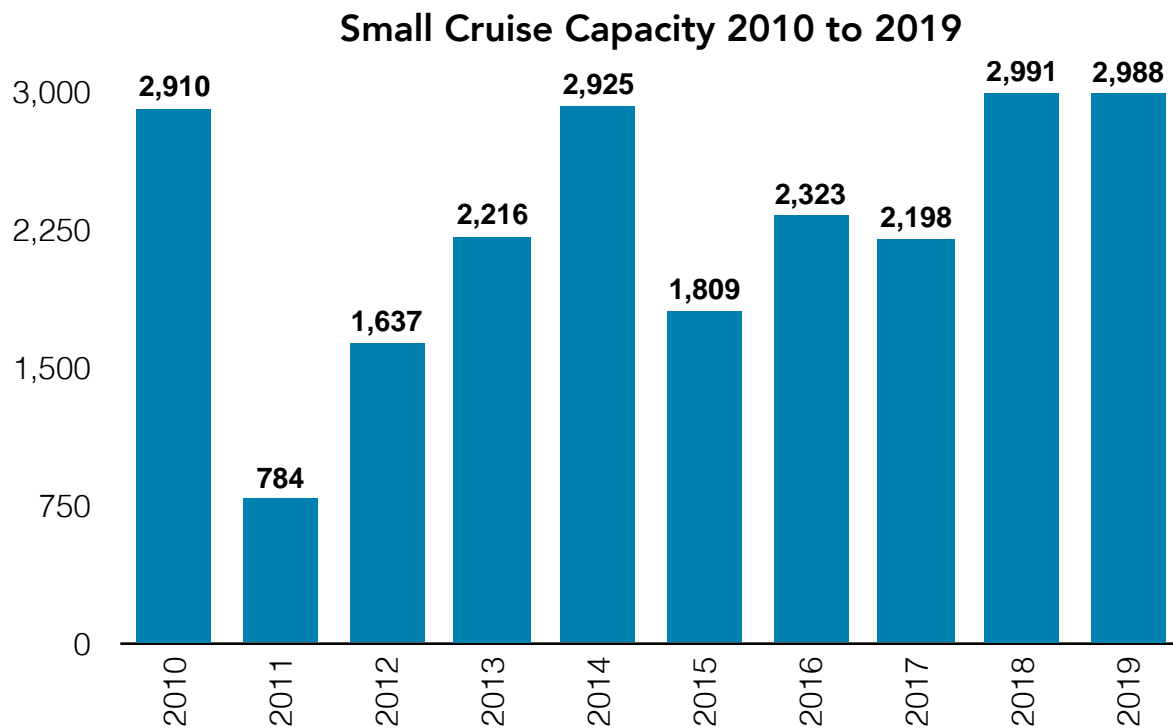
## Small Cruise Ships

Small ships are an important part of the Wrangell visitor economy.

In 2019 total small cruise ship visitation to the community was roughly similar to 2018 levels, for a total of 2,988 passengers. (Note that small cruise ship data only measures capacity, and not final actuals, which is not available). In 2020 an increase of 35% had been expected.

Wrangell's small cruise ship sector experienced a disruption in 2010 when Cruise West ceased operations at the end of the summer season. Cruise West accounted for the vast majority of small ship passenger volume in Alaska. While the number of small cruise ship passengers went on to increase between 2011 and 2014, the number of passengers dropped again in 2015 when the 88-guest SS Legacy stopped making visits to the Wrangell port.

In the last several years Wrangell has rebuilt the small cruise visitor market. Wrangell competes with other Southeast Alaska communities to attract operators.



## Yacht Visitors

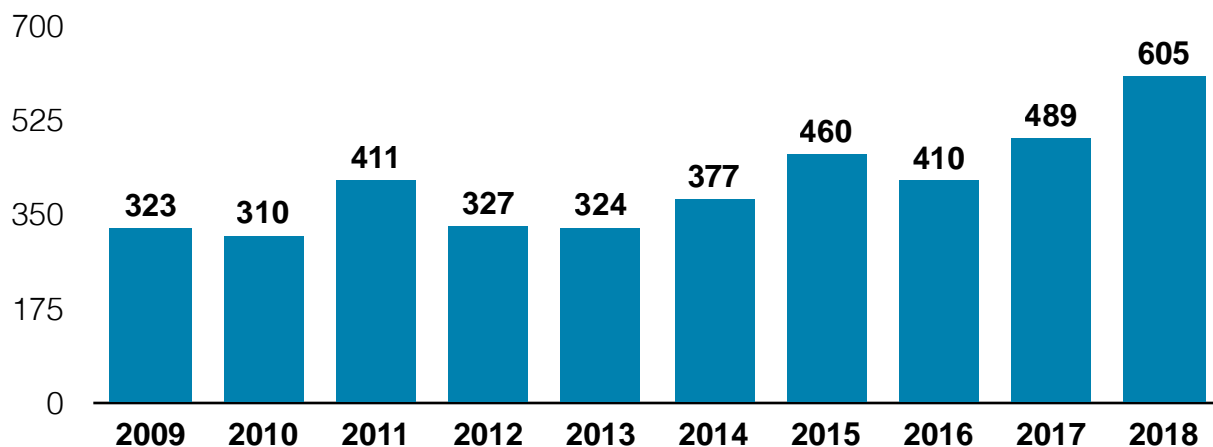
City and Borough of Wrangell staff record the size of yachts and length of stay, along with total passengers, for each yacht visit to the city. In 2018, a total of 1,618 people came to Wrangell aboard yachts and stayed an average of two days each. The “average yacht” is 44.6 feet. Total yacht visits were up by 24% in 2018 over 2017. The average number of people per yacht is approximately three, and remained the same as the year before. Total visitors arriving by yacht increased by 21% between 2017 and 2018. Yacht data for 2019 is not yet available.

### Wrangell Yacht Traffic

| Year                    | Total yacht visits | Average yacht length | Average People per Vessel | Average Days Stayed | Total Days Stayed | Total Visitors |
|-------------------------|--------------------|----------------------|---------------------------|---------------------|-------------------|----------------|
| 2009                    | 323                | 45.5                 |                           | 2                   | 557               |                |
| 2010                    | 310                | 46.4                 |                           | 2                   | 665               |                |
| 2011                    | 411                | 46.0                 |                           | 2                   | 700               |                |
| 2012                    | 327                | 46.2                 |                           | 2                   | 639               |                |
| 2013                    | 324                | 50.2                 |                           | 2                   | 700               |                |
| 2014                    | 377                | 49.0                 | 2.8                       | 2                   | 858               | 1,052          |
| 2015                    | 460                | 48.5                 | 2.9                       | 2                   | 1,052             | 1,326          |
| 2016                    | 410                | 47.5                 | 3.1                       | 2                   | 868               | 1,178          |
| 2017                    | 489                | 45.3                 | 2.7                       | 2                   | 1,015             | 1,334          |
| 2018                    | 605                | 44.6                 | 2.7                       | 2                   | 1,189             | 1,618          |
| <b>Change 2017-2018</b> | <b>24%</b>         | <b>-2%</b>           | <b>0%</b>                 | <b>0%</b>           | <b>17%</b>        | <b>21%</b>     |

Note: Totals exclude Meyers Chuck yacht visits.

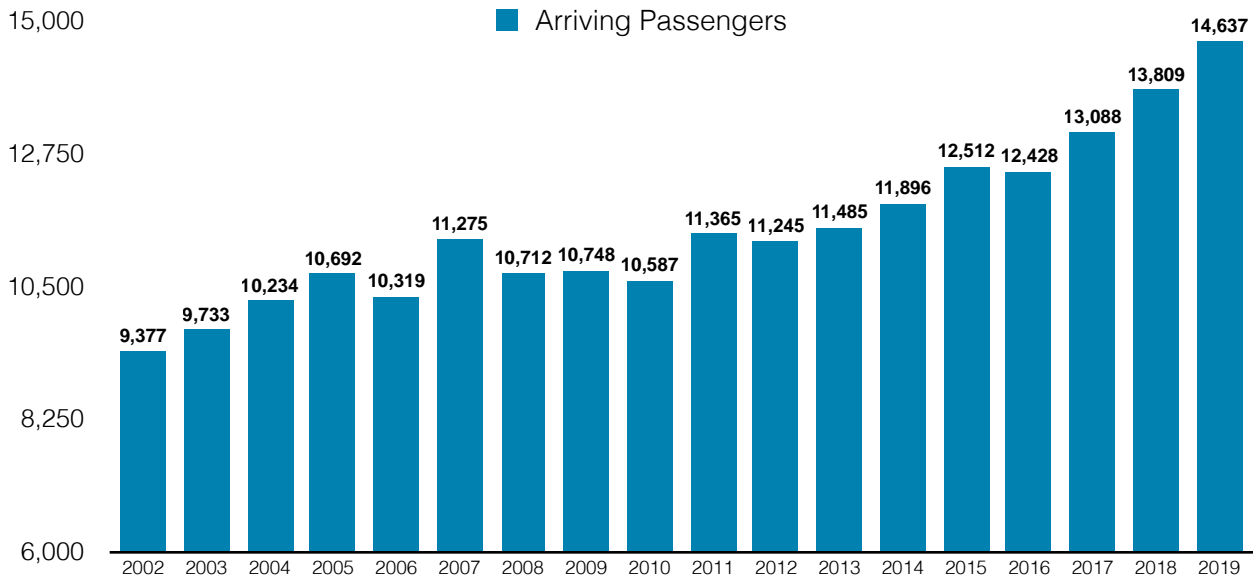
### Wrangell Yacht Visits: 2009 to 2018



## Air Passengers<sup>20</sup>

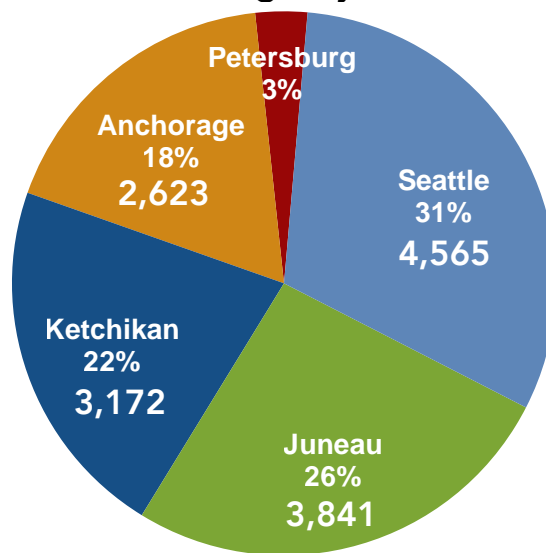
In 2019, there were 14,637 air passengers arriving in Wrangell. This represents a 6% increase in total passengers from 2018, and a 38% increase since 2010.

### Airline Passengers Arriving in Wrangell



Looking at a full year of passenger data, the greatest percentage of passengers arrived in Wrangell via Seattle (31%), while more than a quarter (26%) arrived via Juneau, and 22% of arrivals came by way of Ketchikan. An additional 18% arrived via Anchorage. Three percent of Wrangell passengers came on flights via Petersburg. (Data includes all scheduled flights only).

### Passengers Disembarkments by Connecting City 2019

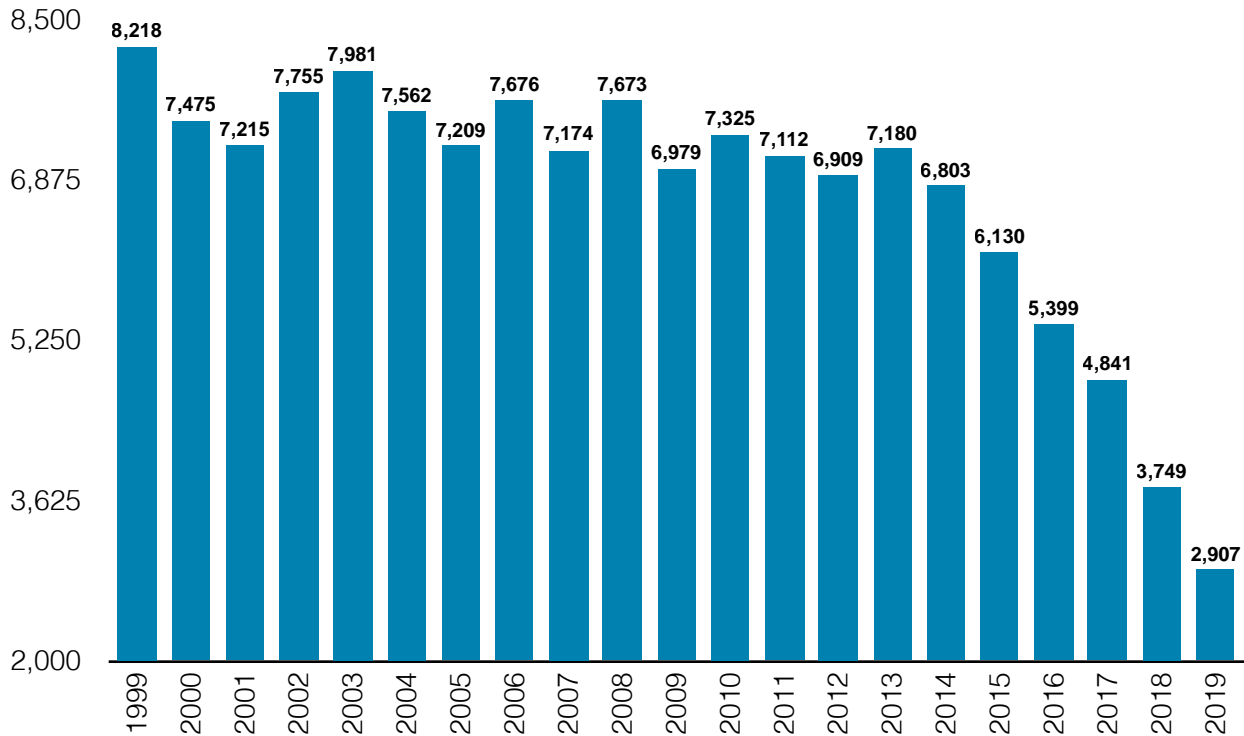


<sup>20</sup> Bureau of Transportation Statistics T-100 Market data.

## Ferry Passengers<sup>21</sup>

In 2018, a total of 3,749 Alaska Marine Highway (AMHS) ferry passengers arrived in Wrangell; of these, 55%, or 2,056, arrived during the summer (May through September). Total ferry passenger numbers decreased by 23% between 2017 and 2018. Since 2013, the number of passengers disembarking in Wrangell has decreased every year, with significant annual decreases since 2015. Total arriving passengers are 65% lower than they were 20 years ago.

**Ferry Passengers Arriving in Wrangell 1999 to 2019**



In recent years the Alaska Marine Highway System has been hit hard by state budget cuts, significantly reducing state funding levels. Service and port calls have been cut significantly, and Wrangell has been disproportionately impacted. The unreliability of the ferry scheduling and the increase in costs to travel have impacted ferry users, but even more significantly impacted those who have built their businesses around serving ferry passengers. A reputation for the unreliability of the ferry system means that potential customers are less likely to want to use the ferry for travel, further impacting total ridership numbers.

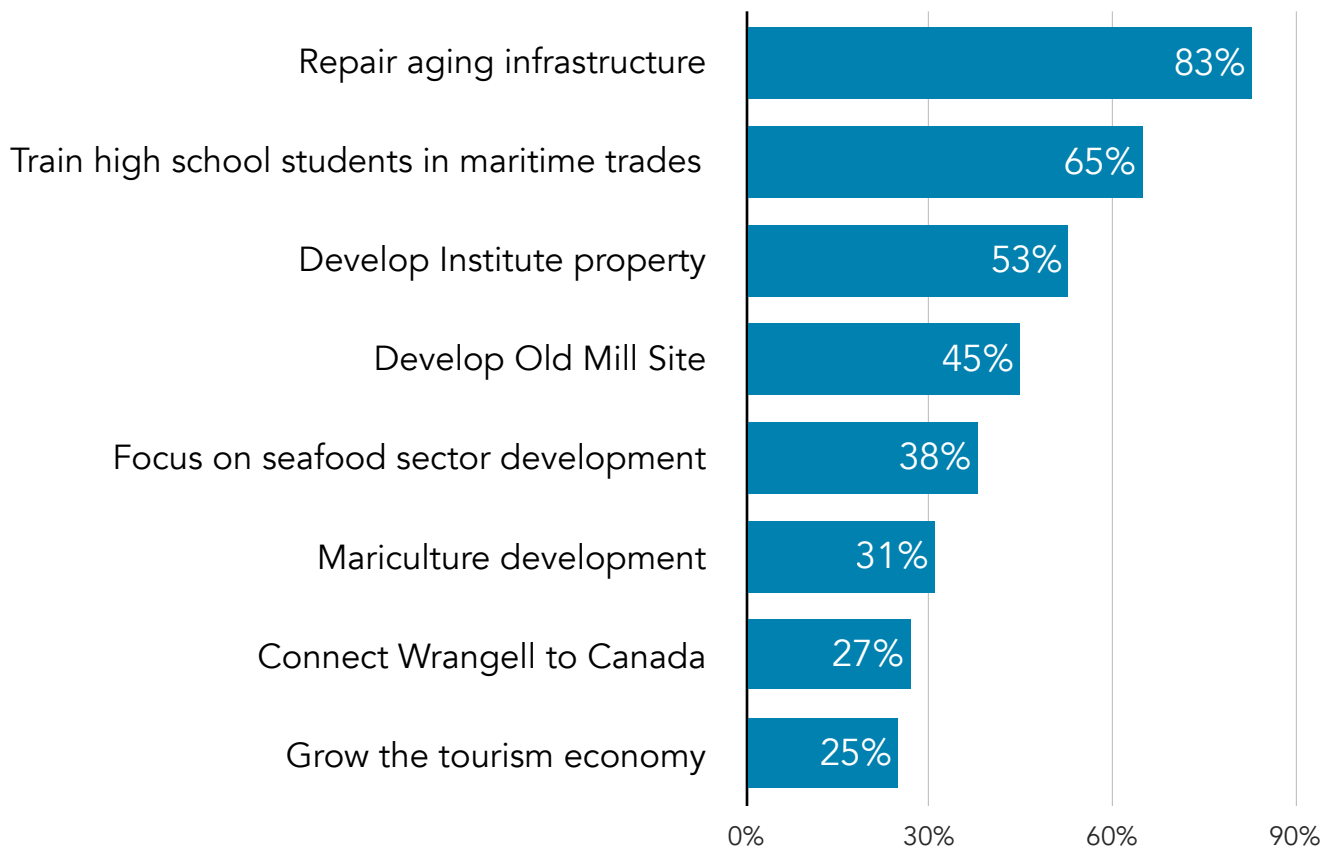
<sup>21</sup> Alaska Marine Highway System Annual Traffic Volume Reports for 2010 and 2014. Direct data request for 2016, 2017, 2018, and 2019 data.

# 2019 Wrangell Economic Survey

The Wrangell Cooperative Association (WCA) conducted a community survey in 2019, including questions regarding the local economic development preferences. Rain Coast Data designed the survey on behalf of the WCA. The web-based survey was administered electronically from June 21st through July 19th, 2019. A total of 482 people in Wrangell took the survey.

Respondents were asked which of eight economic development initiatives are the most valuable to the community at this time. The top three economic development related needs in the community include 1) repairing aging infrastructure, 2) training high school students in the maritime trades, and 3) developing the former Wrangell Institute property for housing and mixed-use neighborhoods. While nearly two-thirds of Wrangell residents (61%) say growing the tourism economy has a high or medium level of demand, it ranked at the bottom of the eight community economic development initiatives presented in the survey, with only a quarter of residents saying that tourism growth is highly needed.

**How Important are the Following Economic Development Initiatives in Wrangell?**



# Housing

Housing in Wrangell has many unique characteristics that make it stand apart from other communities in the Southeast Alaska region, as well as the state as a whole, including the following:

**Larger Homes**—The average home size in Wrangell is 1,875 square feet, which makes it the largest, on average in Southeast Alaska. The SE average is 1,576 square feet. As a reference, Wrangell homes are more than twice the average size of homes in Hoonah. In addition, Wrangell homes are not “overcrowded.” The overcrowding rate is 0.2%. Wrangell is one of the least overcrowded cities in Alaska.

**Low-Quality Housing**—Based on available data, Wrangell homes appear to be lower in quality than other comparable communities. Wrangell has more older homes than the region as a whole. On average, 12% of homes were built pre-1940’s, compared to 8% across the region. Moreover, Wrangell has the lowest percentage of homes in the region (5%) with continuous ventilation systems.

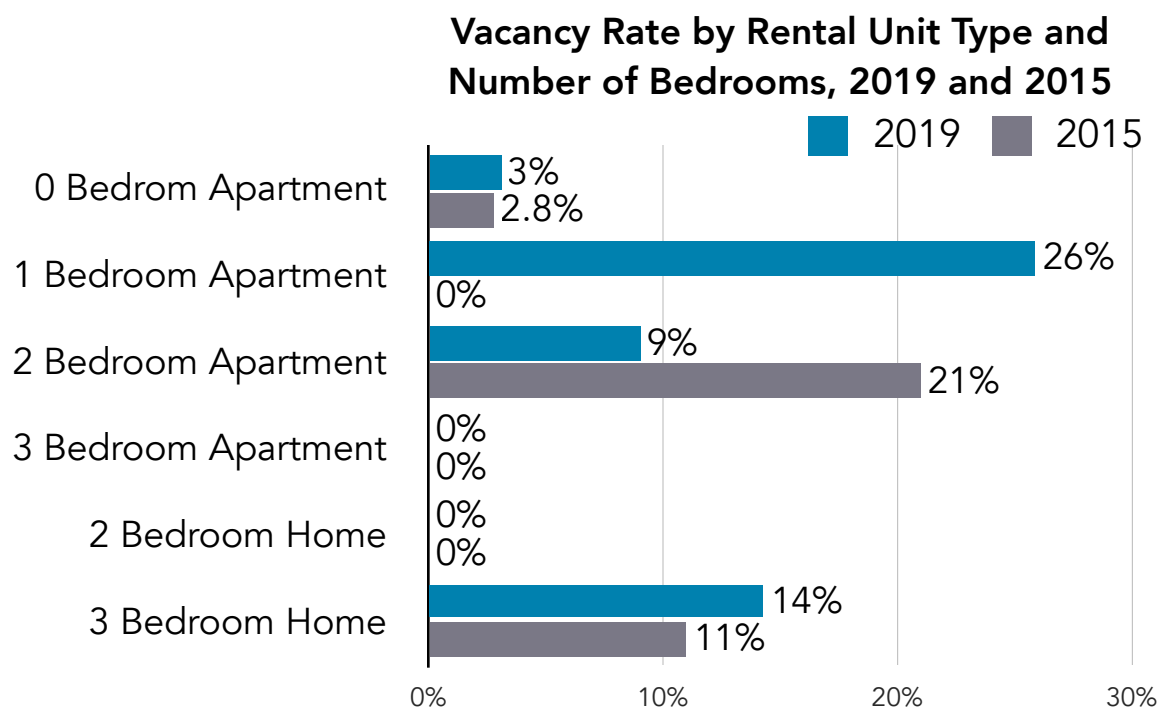
**Inefficient Home Energy**—There appears to be a marked lack of energy efficiency in Wrangell homes. Wrangell has the highest energy use and costs in the region: \$6,590 annually. This is 2.4 times more than the cost in Anchorage, and 3.1 times more than the national average. The average annual energy cost for homes in Southeast Alaska is \$5,440. This is even more remarkable due to the relatively low cost of electricity in Wrangell, which is among the lowest in the region. Even taking the larger than normal house size into account, Wrangell’s energy per square foot is the second highest in the region. For occupied housing annual energy costs constitute 13% of census median area income—versus 8% for the region.

**Low Percentage of Rentals**—Another element that sets Wrangell apart from other housing markets is a lower than average amount of housing units available for rent. Typically rental units comprise just over one-third of the housing market—approximately 35%. In Wrangell, just 28% of the units are renter-occupied, while 72% are owner-occupied. Wrangell would need to have an additional 90 housing units available for rent to create a more typical balance between housing categories.

**Fewer Multi-units and 2- to 3-Bedroom Homes**—The mix of housing types is also unique in Wrangell. Just 20% of Wrangell’s homes are in multi-unit buildings, compared to 34% in Southeast Alaska as a whole. Wrangell also has more mobile homes than other areas (14% of all occupied housing units in Wrangell compare to 5% statewide, and 8% across the region.) Also in comparison to other places, Wrangell has a higher percentage of one-bedroom homes, and a smaller percentage of 2-3 bedroom homes. Nearly a quarter (22%) of Wrangell’s housing units are one-bedroom, compared to 16% across the region, while 54% of Wrangell homes are 2-3 bedroom, compared to 62% across the region.



**Low Rental Vacancy Rates**—While vacancy rates in Wrangell are not as low as they were in 2015, in 2019 Wrangell had the lowest rental vacancy rates in the state in several categories. According to the Alaska Housing Market Indicators 2019 Residential Rental Market Survey, the vacancy rates for three-bedroom apartments and two-bedroom single families homes was zero. It is also important to note that the rental surveys are conducted in spring, prior to Wrangell’s busy summer season that attracts those in the seafood industry, shipyard workers, and those serving the tourism sector.



**High Housing Affordability**—Statewide, Wrangell is considered to have the most “affordable housing” of any community. This is measured by the “Rental Affordability Indexes” computed by the Alaska Department of Labor. The affordability index looks at how many average wage earners are required to afford the average contract rent—the amount paid to the landlord each month—assuming 24 percent of gross income is available for rent. In Wrangell, less than a single wage earner is needed to make rent (0.92), the lowest in the state. An alternate way to measure housing affordability is to look at the percentage of total household income that goes towards housing. In Wrangell, one-fourth of households spend more than 30% of total income on housing costs, which include rent, utilities, and energy costs—which means one-quarter of Wrangell households are “cost burdened” by housing. In comparison one-third of the region and state is cost burdened, while in the US the share is 37%. Finally, the regional Business Climate Survey conducted by Southeast Conference reported that business leaders in Wrangell were the least likely across the region to call housing prices an economic barrier in their community.

**Low Rental Prices**—According to the Alaska Housing Market Indicators 2019 Residential Rental Market Survey, despite such low vacancy rates, the lowest median adjusted rents in Alaska in 2019 were in the Wrangell Borough. This was also true for two-bedroom and three-bedroom rentals. Overall, rent in Wrangell is two-thirds the average for Southeast Alaska as a whole. Rental homes in Wrangell are half the cost of Juneau and apartments are 43% less.

**Low Housing Prices**—Home sales prices are also comparatively lower in Wrangell. According to the US Census, the median value of a home is just 60% that of the median value for all homes in the region. Moreover, an analysis of the Juneau and Wrangell Assessor's Databases shows the average single family home in Wrangell is assessed at \$151,818, less than half of the average Juneau value of \$361,001. A unique disadvantage to further developing housing in Wrangell is that residents are accustomed to lower price points for housing than other communities in the state and region, and the willingness to pay market rate for new and improved housing is under-developed.

Based on the state of housing in Wrangell, the following recommendations have been made:

- **More rentals**—especially for rentals with one or two bedrooms;
- **Higher quality housing** with better **energy efficiency**;
- More **two- to three-bedroom single family homes**;
- More **short-term or summer housing options** for those involved in the maritime and tourism sectors; and
- Development of an **assisted living senior housing facility**.

## Land Ownership

The City and Borough of Wrangell encompasses 2,582 square miles of land and 883 square miles of water. Like most places in Southeast Alaska, Wrangell's land ownership is dominated by the federal government, which manages 97 percent of the land base. The State manages 2.5 percent of the total land base, while the City and Borough of Wrangell manages less than one tenth of one percent of the entire land base at 0.08%. Other private land holdings account for 0.17%. The lack of municipally or privately owned land and land available for development impedes the ability of Wrangell to nurture the private sector.

## Wrangell October 2020 Business Impact Survey

On August 25, 2020 the Wrangell Borough Assembly approved Resolution No. 08-20-1539 declaring an economic disaster in the municipality. The declaration was based on two economic failures – the disintegration of the statewide summer tourism season due to COVID-19, and the collapse of the regional Southeast salmon fisheries due to poor returns of all species.

In October 2020 City and Borough of Wrangell commissioned a survey to gauge the impacts of COVID-19 and the 2020 seafood season on the Wrangell business community, in order to focus economic solutions moving forward. More than 100 Wrangell business owners and top managers responded to the survey. The survey found the following:

- Responding employers had laid off 32% of their total workforce.
- Wrangell business revenue was down 50% on average in 2020 compared to the same period in 2019.
- More than one-fifth (21%) of respondents said that they are at risk closing permanently (including 2% that have already closed).
- 37% of respondents feel that the upcoming year will be worse.
- The most significant impact to Wrangell businesses from COVID-19 has been lost revenue (reported by 79% of businesses).
- The top challenge moving forward is trying to make good business decisions in the face of considerable uncertainty (reported by 54% of businesses).
- The help Wrangell businesses are most wanting is access to grants (63%).
- A similar survey conducted 3 months earlier showed fewer impacts, but a bleaker outlook.