

Juneau Economic Plan, 2021-22 Progress Report

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PREPARED FOR:

City and Borough of Juneau



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2015 Juneau Economic Plan (JEP)

The 2014-15 Juneau Economic Plan was a comprehensive economic development planning process, including:

- *Detailed analysis of conditions & trends in the local economy*
- *Random-sample telephone survey of households*
- *Open access online community survey*
- *Survey of 200 businesses/non-profit organizations*
- *Engagement with more than 25 local groups/committees*
- *3 town meetings/workshops*
- *Detailed 100+ page planning document*

JEP identified 8 high-priority development initiatives

Juneau Economic Plan (JEP) Initiatives

- *Enhance Essential Infrastructure*
- *Build the Senior Economy*
- *Attract & Prepare the Next Generation Workforce*
- *Recognize & Expand Juneau's Position as a Research Center*
- *Build on Our Strengths*
- *Protect & Enhance Juneau's Role as Capital City*
- *Revitalize Downtown*
- *Promote Housing Affordability and Availability*

Enhance Essential Infrastructure

Improving access to West Douglas “New Growth Area”

- **3.5 miles of pioneer road have been completed**, funded by a \$3 million grant from DCCED.
- Juneau North Channel **Second Crossing Project Planning and Environmental Linkages (PEL) study initiated** and expected to be completed in 2023.

Enhance marine freight service and affordability

- Juneau Chamber of Commerce and CBJ funded research in 2017 to address business challenges associated with freight transportation. The Chamber also led a working group to identify opportunities to improve freight services and identify challenges faced by freight carriers serving Southeast.

Build the Senior Economy

Juneau's population age 60+ up 51%, 2010 to 2020. The number of older seniors (age 70 or over) up 71%. 1 in 5 Juneau residents is now 60 or over.

- Progress includes construction in 2017 of the **49-unit Trillium Landing**, for residents aged 55+. An **88-bed senior assisted living facility** is under construction.
- In 2019, CBJ Assembly established a property tax abatement program for assisted living projects that create 15 or more new residential units.
- In 2019, CBJ funded a Juneau Senior Survey to document the needs of Juneau's senior population.

Little or no progress on the health care worker shortage issue since 2015. Health care staffing was at "crisis levels" before the pandemic exacerbated the problem.

Build the Next Generation Workforce

This initiative focuses on training, recruitment, and retention of a skilled labor force able to meet Juneau's workforce needs, with **child care a key issue.**

- Prior to the pandemic, child care capacity was declining. In 2014, licensed capacity was 1,197; by 2018 capacity was 942. Capacity was 825 in Jan. 2022.
- CBJ created the Assembly Childcare Committee in 2018. Final report with recommendations delivered April 2019.
- CBJ invested \$1.7 million+ to address needs in the child care sector.

Cost and availability of child care remain key barriers to employee recruitment.

Enhance Juneau's Role as Research Center

This initiative aims to **attract research funding and related employment opportunities to Juneau**, including relocating Alaska fisheries science jobs to Juneau, and supporting applied research.

While no data is available data on total research funding or jobs in Juneau, significant efforts have been made related to this initiative.

- JEDC-led Research and Development Cluster Working Group continued efforts started in 2013. In 2016, the Group accepted Community of Excellence in Research recognition.
- UAS continues to develop research & education opportunities related to environmental sciences, mariculture, indigenous studies, and other areas.

Build on our Strengths

“Expand business opportunities where Juneau has natural advantages”: **grow independent visitor travel, value from seafood resources, and Juneau’s role as an arts and culture hub.**

- Independent visitation in 2016 was 78,000. Bed tax revenues up from \$1.43m in 2016 to \$1.63m in 2019. Air enplanements up from 285,422 in 2015 to 328,743 in 2019.
- The number of residents earning income from commercial fishing down 11% from 2015 to 2019. Value of fish landed in Juneau steady.
- SHI is a leader in establishing Juneau as a hub for traditional Northwest Coast art & culture. \$20m Walter Soboleff Building (2015) was major milestone. The Sealaska Heritage Arts Campus is nearing completion.

Protect and Enhance Juneau's Role as Capital City

This initiative aims to **"maintain state government employment and real wages in Juneau and brand Juneau as a great Capital City"**

- Juneau is doing all it can to preserve its role as Capital City., including work of the Alaska Committee, investment in Gavel Alaska, and JCF investment in the Capital complex.

State jobs in Juneau down for 8 consecutive years. The 2020 average was 3,528 jobs, 776 below the 2012 peak, **down 18%**. Further decline in the first 3 quarters of 2021. Juneau has lost \$35 million in state wages since 2012.

Revitalize Downtown

The initiative strengthens the economic vitality of downtown businesses and makes it a more livable, mixed-use area. Work includes:

- CBJ's 2018 initiated "Blueprint Downtown," an area plan to guide downtown development over the next 20 years.
- CBJ's 2019 Upstairs Downtown Housing Inventory Story Map project in 2019 (to ID residential housing opportunities).
- CBJ's 2020 Historic and Cultural Preservation Plan in 2020 (to pursue restoration funding).
- New incentives including the Downtown tax abatement program to encourage development of apartment units.
- The Sealaska Heritage Arts Campus is increasing vitality of downtown.

Promote Housing Affordability and Availability

JEP documented need to promote construction of affordable housing for families, seniors, and others. **Lack of affordable housing is a barrier to growth in Juneau.**

CBJ has utilized a wide range of tools to promote housing affordability and availability: **planning and zoning policy changes** to encourage development, utilization of CBJ land assets, and **direct funding programs**. Work since 2015 includes:

- A Housing Action Plan developed in 2016, with a recent update completed in 2021.
- CBJ created a Chief Housing Officer position in 2016.
- CBJ has worked on increasing land access.
- New direct funding programs, such as Accessory Apartment Grant Program, Mobile Home loan program, etc.

Promote Housing Affordability and Availability (more)

Housing data is sending mixed signals about market conditions:

- Rental costs decreased slightly between 2015 and 2019. Avg. and median adjusted rental rates declined by about 3% (adjusted rates include estimated utilities costs).
- Between 2015 and 2019 the avg. home sale value went up, from \$365,000 to \$407,000. Avg. sales value up again in 2021, to \$476,000.
- Based on building permit data, 717 housing units were added between 2015 and 2020, including 341 single-family homes and 376 multi-family units. Meanwhile, Juneau's population has declined slightly.

New Growth

Juneau's economy has shown strength in areas not specifically identified in the 2015 JEP, most notably economic activity associated with Alaska Native entities.

- Together, SEARHC, CCTHITA, SHI, Sealaska Corporation, Goldbelt, Huna Totem, and others are a strong and growing economic force in Juneau.
- These entities collectively account for well over 1,000 jobs in Juneau, with SEARHC and CCTHITA now among the largest employers in the community.
- A better understanding of the role these organizations play in the local economy could help foster further growth.

Takeaways

- **Impressive collective community focus on strengthening Juneau's economy and quality of life**
 - CBJ, Juneau Chamber, JEDC, DBA, Visit Juneau, and many other organizations are at work furthering the goals articulated in JEP.
- **Economic progress will hinge on Juneau's ability to attract and retain the necessary workforce**
 - We are competing in a national labor market.
- **Stay the JEP course on housing, child care, education**
 - All are key to attracting working age people to Juneau, and keeping the people we have.



McKinley Research Group, LLC is a team of respected professionals with 50 years experience providing research, consulting, and advisory services to clients seeking answers to questions and solutions to organizational complexities.

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