



VALDEZ ALASKA

by the Numbers 2024

DEMOGRAPHICS
PAGE 5

OIL
PAGE 6

TRANSPORTATION & PORT
PAGE 7

SEAFOOD
PAGE 8

TOURISM
PAGE 9

HEALTH & HOUSING
PAGE 10

GOVERNMENT
PAGE 11

ECONOMIC PLAN
PAGE 12

CHANGES 2021 to 2023



THE **LABOR FORCE** INCREASED BY **57 JOBS** TO **2,721 JOBS**, +2%. **TOTAL WAGES** INCREASED BY **\$23 MILLION** TO \$212 MILLION, +12%



POPULATION DECREASED BY **3% TO 3,852** -129 PEOPLE



SEAFOOD EMPLOYMENT DECREASED BY **23% VALUE OF SEAFOOD LANDED** DECREASED BY **40%**, -\$15 MILLION



TOURISM EMPLOYMENT INCREASED BY **16%**. **TOTAL PASSENGER/VISITOR ARRIVALS** INCREASED BY **20% TO 85,087**



OIL RELATED **MARINE TRANSPORTATION** JOBS INCREASED BY **61%**

THE VALDEZ ECONOMY

2023

Between 2021 and 2023, the community of Valdez added 57

jobs, a 2% increase, while the average annual wage grew by 10% to \$78,024.

Two economic sectors in Valdez saw substantial gains. Marine transportation, primarily in work directly supporting Valdez's oil sector, expanded its workforce by 59 jobs, a 61% increase. The tourism sector also grew as 14,000 more visitors came to the community, increasing jobs by 16% (53 annualized jobs).

Conversely, two other sectors experienced significant decline. The social services sector lost 29% of its workforce, a loss of 31 jobs, and 22% of its wages. The seafood sector reduced employment by 23% (69 jobs) as the value of the catch plummeted by 40%. However, total earnings in the seafood sector rose, and the value of seafood processed tripled.

The population fell in 2023 as the community lost 129 residents compared to 2021, and K-12 enrollment levels dropped sharply. However, Prince William Sound college enrollment increased by 22%.

By 2023, Valdez had mostly recovered from the pandemic economy. Compared to 2018, the community was still down by 161 jobs, although total wages grew by 33%, a \$53 million total wage increase in the community.

2024

2024 projections show a mixed outlook for Valdez.

Demographics: The Valdez population has declined in nine of the past eleven years. Continued incremental population declines are projected. Combined with an aging workforce, this will make job growth more challenging.

Workforce: Overall, flat to moderate workforce gains are expected in 2024.

Seafood: Expectations were low for the 2024 Prince William Sound salmon run, but the catch has come in far below expectations. As the season comes to an end, PWS's fleet has harvested less than a third of the pinks and chum it has historically harvested at this point. Moreover, prices remain unusually low following 2023 trends.

Tourism: The visitor sector is expected to experience continued growth. In 2024, visitor traffic is expected to increase by 3%, as nearly 3,000 visitors will arrive in Valdez as cruise passenger disembarkments continue to rise. However, air and ferry passenger numbers are expected to decline in 2024.

Coast Guard: Coast Guard jobs in Valdez are expected to grow in 2024.

This publication was developed on behalf of the Valdez Economic Diversification Commission, an advisory commission to the City Council on activities related to economic development in Valdez.

The Whole Valdez Alaska Economy 2023

In 2023, Valdez gained 57 year-round equivalent jobs, and wages increased by 12% compared to 2021

Annual Average Jobs

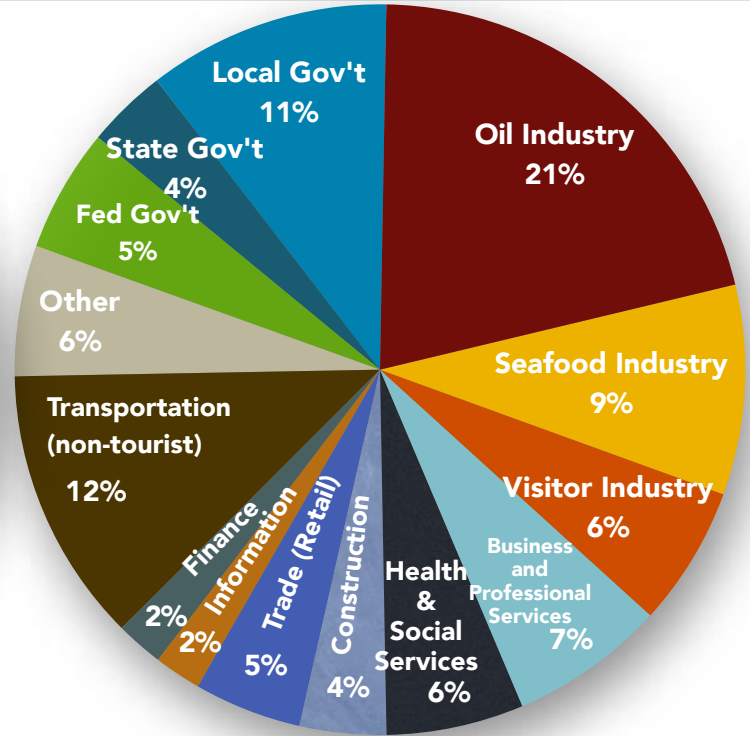
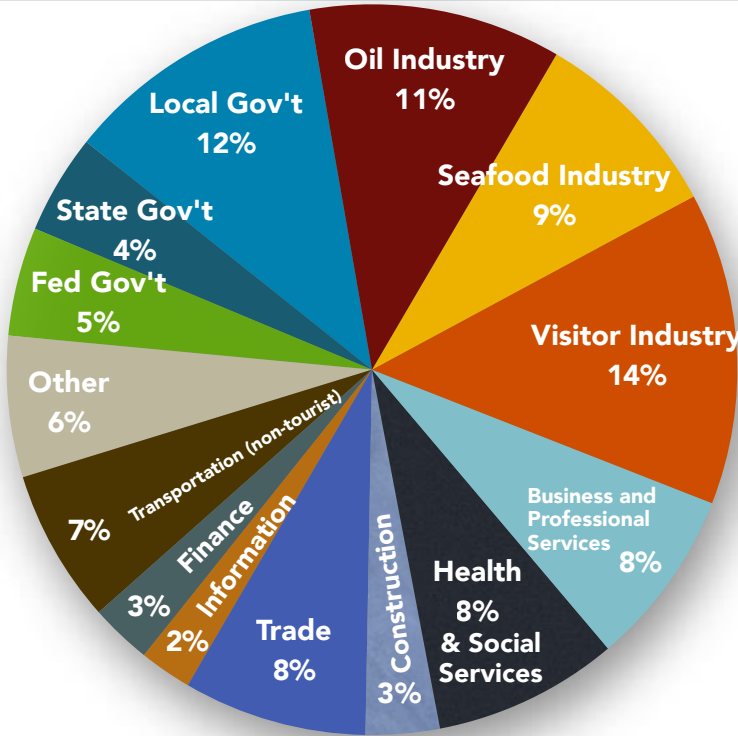
2,721 Jobs

UP 57 JOBS SINCE 2021 2%

Employment Earnings

\$212 Million Workforce Earnings

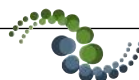
UP \$23 MILLION +12%



2023 Valdez Alaska Employment Earnings

	EMPLOYMENT RELATED EARNINGS			EMPLOYMENT NUMBERS			Change 2021 to 2023
	Wages (2023)	Self-Employment Earnings (est.)	Total Earnings	Annual Average Employment (2023)	Self-Employed (est.)	Total Employment	
Government (includes Coast Guard)	\$34,722,420	\$7,290,000	\$42,012,420	484	81	565	7
Oil Industry	\$44,539,928	\$4,000	\$44,543,928	302	2	304	7
Seafood Industry	\$14,800,254	\$4,910,550	\$19,710,804	199	38	237	-69
Visitor Industry	\$10,590,169	\$2,579,850	\$13,170,019	299	77	376	53
Professional and Business Services	\$12,452,697	\$2,167,170	\$14,619,867	130	85	214	-9
Health Care & Social	\$12,243,006	\$686,670	\$12,929,676	206	17	223	-46
Construction Industry	\$5,818,070	\$2,311,930	\$8,130,000	50	39	89	-6
Trade: Retail and Wholesale	\$7,558,367	\$2,551,200	\$10,109,567	172	49	221	12
Information	\$4,239,756	\$188,470	\$4,428,226	59	5	63	-3
Financial Activities	\$2,125,975	\$2,338,560	\$4,464,535	34	40	74	4
Non-Visitor Transportation	\$24,439,759	\$1,498,360	\$25,938,119	163	22	185	51
Other	\$10,013,772	\$2,264,460	\$12,278,232	98	72	170	56
Total	\$183,544,123	\$28,791,220	\$212,335,393	2,196	526	2,721	57

Sources: Alaska Department of Labor Employment & Wage data; (latest available) US Census Nonemployer (self-employment) Statistics; Active Duty Military Population, ADOL.
 *These cells in Government refer to active duty Coast Guard personnel employment and wages, and not self-employment data. **Notes: Seafood Industry** includes animal aquaculture, fishing & seafood product preparation, and Valdez resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). **Visitor Industry** includes leisure & hospitality, and visitor transportation (air, water, scenic).
 Cover photo by Jeremy Talbott.



CHANGE IN THE LAST 5 YEARS

Table tracks key Valdez indicators over the past 5 years, along with changes.

GENERAL ECONOMIC CONDITIONS	2018	2021	2023	% CHANGE 2021-2023	CHANGE 2021-2023
Total Labor Force (jobs, includes self-employed & Total Job Earnings ^{1, 5, 6}	2,882	2,664	2,721	2%	57
Total Private Sector Payroll ^{1, 6}	\$158.5 million	\$189.5 mill	\$212.3 mill	12%	\$22.8 mill
Average Annual Wage ¹	\$55,002	\$71,150	\$78,024	10%	\$6,874
Annual Unemployment Rate ¹ (Chugach CA)	6.7%	2.5%	4.7%	2.2%	2.2%
TOP ECONOMIC SECTORS	2018	2021	2023	% CHANGE	CHANGE
GOVERNMENT	PUBLIC SECTOR: 20% OF ALL EMPLOYMENT EARNINGS				
Total Government Employment ^{1, 5}	631	558	565	1%	7
Federal Employment ^{1, 5} (8% of all employment)	130	128	131	2%	3
State Employment ¹ (14% of all job earnings)	139	116	120	4%	4
City Employment ¹ (12% of all job earnings)	362	314	314	0%	0
Total Government Payroll (includes USCG) ^{1, 5}	\$37 million	\$38.2 mill	\$42 million	10%	\$3.8 million
City Payroll ¹	\$18.1 million	\$21.3 mill	\$22.8 mill	7%	\$1.5 million
OIL ECONOMY (Includes employment from all industries)	KEY INDUSTRY: 21% OF ALL EMPLOYMENT EARNINGS				
Oil Employment ^{1, 5, 6}	330	297	304	2%	7
Oil Wages ^{1, 5, 6}	\$42,937,860	\$43,103,444	\$44,543,928	3%	\$1.4 million
Avg. Daily Volume ANS Oil Production (MCF)	508,601	479,066	482,742	1%	3,676 mcf
Annual Avg. Domestic Crude WTI Oil Prices (in \$/Barrel) ¹⁴	\$75.42	\$71.71	\$82.57	15%	\$11
City oil and gas property tax revenue (FY2019 & FY2023) ⁷	\$38.4 million	\$39.03 mill	\$42.36 mill	9%	\$3.3 million
COMMERCIAL FISHING & SEAFOOD INDUSTRY	KEY INDUSTRY: 9% OF ALL EMPLOYMENT EARNINGS				
Total Seafood Employment (includes fishermen)	296	306	237	-23%	-69
Total Seafood Employment Earnings ^{1, 6}	\$12.3 million	\$17.5 mill	\$19.7 mill	13%	\$2.2 million
Commercial Fishing Boats Homeported in Valdez ¹⁵	65	82	70	-15%	-12
Pounds of Seafood Processed ¹³	61 million	16.7 million	94.8 million	467%	78 million
Value of Seafood Processed ¹³	\$169 million	\$55 million	\$220 million	299%	\$164 million
Pounds Landed ⁸	48.1 million	81.4 mill	80.8 mill	-1%	-654,847
Estimated Gross Earnings (ex-vessel value of pounds landed) ⁸	\$28 million	\$37.2 mill	\$22.3 mill	-40%	-\$15 million
TRANSPORTATION (NON-TOURISM)	KEY INDUSTRY: 12% OF ALL EMPLOYMENT EARNINGS				
Marine and Road Transportation Employment	99	134	185	38%	51
Marine and Road Transportation Wages ^{1, 6}	\$7.6 million	\$21.1 mill	\$25.9 mill	23%	\$4.8 million
HEALTH CARE & SOCIAL SERVICES INDUSTRY	KEY INDUSTRY: 6% OF ALL EMPLOYMENT EARNINGS				
Health Care & Social Services Employment ^{1, 6}	282	269	223	-17%	-46
Health Care & Social Services Wages ^{1, 6}	\$11.7 million	\$13.4 mill	\$12.9 mill	-4%	-\$479,581
VISITOR INDUSTRY	KEY INDUSTRY: 14% OF ALL JOBS				
Total Visitor Industry Employment ^{1, 6}	435	323	376	16%	53
Total Visitor Industry Wages/Earnings ^{1, 6}	\$9.8 million	\$10.5 mill	\$13.2 mill	26%	\$2.7 million
Hotel & Motel City Tax Revenue ⁷	\$445,299	\$497,407	\$500,000	1%	\$2,593
Total Valdez Passenger Arrivals	65,958	70,982	85,087	20%	14,105
Recreation Visitors Arriving by Road estimate ¹⁶	Estimated at approximately 50,000 per year				
Total Cruise Passengers ¹⁰	0	13,182	25,275	92%	12,093
Total Air Passenger ¹¹	10,347	4,476	4,082	-9%	-394
Total Ferry Passengers ¹²	5,611	3,324	5,730	72%	2,406
DEMOGRAPHICS	2018	2021	2023	% CHANGE	CHANGE
Total Population ¹	4,023	3,981	3,852	-3%	-129
Under Age 15 ²	858	833	768	-8%	-65
Twenty-somethings ²	482	479	469	-2%	-10
Ages 65 and older ²	364	451	503	12%	52
K-12 School District Enrollment ³	685	686	565	-18%	-121
Prince William Sound College Enrollment ⁹	895	594	725	22%	131
OTHER SELECTED STATISTICS	2018	2021	2023	% CHANGE	CHANGE
Cost of Living: Consumer Price Index ¹	150%	146%	142%	-4%	-4%
Housing Units Permitted/Completed ^{4, 1}	1	10	29	190%	19

Sources: ¹Alaska Department of Labor (ADOL); ²ADOL Southeast Alaska Population by Age; ³Alaska Department of Education and Early Development; ⁴Based on the quarterly Alaska Housing Unit Survey; ⁵US Coast Guard; ⁶US Census Nonemployer (self-employment) Statistics; ⁷City of Valdez; ⁸ADF&G Valdez Commercial Seafood Industry Harvest and Ex-Vessel Value Information; ⁹UAA; ¹⁰Cruise Line Agencies of Alaska; ¹¹US Bureau of Transportation Statistics (BTS); ¹²Alaska Marine Highway System data; ¹³ADF&G E2 Production Shorebased Processors and Direct Marketers; ¹⁴Alaska Department of Revenue Crude Oil and Natural Gas Prices; ¹⁵Commercial Fisheries Entry Commission. ¹⁶Traffic Volume Counts Valdez <https://alaskatrafficdata.drakewell.com/publicmultinodemap.asp>

VALDEZ OVERVIEW

THE CITY

Valdez is a picturesque coastal community nestled deep in Prince William Sound at the base of the towering Chugach Mountains. The town, named after a Spanish naval officer, encompasses a total area of 277 square miles, including 55 square miles of water.

Valdez is easily accessible via the Richardson Highway, which links the town to Alaska's road system. The area serves as the southern terminus of the Trans-Alaska Pipeline System (TAPS), a vital energy infrastructure that transports oil from the North Slope to the ice-free waters of Valdez.

Despite its remote location, Valdez is a thriving community with 3,850 residents. The town's stunning natural beauty, abundant recreational opportunities, and rich cultural heritage make it a popular destination for visitors.

CULTURE

The Valdez area was originally known as Saucit, which translates to "the people from the place that rises into view." The area is situated in the ancestral homeland of the Chugach Alutiiq/Sugpiaq people, and served as a meeting place for Alaska Native communities to gather, hunt, fish, and trade since ancient times. Those that historically lived in Valdez year-round included the Sugpiaq and Eyak.

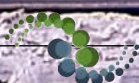
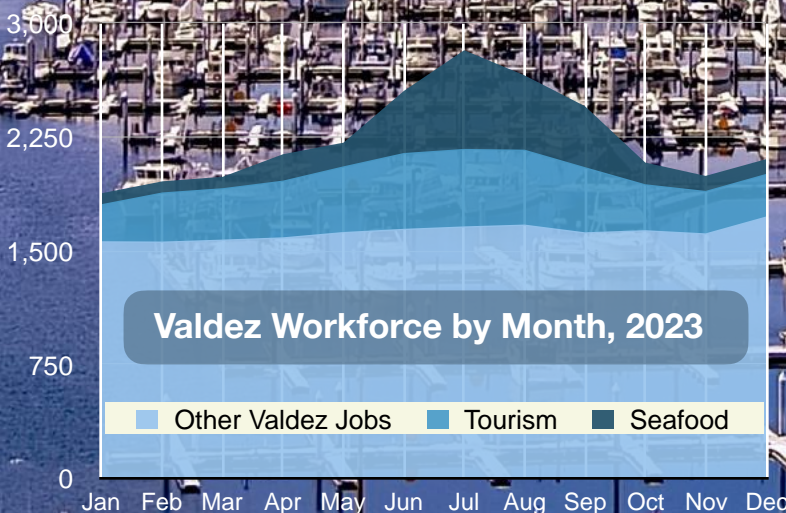
ECONOMIC TRENDS

Valdez originated as a makeshift settlement and supply hub for gold-seeking miners during the late 1800s. The military later erected a fort in the area to capitalize on its ice-free port, establishing a trail to Fairbanks that would eventually become the Richardson Highway. By the 1920s, the fishing industry was flourishing.

In 1964 the Good Friday earthquake triggered a landslide that devastated Valdez, and much of the community had to be rebuilt. Valdez's modern economy took shape in the early 1970s when it was selected as the endpoint for the 800-mile trans-Alaska oil pipeline system and oil storage-transfer marine terminal. The pipeline is one of the world's largest, having transported a staggering 18.6 billion barrels of oil through Valdez. The area also served as a critical staging ground for the cleanup efforts following the Exxon-Valdez oil spill in 1989.

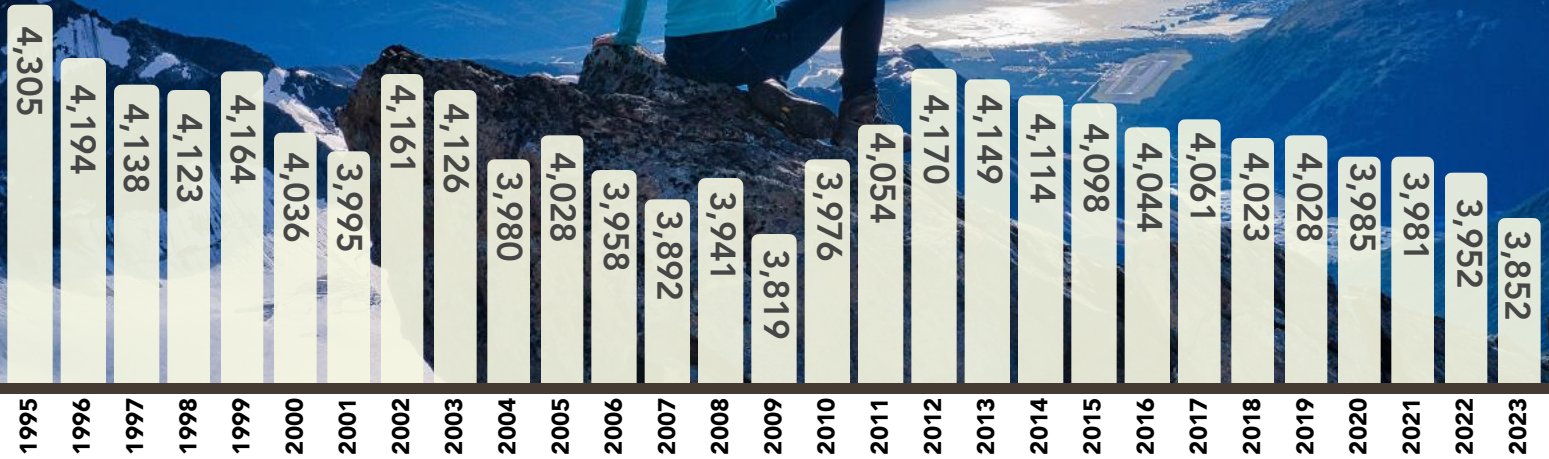
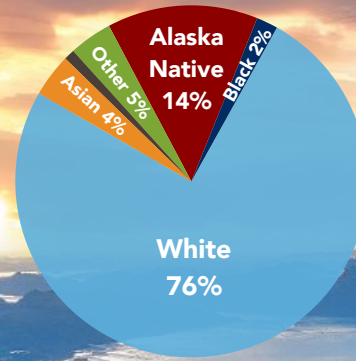
Throughout the 1990s and 2010s, the economy of Valdez remained relatively steady. The pandemic had a significant impact on commerce and traffic to the region, but Valdez has seen a strong recovery. The top economic sectors in Valdez include oil, seafood, transportation, and tourism, which adds a seasonal element to the Valdez workforce.

In 2023, the workforce peaked at 2,824 workers in July, and saw its fewest numbers in January with 1,881 employees, a difference of nearly 1,000. This is due to two sectors: the seafood sector, which ranged from 651 workers in July, and fewer than 100 workers in the off season; and the tourism sector, which peaked at 511 in July 2023, and was at half that workforce in January.



DEMOGRAPHICS

Population 3,850



2023 In 2023, the city of Valdez had 3,852 residents. While the population of Valdez has remained around 4,000 people during the last four decades, it is currently on a downward trend. The Valdez population declined in nine of the past 11 years, falling by 318 residents from its most recent peak in 2012, an overall loss of 8%. The most significant loss was in 2023, when the community lost 100 people from 2022. The largest declines were among those under 15, which were down by 42 residents, and the 45-60 year olds, which lost 61 residents.

K-12 SCHOOL ENROLLMENT DOWN

School enrollment of K-12 students in Valdez public schools declined sharply over the past two years. In the 2023-2024 school year, Valdez had an enrollment of 565 students. In the past two years the number of children enrolled in Valdez public schools has fallen by 121 kids, a loss of 18%, while the decline of school-aged children only fell by 8%. This drop is partially explained by the discontinuation of a homeschooling program with 55 students (who presumably still homeschool, but are no longer counted as Valdez public school students).



Valdez is home to Prince William Sound College, a two-year college. College enrollment in 2022 was 725

students, a substantial recovery from a pandemic low of 420, but still somewhat behind a recent high of 895 students in 2018.

ALASKA NATIVE POPULATION

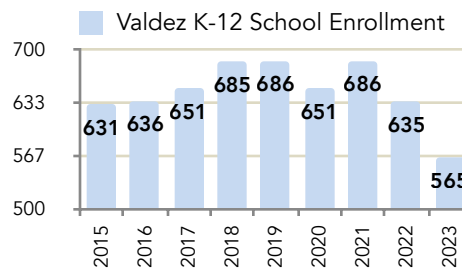
The 2020 US Census shows a slightly larger indigenous population than in previous census years. The Alaska Native population grew to 14% of all residents, for a total of nearly 550 Alaska Native residents, up from 10% in the 2000 Census. The Valdez Native Tribe counts 210 tribal households in Valdez, 14% of all households.

WEALTH AND POVERTY

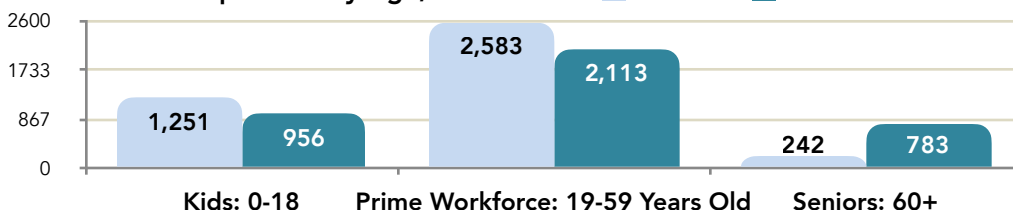
According to the American Community Survey 2021 estimates, 4% of the Valdez population was considered to be below poverty levels. This percentage increases to 11% for school-aged children. All of the families below poverty in Valdez contain single moms with children. Nationally, 13% of the US population is below poverty, while in Alaska it is 10%. The median household income in Valdez was \$89,255 in 2022, higher than both US at \$75,149, and Alaska, \$86,370.

AN AGING DEMOGRAPHIC

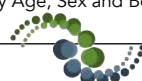
Valdez has been aging. Over the past 23 years, those of prime working age (19-59) decreased by nearly 500 people. During the same period (2000 to 2023), the 60-plus population grew by more than 500 people, from 6% of the overall population to 20%. A ten-year population projection by ADOL shows very little change over the next decade.



Valdez Population by Age, 2000-2023



Sources: Alaska Department of Labor (ADOL); ADOL Southeast Alaska Population by Age, Sex and Borough/Census Area; Alaska Population Projections; US Census; UA in Review; Valdez Native Tribe Households within the Valdez Service Area. Photo by Jeremy Talbott.





Oil Industry

304 Annualized Jobs 2023

\$44.5 million Wages

UP 7 JOBS FROM 2021

EARNINGS UP 3%

2023 Valdez is the terminus of the 800-mile Trans Alaska

Pipeline System (TAPS) and the Alyeska marine terminal, where North Slope crude oil that arrives via pipeline is loaded on tankers for marine transport to market. The oil that passes through the community is Valdez's greatest source of economic strength, as it provides residents with stable, high-wage employment, as well as being a steady source of tax revenue for the city government.

Approximately one-fifth of the value of the entire pipeline is within Valdez city limits.

Key oil sector employers include Alyeska and Petro Star.

Alyeska Pipeline Service Company is the largest private sector employer in Valdez. Alyeska operates and maintains the pipeline, including the Valdez Marine Terminal. Alyeska is co-owned by affiliates of oil companies ConocoPhillips, ExxonMobil and Hilcorp, Alaska's major North Slope producers. Alyeska Valdez employees work in offices, warehouses, fabrication shops, on docks, loading berths, or in the water treatment, or power plant.

Petro Star Inc. is a refining and fuel-marketing company that operates a refinery in Valdez, producing products like marine diesel, jet fuel, and home heating oil.

PRIMARY ECONOMIC DRIVER

In 2023, the Valdez oil and gas sector provided 304 annualized jobs in the community, with wages totaling \$44.5 million.

More than a fifth of all local wages and 11% of all jobs in Valdez are in the oil sector. However, additional jobs in the transportation sector, oil spill response capacity, along with security for the terminal, all mean that the impact of the pipeline and marine terminal in

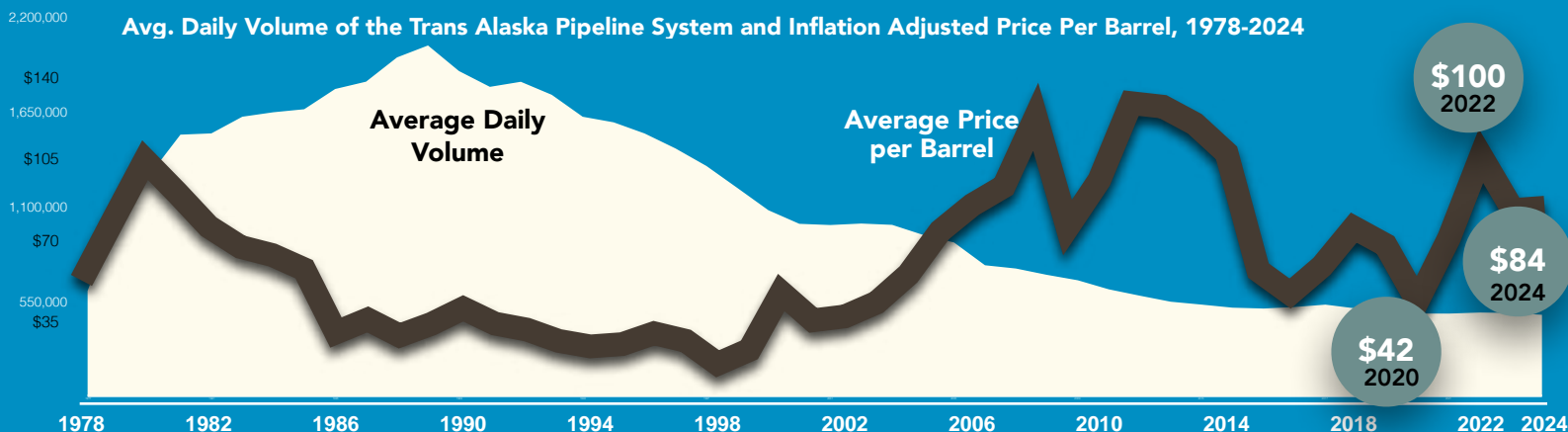
the community is much larger than these numbers represent.

Oil-related jobs are particularly high-paying. The average annual wage in the Valdez oil sector was \$145,526, nearly twice the overall average annual wage of the community as a whole at \$78,024.

Oil sector employment in Valdez has fallen by 8% since 2018, a decline of 26 year-round equivalent jobs, as Alyeska is reorganized to streamline its maintenance work, centralize its emergency response, and add new technology. Despite the jobs cut, total wages in the oil sector have continued to increase.

TAPS AND PROPERTY TAXES

Oil is the primary source of income for the municipality of Valdez. A weakness identified in the long-term economic viability of City of Valdez is its dependence on a single primary source for the majority of City revenue. In 2023, the City of Valdez reported \$42.3 million in oil and gas property tax revenue, a 9% increase over 2021. The current valuation of the TAPS is fixed through 2025.



Sources: Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; Alaska Department of Revenue Crude Oil and Natural Gas Prices; City of Valdez. Photo by Jeremy Talbott.





Transportation Industry

185 Annualized Jobs in 2023, +51
\$25.9 million Wages, +\$1.4 million

JOBS UP 38% IN 2023, WAGES UP BY 23%

2023 The transportation (non-tourism) sector accounted for 12% of all workforce earnings in 2023 in Valdez. The most dramatic change to the Valdez economy in 2023 was the continued increase in non-tourism transportation jobs and wages, almost entirely in marine transport. A third of the increased earnings in the community over the last five years was due to the jump in marine transportation sector wages, from \$5.9 million in 2018 to \$24.2 million in 2023, more than tripling. Jobs increased from 60 in 2018 to 156 in 2023.



Edison Chouest Offshore (ECO) took over escort and response duties for tankers coming and going from Prince William

Sound in July 2018, beating out Crowley for the 10-year contract with Alyeska. Crowley had the contract for 41 years prior to this change. Edison built 14 new tugboats and barges specifically for Valdez. As part of the contract, ECO created an Alaska Native hire program in response to a 20% Alaska Native hire requirement.

MARINE TRANSPORTATION IN VALDEZ
(EXCLUDING TOURISM)

YEAR	JOBS	WAGES
2023	156	\$24,174,306
2022	143	NA
2021	97	\$19,487,582
2020	90	\$19,323,986
2019	183	\$19,566,217
2018	60	\$5,912,030
2015	46	\$1,386,965
2010	45	\$3,711,408

Valdez also has a half dozen truck drivers, and nearly two dozen self-employed transportation workers.

Sources: Combination of Alaska Department of Labor Employment and Wage data and US Census Nonemployer (self-employment) Statistics; State of Alaska. Freight data is from U.S. Army Corps of Engineers. Photos by Jeremy Talbott.

Port of Valdez

25 million tons of freight in 2022
98% crude oil

Valdez is the United States' farthest north ice-free port connected to a road system and the southern terminus of the trans-Alaska oil pipeline. Due to its strategic location, the port of Valdez moves an enormous amount of freight. In 2022, 98% of that freight, by weight, was crude petroleum. Supertankers navigate the deep, ice-free waters of Valdez Arm, handling approximately a half million barrels (70,000 tons) of crude oil each day. TAPS operations are managed by Alyeska Pipeline Service Company.

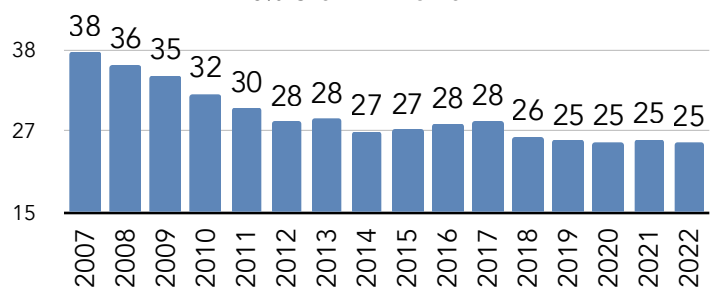
Most of the remaining freight volume is comprised of other types of fuel, including gasoline, kerosene, distillate fuel oil, residual fuel oil, hydrocarbon & petrol gases.

The non-fuel cargo, like many Alaska coastal communities, consists primarily of fish and trash exports. Other commodities shipped through Valdez include groceries, manufactured products, paper products, vehicles, boats, wood, asphalt, and animal feed.

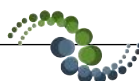
According to Port Operations Manager, Andrew Doherty, 55,422 tons of freight passed through the Valdez Container Terminal in 2023.

ANNUAL VALDEZ FREIGHT IN MILLIONS OF TONS

98% CRUDE PETROLEUM



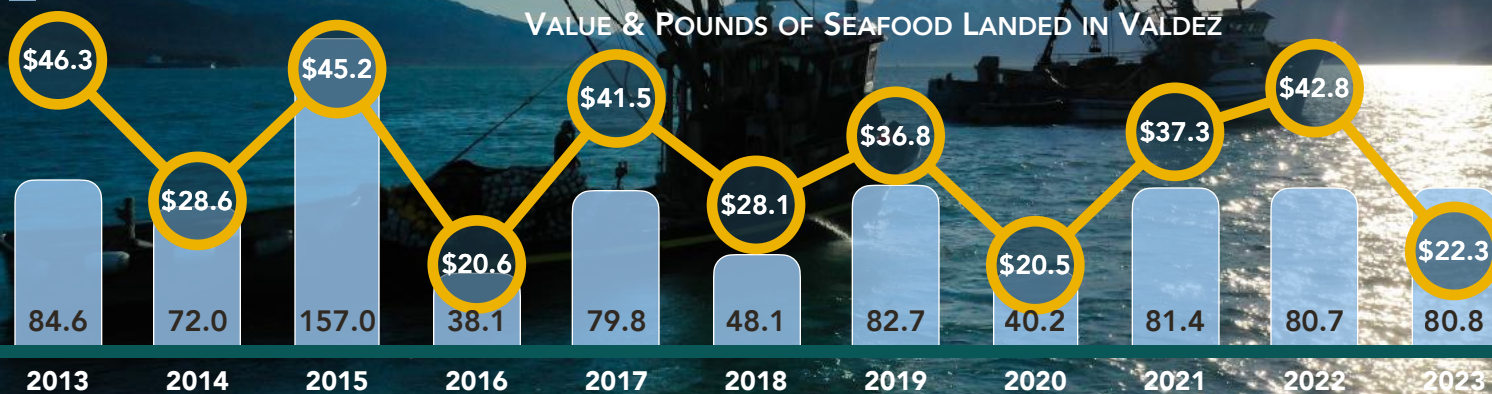
To read about the US Coast Guard's critical importance to the Port of Valdez, see page 11.



SEAFOOD INDUSTRY

○ Inflation Adjusted to 2023 Value to Fishermen (millions)
 ■ Landed Pounds (millions)

VALUE & POUNDS OF SEAFOOD LANDED IN VALDEZ



Seafood Industry

237 Annualized Jobs 2023

DOWN 69 JOBS FROM 2021

2023

Seafood is an important source of jobs and workforce earnings for Valdez.

KEY ECONOMIC DRIVER

In 2023, seafood provided 9% of all community annualized jobs (237), and 9% of total workforce earnings (\$19.7 million). The total count of workers in the Valdez seafood industry is much higher than the annualized job count. Seafood employment peaks in July with over 650 workers when the processors are at maximum effort.

PINK SALMON DOMINATED

Pink salmon dominates the Valdez seafood sector, harvested predominantly by purse seine vessels. Because pink salmon run on two-year cycles, the local seafood industry is thus more robust in odd years. Over the past 10 years, pink salmon represented 97% of total seafood landed in Valdez by pounds, and 94% of the total harvest value of the Eastern District of Prince William Sound, the district that encompasses Valdez Arm and the Port of Valdez. Eastern District represents approximately one-third of the total Prince William Sound fishery in terms of pounds landed, and just under a quarter in terms of total value.

All other salmon make up three-percent of pounds landed, half of which is chum.

Combined, non-salmon seafood makes up less than one-percent of the Valdez fishery.

The Valdez Fisheries Development Association (VFDA) is the local hatchery, which releases just over 250 million pink salmon fry, and 1.8 million coho salmon smolt annually.

DIFFICULT YEARS

Alaska is continuing to deal with a troubling seafood market. Last year, 2023, was difficult for the seafood industry. Processing companies and fishermen saw huge harvests but record low salmon values due to global influences. The low prices paid to fishermen have carried through to 2024; however, early data indicates a much smaller harvest, especially in Prince William Sound.

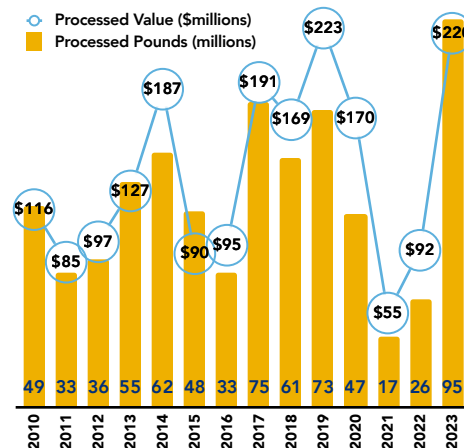
The gross value of the 2023 Valdez catch, \$22.3 million, was 31% lower than 10-year average (adjusted for inflation), and 48% lower than in 2022. Total pounds landed in 2023, 80.7 million pounds, was 6% higher than the 10-year average. Gross total earnings are estimated using average annual ex-vessel

prices for each area by species, gear, and delivery type.

SEAFOOD PROCESSING

Valdez is a strategic location for fish processing facilities due to the road system connection. In 2023, there were 12 seafood processors in Valdez, which processed 95 million pounds of seafood with a wholesale value of \$220 million. Pounds processed in 2023 were nearly triple 2022's levels when 26 million pounds of seafood were processed. The value of seafood processed was up 138% over 2022. Although the per pound value of seafood processed was down by 34%, due to the lower salmon values.

VALUE & POUNDS OF SEAFOOD PROCESSED VALDEZ ALASKA 2010 TO 2023 (NOT INFLATION ADJUSTED)

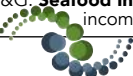


THE 2023 VALDEZ CATCH			
COMPARED TO THE 10-YEAR-AVERAGE			
Species	10-year avg. pounds landed	2023 pounds landed	Change from 10-year avg.
Pink Salmon	73,808,036	76,558,657	4%
Other Salmon	2,047,885	4,179,063	104%
All Other Seafood	225,832	40,424	-82%
Pounds	76,081,752	80,670,557	6%
Value Inflation adjusted	\$32.4 million	\$22.3 million	-31%

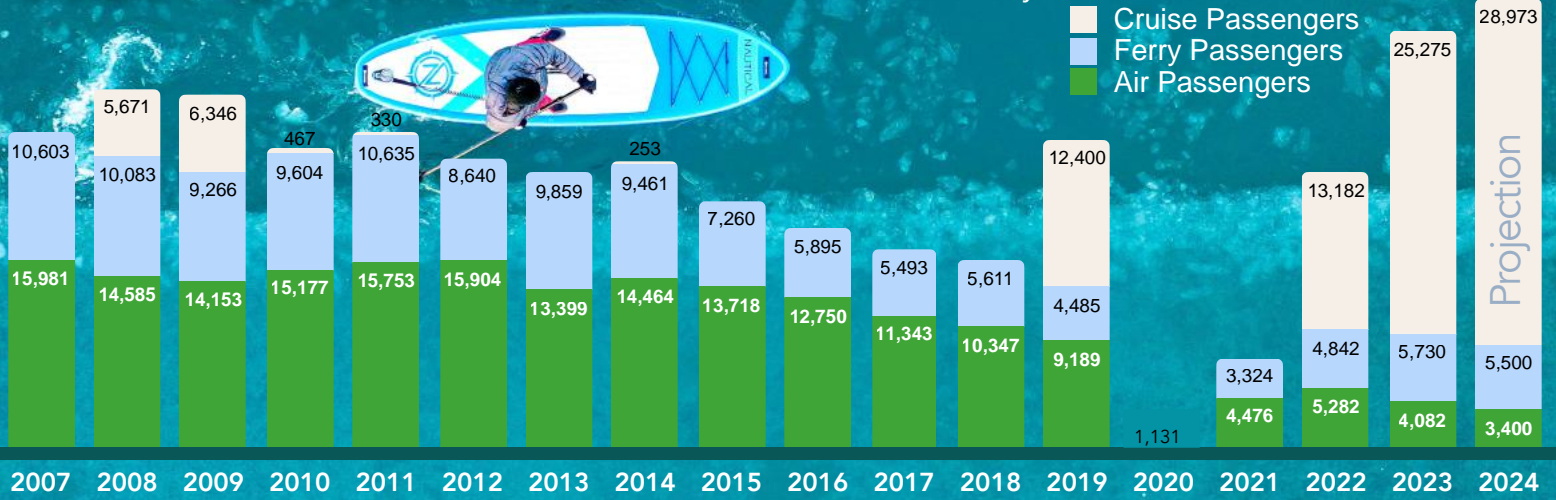
MARICULTURE

Mariculture is a new part of the Valdez economy. While there are no current mariculture leases in the area, two Valdez leases, including one from Chugach Regional Resources Commission, are pending.

Sources: Combination of ADOL Employment and Wage data; US Census Nonemployer (self-employment) Statistics; Alaska Department of Fish and Game Division of Commercial Fisheries E2 Production Shorebased Processors and Direct Marketers custom processing with Shorebased Processors; ADF&G Valdez Alaska Commercial Seafood Industry Harvest and Ex-Vessel Value Information; Alaska Commercial Salmon Harvests and Ex-vessel Values, ADF&G. Seafood Industry includes animal aquaculture, fishing, & seafood product preparation and Alaska resident commercial fishermen (nonresident fishermen & crew who did not report income are excluded). Photo by Jeremy Talbott.



VISITOR SECTOR



Visitor Industry

376 Annualized Jobs
\$13.2 Million in Wages in 2023

UP 53 JOBS FROM 2021

2023 The 2023 tourism season was the strongest Valdez has experienced since the early 2000s, but also came in far below original projections.

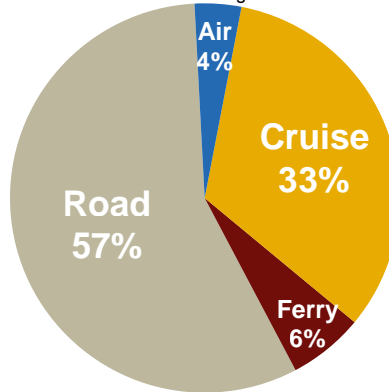
Tourism jobs in Valdez grew by 16% in 2023 compared to 2021, while wages grew by 26%. Tourism is a leading industry in Valdez. In 2023, the visitor sector made up 14% of all annual average jobs in the community, and six percent of all wages. Those working in the visitor industry earned \$13.2 million in Valdez in 2023 and employed 376 year-round-equivalent jobs. Just over 85,000 visitors arrived in Valdez in 2023, including air, ferry, and cruise passenger visits, and an estimate of recreation visitors arriving via road. In 2024, visitor traffic is expected to increase by 3%, a nearly 3,000 visitor increase.

VISITOR ARRIVALS BY ROAD

The Richardson Highway connects Valdez to Anchorage, Fairbanks, and Canada; and is how most people travel to Valdez. In 2016, the McDowell Group estimated that 77,000 "pleasure visitors" came to Valdez via road. Using traffic volume data averages to approximate volume changes over time, an estimated 50,000 recreation visitors drove to Valdez in 2022. Total arrivals of people by road — including truckers, residents, and workers — is much higher. A similar number is estimated to have arrived in 2023.

Projection of People Arriving in Valdez by Mode 2024

Includes all air, ferry & cruise passengers, and recreation visitors arriving via road estimate



TOTAL VISITOR ESTIMATES

2021	56,300
2022	73,300
2023	85,087
2024	87,873

AIR PASSENGERS

Air traffic into Valdez has experienced several years of turmoil. In 2020, the only commercial air carrier operating in Valdez, Ravn Alaska, laid off all its staff and filed bankruptcy. The airline found new ownership and resumed service to Valdez in November 2020. In 2023, just over 4,000 passengers arrived by air to Valdez, less than half of the 2019 numbers. Passenger numbers are projected to be even lower in 2024, as Ravn laid off a third of its staff in February 2024, citing challenges like inflation and labor shortages.

FERRY PASSENGERS

Ferry passenger disembarkments exceeded Valdez air passengers for the first time in 2023, based on a 25 year data review.

CRUISE TOURISM

Valdez was a highly successful cruise ship port in the mid-1990s. At its peak in 1995, 77 cruise ships carrying more than 80,000 cruise passengers visited Valdez. However, cruise lines removed Valdez from their itineraries after post-9/11 security measures no longer allowed visitors to see active pipeline-related activities. During most years in the last two decades, Valdez received no cruise ship visits at all.

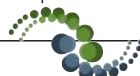
The community invested in developing an attractive cruise ship port, hosting nearly 13,000 cruise passengers in 2019, although the pandemic halted cruise traffic in 2020 and 2021. The Port of Valdez projected more than 57,000 cruise passenger arrivals in 2023; however, in June 2023, Norwegian Cruise Line abruptly cancelled all calls to Valdez for the 2023 season, as well as 2024, reducing 2023 passenger arrivals by about half.

2024 The 2024 cruise ship season is expected to bring six ships making 29 voyages to the community, down from 30 visits in 2023. Total arriving cruise passenger numbers, based on disembarkation arrival data through June 2024, are expected to be 15% higher than 2023 levels, despite a similar level of overall capacity.

2024 CRUISE SCHEDULE

Total ships	8
Total voyages planned	29
First ship	April 30
Last ship	September 21

Sources: CLIA Alaska & Cruise Line Agencies of Alaska. Combination of ADOL Employment and Wage data and US Census Nonemployer (self-employment) Statistics; Alaska Visitors Statistics Program (AVSP) VII; US Bureau of Transportation Statistics (RITA); Alaska Marine Highway System; Traffic Volume Counts Valdez; Note: In this analysis, the visitor industry includes leisure and hospitality businesses, along with air, water & scenic transportation companies. Photo by Jeremy Talbott.





Valdez Single-Family Average Home Prices

Source: Zillow



Housing Indicators

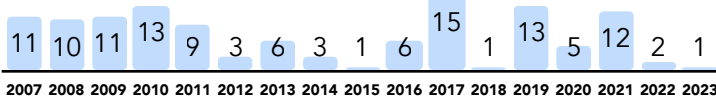
Housing Units: In Valdez there are 1,655 occupied housing units. Of these, 31% are renter occupied, and 69% are homeowner occupied.

High Mobile Home Use: Statewide, 5% of all housing units are made up of mobile homes. In Valdez, mobile homes make up nearly a quarter, 23%, of all occupied housing units.

Housing Affordability: In Valdez, 18% of owner-occupied households are cost-burdened — spending more than 30% of a household income on housing-related costs — however, half of the renters in Valdez are housing-cost-burdened. Both data points are similar to national averages. According to Zillow, the average value of a single-family home in Valdez in the first half of 2024 was \$307,121, similar to the last 2 years.

Availability: A weakness in the Valdez economy is a lack of sufficient housing units to meet demand. In repeated community and business surveys in Valdez, development of more housing was identified as the top economic need, with 88% of the public identifying the construction of new housing as a priority. While 63 senior and workforce housing units were built in Valdez in 2022 and 2023, just 3 traditional housing units were permitted in that period. The 2024 count will be significantly higher.

VALDEZ NEW HOUSING PERMITS 2007-2023



Short-Term Rentals: Data from AirDNA show that 99 Valdez homeowners converted homes into short-term rentals. Use of short-term rentals, like Airbnb and Vrbo, have risen by 42% from 60 active listings in the summer of 2022 to 85 active listings in June of 2024. Just 2% of the listings are available all or most of the year (more than 270 days), and offer the “entire home,” and are being diverted to short-term rentals year-round.



Sources: ADOL Employment and Wage data; Quarterly Alaska Housing Unit Survey, a survey of local governments and housing agencies; US Census; Zillow.

Healthcare & Social Services

Healthcare: 147 Annualized Jobs in 2023
\$9.8 million in Wages

DOWN 15 JOBS FROM 2021, WAGES UP BY 5%

The Valdez healthcare sector experienced a 9% decline in annualized jobs between 2021 and 2023, a loss of 15 workers, while total earnings in the industry increased by 5% over the same period.

The largest healthcare provider in Valdez is Providence Medical Center. Melanee Tiura, Administrator for Providence, notes that since a higher rate of traveling staff were engaged in 2020 and 2021, the data comparison fails to capture the great strides the hospital has made in workforce attraction and retention more recently. “Hospital staffing is increasing. We are doing better than most other rural areas in Alaska. But more work still needs to be done to continue to grow our own healthcare workers in Valdez.”

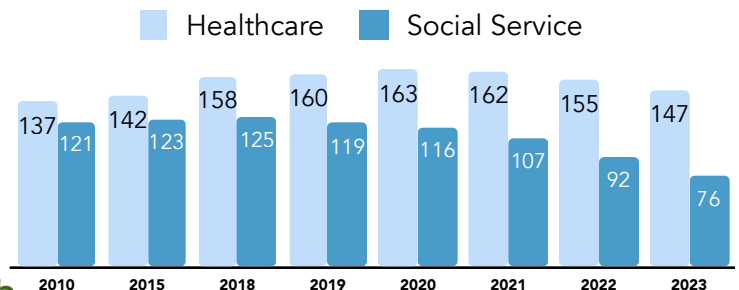
Social Services: 76 Annualized Jobs in 2023
\$3.2 million in Wages

DOWN 29% JOBS FROM 2021, WAGES DOWN 22%

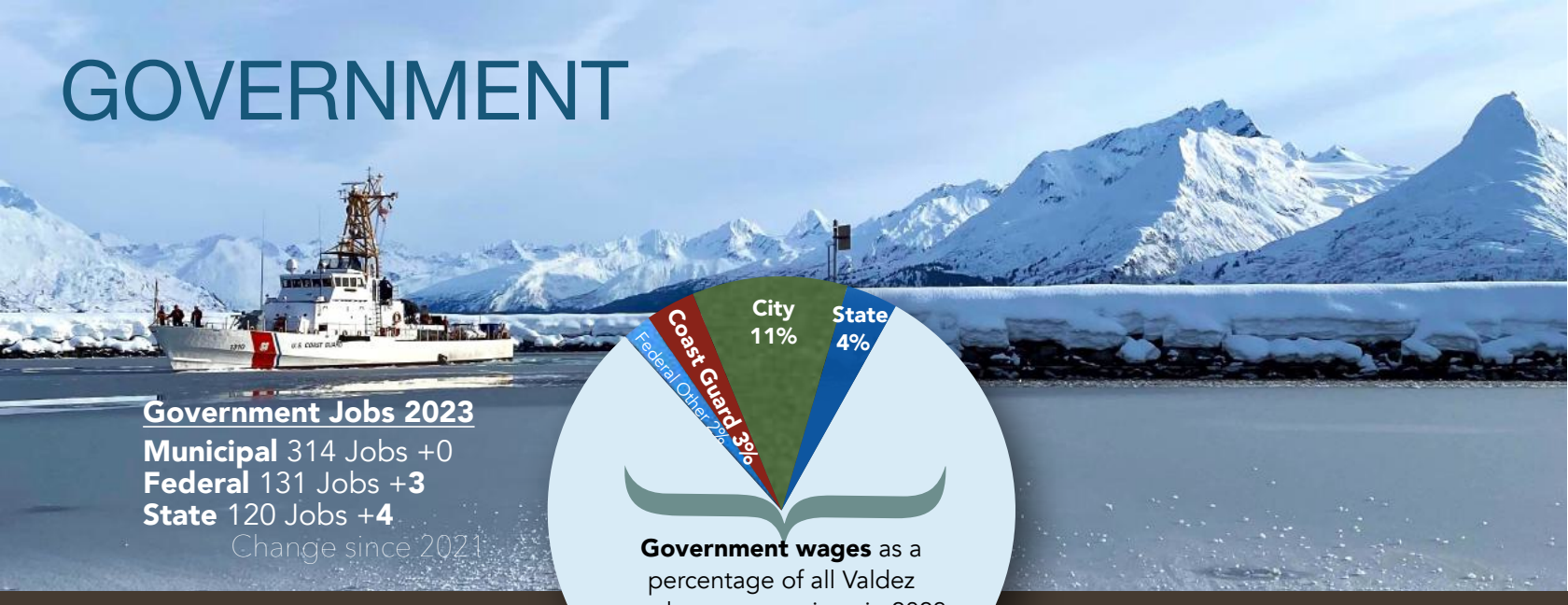
The sector with the most rapid and sustained downward trend is the Valdez social services sector. Between 2021 and 2023 social services lost 29% of its workforce, a loss of 31 annualized jobs, while total earnings fell by 22%, nearly a million dollar reduction.

Reflected in this decline is the loss of all Valdez childcare workers. The last remaining licensed childcare facility in Valdez, Stepping Stones, closed permanently in the summer of 2022, after a series of temporary closures. Other social services employment in Valdez is also decreasing.

VALDEZ HEALTHCARE & SOCIAL SERVICE ANNUALIZED JOBS



GOVERNMENT



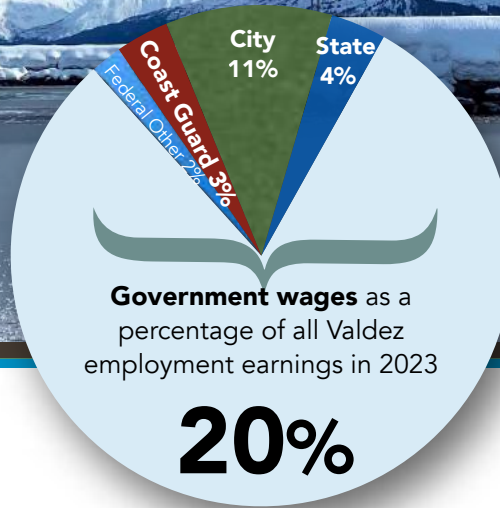
Government Jobs 2023

Municipal 314 Jobs +0

Federal 131 Jobs +3

State 120 Jobs +4

Change since 2021



Government

565 Annualized Jobs in 2023

UP 7 JOBS SINCE 2021

WAGES UP BY 10%, +\$3.8 MILLION

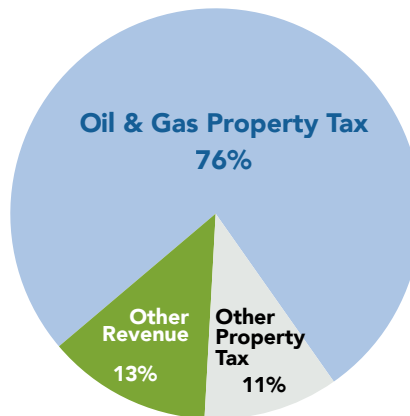
2023 Government employment made up 21% (565) of all Valdez jobs in 2023, and 20% of workforce earnings (\$42 million). Overall public sector wages grew by \$3.8 million from 2021 to 2023, an increase of 10%, while government jobs increased by 7 jobs, an increase of 1%.

CITY GOVERNMENT JOBS FLAT IN 2023, WAGES UP BY 7%

The City of Valdez sustained a steep workforce decline during the pandemic, losing 13% of all workers between 2018 and 2021, a loss of 48 year-round-equivalent staff. Jobs remained flat between 2021 and 2023. But despite a smaller workforce, total wages increased by 26% between 2018 and 2023. The City of Valdez recognized that the cost of living had been increasing and implemented findings from a 2019 salary study showing Valdez had not been competitive in some positions. City government workers include positions like teachers and police, along with administrative staff. Ten tribal government jobs are also included in this figure.

In 2024, 76% of the city's \$55.4 million general fund revenues is expected to be comprised of oil and gas related property taxes. Oil and gas property values in Valdez were set by a five-year settlement between the City and the State of Alaska through 2025. Most of the taxable property is concentrated in the TAPS Marine Terminal.

2024 Budget: City of Valdez General Fund Revenue \$55.4 million



FEDERAL GOVERNMENT UP 3 JOBS IN 2023 WAGES UP BY 12%

In 2023 there were 131 federal workers in Valdez, including active-duty military, with \$11.6 million in earnings, an increase of 3 jobs and 12% in wages over 2021.

The primary Federal Government employer in Valdez is the US Coast Guard (USCG). The USCG has several components (2024 counts): **38** Coast Guard at the Maritime Security Unit (MSU); **33** members at the small boat station; **17** members at the Sector Field Office; and **18** crew aboard the cutter Liberty.

The cutter Liberty was assigned to Valdez in 2022. In 2001 the Coast Guard MSU Valdez was tasked with waterside security of the

terminal and enforcing maritime security zones in and around the Port of Valdez. In 2004, Coast Guard Station Valdez was commissioned as a standalone multi-mission unit and became the Coast Guard's northernmost Boat Forces unit. U.S. Coast Guard Forces Valdez makes up an important part of the local community. Coast Guard family members attend Valdez Schools and work and volunteer in the community.

STATE GOVERNMENT UP 4 JOBS IN 2023 WAGES UP BY 18%

For most of the past decade the state government sector has reduced Valdez employment. From 2015 to 2021, state jobs were cut by 21%, a decline of 30 annualized state workers. More than half of these lost jobs were from Prince William Sound College, which lost 23% of its staff. However, between 2021 and 2023 the state added 4 workers in Valdez, including two to the college.

STATE FISCAL PROBLEMS

The State of Alaska has operated in deficit mode without a fiscal plan for the past ten years, using \$20 billion from savings accounts to cover budget gaps. In 2022, relief was provided in the form of high oil prices, rising to an average of \$100 per barrel in 2022, resulting in a significant increase to the state general fund. However, in the first half of 2024 the average price has dropped to \$84 per barrel. (See page 6).



Sources: ADOL Employment and Wage data; Alaska Department of Revenue Crude Oil Prices. City of Valdez. Alaska Office of Management Budget. University of Alaska. Interviews with Coast Guard. Photo credit: USCG



VALDEZ 2030 STRATEGIC PLAN SUMMARY



The Valdez Economic Diversification Committee (EDC) developed a Valdez 2030 Strategic Economic Action Plan between February 2023 and June 2024. On July 16, 2024, the Valdez City Council directed staff to move forward with EDC recommendations to develop priority plans. The Plan includes 30 economic initiatives, including 6 priority objectives.

HOUSING INITIATIVES

- ★ 1. **Priority** Promote Housing Availability and Price Affordability
- ★ 2. **Priority** Increase Supply of Rental Housing
- 3. Strategic Housing Subdivision Planning
- 4. Continue to Develop Housing-Directed Incentive Programs
- 5. Focus on Development of Workforce Housing
- 6. Short-Term Rental Analysis
- 7. Reduce Dependence on Mobile Homes in Valdez



WORKFORCE INITIATIVES

- ★ 1. **Priority** Health Care Workforce Development
- 2. Maritime Workforce Development
- 3. Support Prince William Sound College
- 4. Commercial Drivers License Class/ More Certified Drivers



SOCIAL SERVICES INITIATIVES

- ★ 1. **Priority** Childcare Expansion
- 2. Quality of Life

SEAFOOD INITIATIVES

- ★ 1. **Priority** Salmon Hatchery Support
- 2. Strengthen the Marine Industrial Sector
- 3. Understand Threats to Valdez Seafood Sector
- 4. Mariculture



RECREATION & VISITOR INITIATIVES

- ★ 1. **Priority** Promote Valdez as a Destination
- 2. Sports Fishing Enhancement for Visitors
- 3. Support Winter Tourism
- 4. Tourism Best Management Practices
- 5. Wayfinding



OIL/ENERGY INITIATIVES

- 1. Energy Efficiency Support & Promote Beneficial Electrification
- 2. Continue to Support Core Valdez Oil Sector
- 3. Continued Support for Strong Coast Guard Presence



PORTS AND HARBORS INITIATIVES

- 1. Complete Small Boat Harbor
- 2. Enhance Cruise Ship Dockage Facilities in Valdez



TRANSPORTATION INITIATIVES

- 1. Ferry Connectivity
- 2. Strengthening FAA Capacity and Enhanced Air Connectivity
- 3. Bus Transit System between Valdez and Anchorage

