

# SKAGWAY COMPREHENSIVE PLAN 2030

The year '2030' is rendered in a large, outlined font. Each digit contains a stylized landscape illustration. The '2' shows a wooden boardwalk or pier extending into a body of water. The first '0' depicts a mountain range with a sun or moon in the sky. The '3' shows a similar mountain range with a sun or moon. The second '0' shows a mountain range with a sun or moon and a body of water in the foreground.

# VISION FOR OUR FUTURE

A vision is a description of desired future conditions. It is general, and includes things we have and value right now as well things we want to achieve over the long term.

Community values are the core principles or standards that citizens' wish to achieve and maintain. They must be acknowledged, honored, and defended to ensure that change and development happens in accordance with these core principles and standards.

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VISION Skagway is a growing, thriving, safe, small Alaskan town.

## COMMUNITY VALUES

- ❖ Skagway resident's care, support, and respect each other
- ❖ Appreciation for the area's natural beauty, clean environment, and the abundant indoor and outdoor recreation
- ❖ Good marine, air, road and rail access
- ❖ Diversity of housing types and price points to enable home ownership or rentals for all
- ❖ Economic development balances business and job growth with quality of life.
- ❖ A strong economy and slowly growing population support more year-round businesses, winter events, and vitality.
- ❖ A thriving economy, growing population, and strong tax base support the services, amenities, and infrastructure resident's desire. This includes a high quality education system, well maintained and adequately sized infrastructure such as the wastewater treatment plant, sidewalks and street benches, utilities to support housing growth, an expanded recreation center and pool, the health clinic, a senior center, solid waste management that emphasizes reduce-reuse-recycling, a landscaped waterfront with connected walking paths throughout, and more.



*View down Canal from Yakutania Point, winter 2019*



# QUALITY OF LIFE

## GOAL *(revised)*

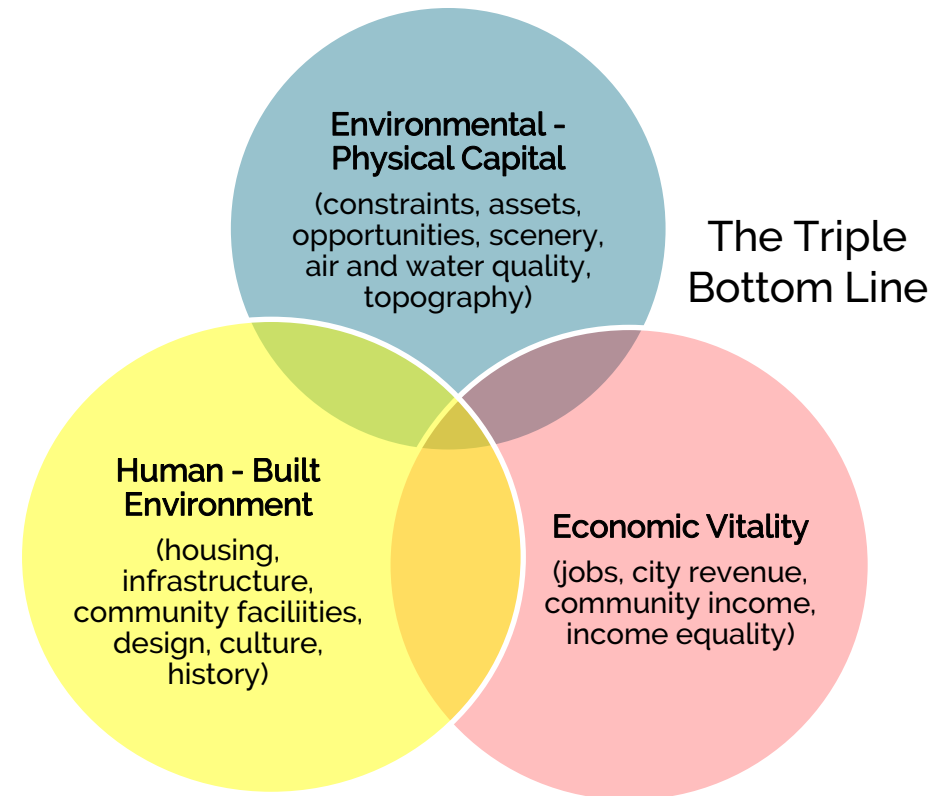
Maintain overall Quality of Life in Skagway by supporting private and public endeavors that balance a healthy environment, local infrastructure, and economic vitality (the Triple Bottom

	ACTION	Responsible Parties	Time Frame	Funds Needed
QOL 1	Discuss whether and how the proposed action considers and balances environmental capital, the human-built environment, and economic vitality.	Assembly, P&Z Comm., Manager, all MOS decision-makers	Ongoing	n/a

Quality of life is an overarching term for the quality of the various aspects of life. It reflects the expectations of an individual for a good life. These expectations are guided by the values, goals and socio-cultural context in which an individual lives. It is a subjective, multi-dimensional assessment of one's sense of well-being.

Quality of Life is what keeps people in Skagway. Housing, good jobs, recreation, working infrastructure, and more are all essentially about improving Quality of Life. Resident's assessment of their Quality of Life is an important measure. In a sense it is a community and government Report Card.

On a scale of 1 to 10, where 1 is very poor, and 10 is very good, 106 residents surveyed in 2019 rate their overall Quality of Life in Skagway as a 7.9

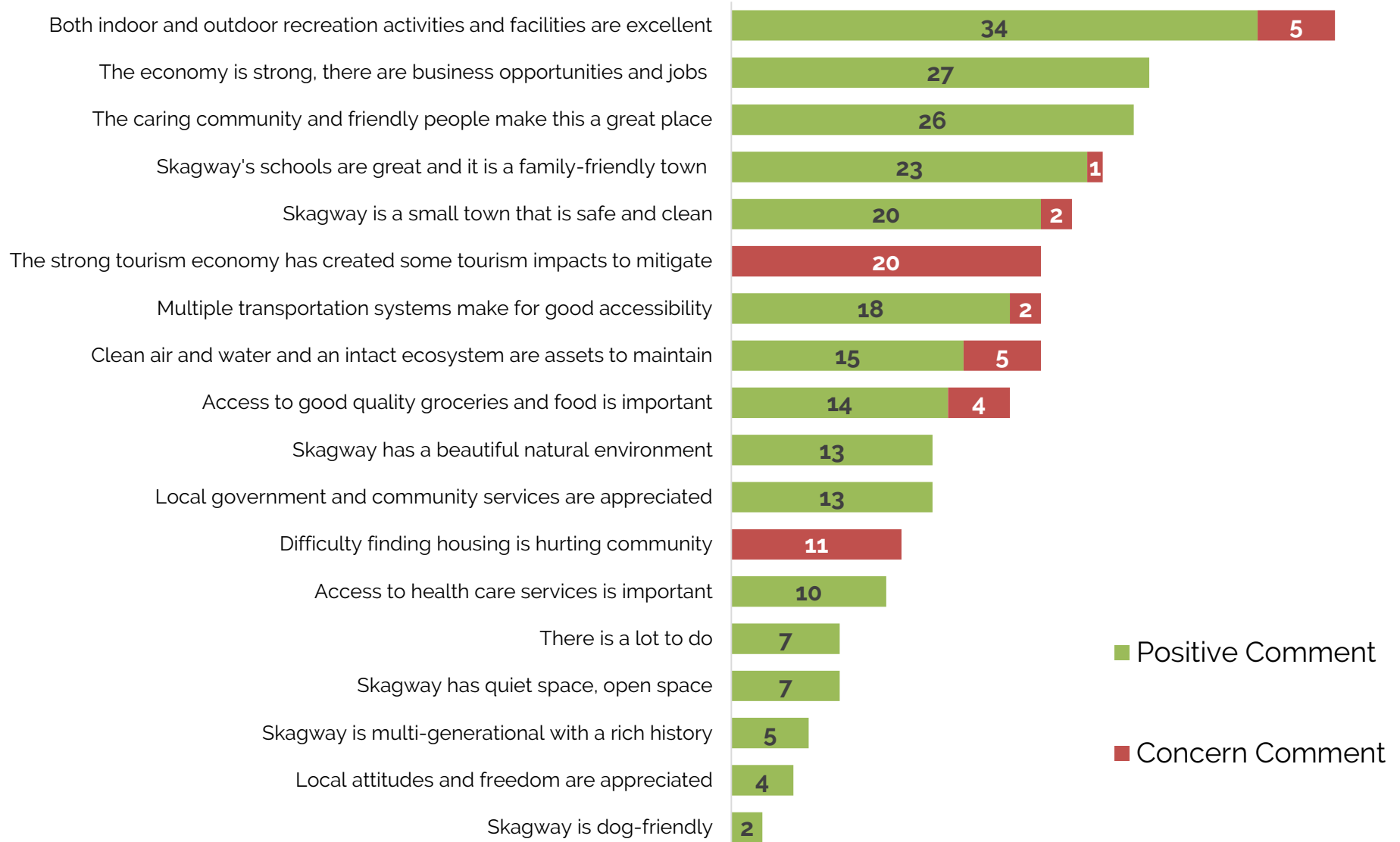


Skagway residents say that the following is important to their Quality of Life in Skagway

*(for full report/data see appendix 1 of Full Report-Polling + Survey Data (Feb-Apr 2019)).*

**Important to my Quality of Life**

288 total responses



# Economic Development



## GOAL

Balance business success and future opportunities with Skagway's heritage and residents' quality of life

# Current Status

## Population Growth

Based on historic patterns of births, deaths, and in and out migrants, The number of migrants to and from town is based largely on the strength of the economy. The state projects that Skagway will experience steady growth in population, with about 1,250 residents likely in 2030, and 1,330 by 2040 . This is similar to the growth rate during 2010–2018. Skagway is the only place in Southeast Alaska where the state ADOLWD is projecting population growth during this period (*growth for Juneau is projected through 2030*).

Projected population increase in Skagway is based on two trends:

1. A growing number of child-bearing age residents and children in Skagway- resulting in more births than deaths in the future and,
2. The number of residents age 65 and older is projected to grow rapidly. In 2018, there are about 155 residents age 65 or older. Projections are for 65 more residents in this age cohort (220 total) by 2030 and an additional 40 by 2040.

## Personal Income

When sources of income are tallied and divided by the total population, Skagway had the 4<sup>th</sup> highest per capita personal income in Alaska at \$76,710 (2017). However, approximately 29% of all Skagway households had income below \$50,000 in 2017 .In 2017, Skagway had a higher level of income equality than Alaska and the United States, according to the American Community Survey's Gini Index.

## Employment and Wages

Average monthly employment in Skagway in 2018 was 1,080 employees, a figure that has been gradually increasing over the

last decade. This was up approximately 37% from a recent low in 2011 of 790 employees average annual workers.

- Overall, employment in Skagway is quite seasonal, with the greatest variation in private sector work.
- In 2018, employment peaked in August with 1,772 total employees and was lowest in February at 529. That is 1,243 more workers in the summer than the winter.

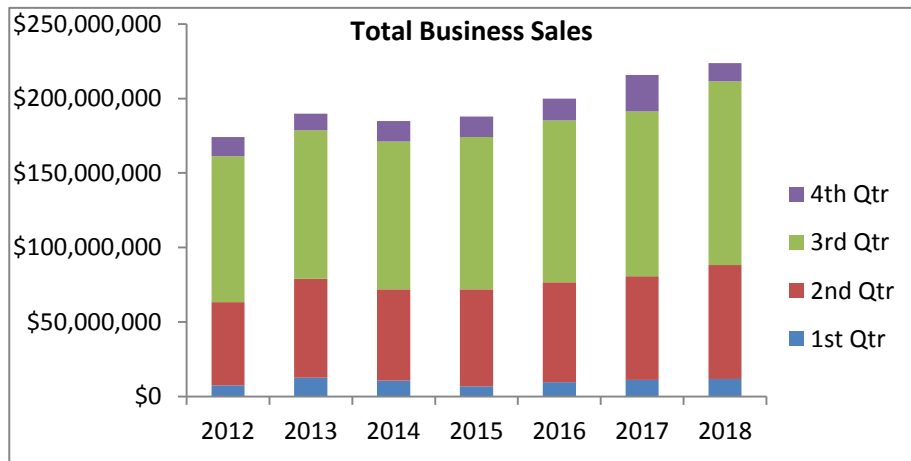
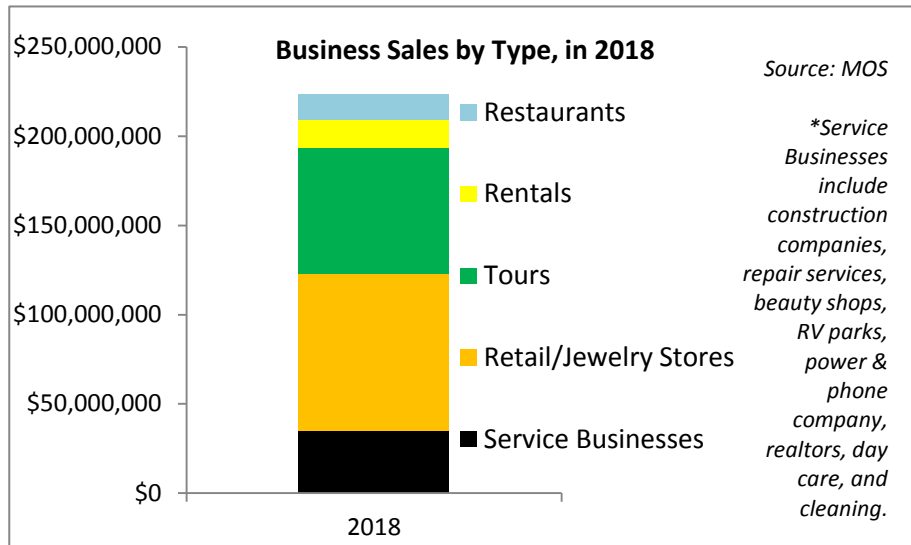
Average monthly employment by industry type confirms Skagway's reliance on private industry, with approximately 83% of all employment in the private sector.

- Service providing work provided 77% of employment (average annual) in 2018 with 831 employees.
- Only 6% (65 employees on average per month) of employment is from goods-producing industries (this includes construction of buildings).
- The government workforce is significant (city, school clinic, tribal, state and federal) with 17% or 185 employees on average per month.

Looking closer at average monthly employment and total wages for service-providing industries in 2018 reveals strong links to the visitor industry.

- Just over half (52%) the average monthly employment in service-providing industries (431 employees) and 60% of total wages (\$18,953,414) is from "Trade, Transportation, and Utilities" work, which includes retail trade, and most types of transportation work (e.g. railroad, airplane).
- The other significant category in service-providing industries is "Leisure and Hospitality," representing about 40% of average monthly employment (327 employees) and 32% of total wages (\$10,186,474). This is strongly tourism linked, and includes amusements and recreation, accommodations, and food services and drinking places.

## Local Business Sales



A look at sales, as reported to the Municipality of Skagway, shows how people are spending their money and the financial contribution of industries to the tax base and economy.

- In 2018, there was \$224 million in sales in Skagway. Of that total, three-quarters (77%) are subject to sales tax while the other 23% are exempt.

- Only 10% of all sales occurred in October-March (the 1<sup>st</sup> and 4<sup>th</sup> quarters), while 90% of sales occur in April-September. This shows both the challenge for businesses to stay open year round, and the commitment to Skagway of those businesses that do.
- Total business sales in Skagway have increased steadily and given rising tourism projections are likely to continue to do so. Sales taxes are the largest revenue source to the Municipality. The vast majority of business sales in Skagway come from retail stores including jewelry and tours.

## Visitor Numbers

Skagway welcomes a significant number of cruise and non-cruise visitors each year. Many, but not all, arrive via the Port of Skagway.

- In 2018, the total number of visitors via all modes from May-September was 1.4 million, which is a 300,000 increase in total visitors since a recent low in 2010, and an 8% increase over 2017.
- Cruise passengers accounted for 65% (910,176) of the seasonal visitors in 2018, while cruise crew were another 26%, and highway arrivals were 7% of the total visitors..
- Forecasts from Cruise Line Agencies of Alaska predict cruise visitors (not counting crew) will surpass one million for the first time in 2019 and increase further in 2020.

## Livability Attracts and Retains Workforce

While cities have a more limited role than the private sector in economic development (i.e. business activities), one clear role the Municipality of Skagway has is the ability to contribute to the conditions that allow businesses to thrive and to enhance the "livability" of Skagway. Things that can contribute to livability include the recreation center, parks, trails, open spaces, excellent schools, library, ball fields, historic buildings, public safety services, health services, and a healthy natural environment. Maintaining these assets is important in attracting and retaining employers and a talented, educated workforce.



## Balance

The Municipality can also take the lead in ensuring that economic growth is balanced with the community values of environmental quality and social equity. The comprehensive planning team interviewed and surveyed many community members, including business owners and government officials, about Skagway's future.

- Taken together, the results of these interviews and surveys indicate that the community is at a critical point for planning, infrastructure, and other efforts that will help maintain and enhance the quality of life for residents in the face of a growing volume of cruise visitors.

## Challenges & Opportunities for the Future

- Finding a balance for cruise visitors, freight, small boat harbor, rail, and community member priorities at the Port of Skagway.
- The current Tidelands Lease with White Pass began in 1968 and ends in 2023.
- Maximize the benefit of the visitor industry for the community while enhancing visitors' experience.
- Critical community infrastructure that supports the visitor industry are due for upgrades to handle population and visitor growth.
- The unaffordability of housing and lack of housing may dampen economic growth.
- Diversify the economy based on Skagway's competitive advantages and assets.
- Use existing expertise in vocational trades to develop Skagway's resident workforce.
- Expand health services to allow Skagway residents to remain in town as they age.

## Economic Development Objectives

ED 1 - Enhance the experience of Skagway for visitors while maximizing the benefits of the visitor industry for the community

ED 2 - Increase municipal engagement in port management and municipal revenue from port use

ED 3 - Manage the waterfront for effective and efficient mixed-use economic activity

ED 4 - Build on Skagway's economic assets and competitive advantages to diversify the economy and strengthen local businesses

ED 5 - Continue to recognize the link between community amenities and Skagway's ability to attract and retain talent and business

ED 6 - Ensure an adequate supply of appropriately-zoned land is available for commerce, industry, and residential development, balancing community priorities and environmental constraints

ED 7 - Grow the health care sector by developing the services necessary for residents to stay in Skagway as they age

# Economic Development Objectives & Actions

Time Frame: ST Short-term (0-2 years), MT Mid-term (3-5 years), LT Long-term (5-10 years), OG Ongoing  
 Funds Needed: L Low (\$0-99,999), M Mid (\$100,000-\$999,999), H High (\$1,000,000+), U Unknown, GF Grant Funded

	Objective/Action	Responsible Parties	Time Frame	Funds Needed or Comment
ED 1	Enhance the experience of Skagway for visitors while maximizing the benefits of the visitor industry for the community <a href="#">and maintaining quality of life</a>			
	ED 1A Invest in infrastructure and services that enhance the ability to manage and ensure visitor enjoyment, safety, and comfort			
	<ul style="list-style-type: none"> <li>Construct more restrooms throughout town</li> </ul>	MOS, WPYR, NPS		
	<ul style="list-style-type: none"> <li>Complete analysis of wastewater treatment plant <a href="#">to identify maximum capacity while maintaining primary system status</a> and cost estimates for upgrades. <del>I</del> Identify any limitations on peak summer use or to an additional 60-160 housing units. <del>C</del> Choose a course of action and implement.</li> </ul>		ST (FY 20)	
	<ul style="list-style-type: none"> <li>Reduce volume of garbage that visitors produce through active reduce-reuse-recycle-compost program and education with businesses, operators, and tourists; link compliance to Tourism Best Management Practices agreement</li> </ul>		ST	
	<ul style="list-style-type: none"> <li>Maintain trash incinerator and garbage trucks <a href="#">that weigh garbage volume?</a></li> </ul>			
	ED 1B Enhance pedestrian safety and experience between the waterfront and town and around town			Comment: Add air quality monitoring
	<ul style="list-style-type: none"> <li>Complete Pullen Creek 'Municipal Loop' walking path from Congress Way to City Hall</li> </ul>			
	<ul style="list-style-type: none"> <li>Better define pedestrian street crossings along Broadway <a href="#">and State Streets</a></li> </ul>			
	<ul style="list-style-type: none"> <li>Develop better wayfinding signage around/to docks and through town that also communicates Skagway's history</li> </ul>			
	<ul style="list-style-type: none"> <li>Consider bringing back the roving Skagway CVB person or Community Officer that assists visitors on the streets</li> </ul>			
	<ul style="list-style-type: none"> <li>Engineer and construct containment barriers to mitigate landslide hazards</li> </ul>	<a href="#">WPY&amp;R</a>		
	<ul style="list-style-type: none"> <li>Develop more greenspace and defined walking paths between the docks and along the water's edge</li> </ul>			

	Objective/Action	Responsible Parties	Time Frame	Funds Needed or Comment
	<ul style="list-style-type: none"> <li>Identify priority traffic routing, at minimum routing highway coaches to/from State Street directly to ships via 1<sup>st</sup> and 2<sup>nd</sup> Avenues</li> </ul>			
	ED 1C Determine if building or redesigning docks to berth up to two of the largest cruise ships is necessary to retain market share			
	ED 1D Relocate all or part of the 3-acre Pullen Creek RV Park, which is not the <a href="#">highest and best use</a> of Skagway's limited waterfront uplands, while retaining Pullen Creek Pond and Park. <a href="#">R</a> ; redevelop for a combination of additional boat moorage, landscaped parking and bus-passenger staging that supports waterfront users, <a href="#">enhanced pedestrian access through waterfront</a> and <a href="#">possibly leased</a> space for locally-owned businesses			Some disagree with this concept, needs more discussion
	ED 1E Initiate a Tourism Best Management Practices (TBMP) program and annual agreement		ST	
	<ul style="list-style-type: none"> <li>Appoint a TBMP committee to develop an annual agreement; seek a visitor industry business leader to chair committee, with other members including municipal, visitor industry, and community members</li> </ul>			
	<ul style="list-style-type: none"> <li>Identify metrics for specific sights and specific areas of Skagway that could indicate over-capacity and measures that could be implemented as a result</li> </ul>			Comment: a metric should include resident sentiment
ED 2	Increase municipal engagement in port management and municipal revenue from port use			Comment: add "community wealth generation"
	ED 2A By no later than 2021, have publicly-affirmed decision on port management structure that results in complete or shared municipal management of the Port of Skagway (Tidelands Lease expires in 2023)			
	ED 2B Increase municipal revenue from the use of Port to help fund service and infrastructure improvements and maintenance			
	<ul style="list-style-type: none"> <li>Develop options—including higher lease payments, higher user fees, a municipal head tax—assess pros and cons, choose preferred direction and implement</li> </ul>			
	ED 2C Hire a municipal Port director to guide municipal engagement in decisions about the goals and operation of the Port			
ED 3	Manage the waterfront for effective and efficient mixed-use economic activity			

	Objective/Action	Responsible Parties	Time Frame	Funds Needed or Comment
	ED 3A Improve the ability of the Port of Skagway to effectively serve freight and passenger transportation industries			Comment: address monopoly on cargo shipping
	<ul style="list-style-type: none"> <li>Remove the current ship loader, remediate the basin, and install a modern containerization type option with a crane for all types of freight on and off loading that will prevent future contamination, meet the community's multi use needs, and satisfy ore transshippers.</li> </ul>			
	<ul style="list-style-type: none"> <li>Develop policies and infrastructure that encourage the containerization of ore, synergies between freight and ore transshipment, and improved ability to accommodate additional freight providers. <a href="#">(assumes market and competing port analysis supports this direction)</a></li> </ul>			
	<ul style="list-style-type: none"> <li>Continue to fund local efforts to market and demonstrate the economic advantages and feasibility of the port for regional transshipment</li> </ul>			
	ED 3B Assess the need for and economic impact of expanding the small-boat harbor <a href="#">for additional berths for boats, small cruise ships, and independent visitor yachters/sailboats</a>			Assign metrics, with possible ballot options post assessment
	ED 3C Assess the need for <a href="#">additional berths for small cruise ships and independent yachters</a> <a href="#">additional berths for small cruise ships and independent yachters</a>			
ED 4	Build on Skagway's economic assets and competitive advantages to diversify the economy and strengthen local businesses			
	ED 4A Invest in space for local business owners to test concepts			
	<ul style="list-style-type: none"> <li>Create a <a href="#">seasonal or regular</a> "Marketplace" that allows temporary structures and caters to new and pop-up businesses, <del>food carts</del>, and similar ventures to support entrepreneurship and allow local residents a low cost way to enter the market and test business ideas</li> </ul>			Suggestion for location: gravel field between the tracks and Pullen Creek downtown
	<ul style="list-style-type: none"> <li>Investigate and learn from examples of similar spaces (e.g. Carcross marketplace)</li> </ul>			
	ED 4B Continue to encourage and promote shoulder-season and winter festivals and events			
	ED 4C Determine if recent reduction in rooms for rent will harm businesses and economic opportunity			
	<ul style="list-style-type: none"> <li>Monitor hotel-motel-lodging occupancy rates in summer, fall, and winter 2020</li> </ul>			

	Objective/Action	Responsible Parties	Time Frame	Funds Needed or Comment
	ED 4D Continue to engage in efforts to attract more independent travelers			Add tactic: Develop campground and new RV park
	ED 4E Develop a Maker-Space / "Fab Lab", <u>possibly</u> with <u>a</u> commercial kitchen <u>if not already included in Rec Center expansion</u>			
	<ul style="list-style-type: none"> <li>Identify site and plan for development in partnership with Skagway Development Corporation</li> </ul>			
	ED 4F Capture local spending "leaking" from economy and develop workforce by expanding and supporting the existing carpentry-diesel, mechanics-welding, and related industry cluster. <u>Add by adding</u> a vocational training program marketed locally and statewide.			Add action around local bids  Connect with ED 4E
	<ul style="list-style-type: none"> <li>Partner to create a Career Learning program and student housing.</li> </ul>	SDC (lead), School, NPS, WP&YR, Chamber, <u>Hospitality</u> Businesses		
	<ul style="list-style-type: none"> <li>Create formal apprenticeship/learning opportunities with WP&amp;YR, NPS, other</li> </ul>	School (lead)		
	ED 4G Encourage greater food security and small business opportunities for sustainably grown, harvested, hunted, and fished products			Tax incentives for hoop houses and produce production for local consumption?
	<ul style="list-style-type: none"> <li>Integrate with regional online Salt &amp; Soil marketplace</li> </ul>			
	ED 4H Support efforts to renew the local hatchery			
	<ul style="list-style-type: none"> <li>Establish partnerships to lead this effort, including research of grant opportunities and fee structure for sport fishing businesses to support operations</li> </ul>	MOS, School, STC, TIWC, charters		

	Objective/Action	Responsible Parties	Time Frame	Funds Needed or Comment
	<del>ED 4I Grant tax incentives to year-round residents and year-round residents who are business owners_</del> ED 4I Grant tax incentives to year-round residents and year-round residents who are business owners <u>for Businesses that are open year-round? Tax holidays?</u>			
	ED 4J Review policies pertaining to starting a business and <u>if needed</u> revise to increase the ease and lower the financial burden of starting businesses <u>for residents</u>			Comment: have discussed with MOS and burdens don't seem high- suggest be more specific or delete Comment: Add action around working with agencies to reduce border constraints?
ED 5	Continue to <del>recognize enhance and promote the link between</del> community amenities <del>and Skagway's ability</del> to attract and retain talent and business <u>(For objectives and actions see, Parks and Recreation, and _____)</u>			
	ED 5A Expand the Recreation Center, possibly including a pool <u>MOVE to Parks and Rec.</u>			
	<ul style="list-style-type: none"> <li>Prioritize stages of expansion with target dates and estimated costs</li> </ul>			
	ED 5B Continue investing in providing quality primary and secondary education			
	ED 5C Develop additional parks and open space <u>MOVE to Parks and Rec. ADD MORE</u>			
	<ul style="list-style-type: none"> <li>Identify potential land parcels for this use and develop ideas and plans for green spaces <u>Move to Parks and Rec</u></li> </ul>			
ED 6	Ensure an adequate supply of appropriately-zoned land is available for commerce and industry, as well as residential development, balancing community priorities and environmental constraints <i>Cross reference with H-x</i>			
	ED 6A <u>Periodically r</u> Review industrial, light industrial, and commercial zoning code, <del>and</del> map, <u>and development status of parcels</u> to ensure <u>adequate land supply to meet these needs. balance between land specifically for each use and that which supports a mixture of uses including residential</u>			
	<ul style="list-style-type: none"> <li><u>Determine if zoning map or code needs updated</u> <del>Survey all 'unused'/underused properties, ownership, and current zoning</del></li> </ul>			
ED 7	Grow the health care sector by developing the services necessary for residents to stay in Skagway as they age			
	ED 7A: Support development of one or more Assisted Living homes in Skagway, to serve 2-6 clients. <i>Cross reference with H-x</i>			

	Objective/Action	Responsible Parties	Time Frame	Funds Needed or Comment
	<ul style="list-style-type: none"> <li>Bring in an Alaska based expert to describe how to create and permit small, private, home-based assisted living.</li> </ul>			
	<ul style="list-style-type: none"> <li>If a resident has serious interest in developing such a business, support or subsidize the learning process and assist the person in obtaining the training needed to meet state requirements and provide high-quality care.</li> </ul>			
	ED 7B: Fill Skagway's health care gaps that facilitate aging in community			
	<ul style="list-style-type: none"> <li>Partner with providers to offer annual Personal Care Attendant certification in Skagway. <a href="#">Consider incentive or sponsoring 1 or more Certified Nurse Assistant</a><del>Cross reference with H-x.</del></li> </ul>			
	<ul style="list-style-type: none"> <li><a href="#">Allocate salary and benefits, and conduct a marketing and lifestyle program to attract a General Practice Physician to Skagway.</a></li> </ul>			



# HOUSING

## GOAL *revised*

Increase housing in Skagway that meets local budgets and lifestyle preferences, which are often linked to phases of life.



*Work Session on Housing, April 2019*

## Current Status (now completed)

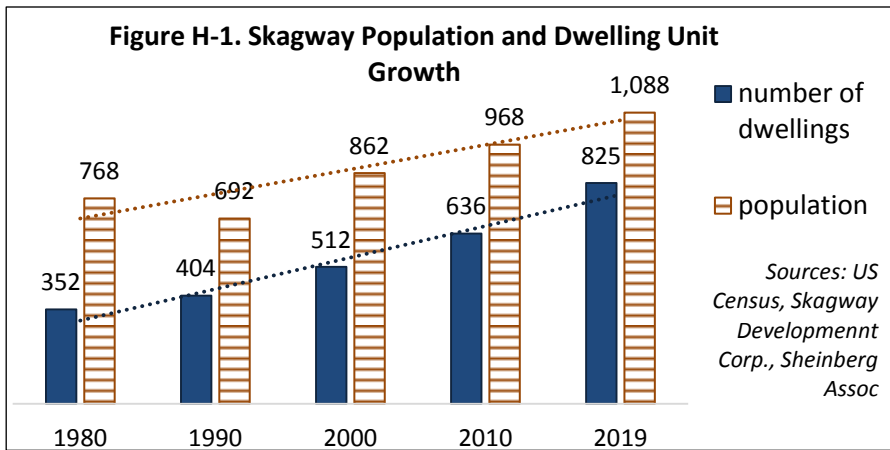
### Total Number of Dwelling Units

There is no single count of the number of dwelling units in Skagway.

- The best estimate today is that there are about 825 dwelling units in Skagway. With a year round population of 1,088, this is an average of 1.32 persons per dwelling unit.
- Over half the housing in Skagway (56%) are single family dwelling units.

The number of dwelling units grew at a slightly faster pace than the population over the last 30 years (Figure H-1). This could suggest that the housing supply is meeting the demand from population growth. However, since much housing in Skagway is used to meet summer-only employment needs, the number of housing units is not meeting the total housing need.

- The need for more housing and the 'pent-up' demand is backed-up by the testimony of residents during this plan's development, the fact that many homes are sold quickly by word-of-mouth alone, and by the lack of available housing for sale or year round rent.



### Skagway's Future Housing Needs

Construction to meet the current pent-up demand for housing is not enough development. Skagway is growing. State projections are for 1,250 year round residents in 2030 and 1,320 in 2040. Using Skagway's current estimated average of 1.32 persons per household, this means:

- By 2030, Skagway will need an additional 122 housing units, for a total of 947 dwelling units.
- By 2040, Skagway will need an additional 53 units above that (or 175 more than in 2019), for a total of 1,000 dwellings.

### Housing for Seasonal Employees

The need for housing for the seasonal workforce is great. The number of summer employees in town more than doubles the population. This need is satisfied by camping, by homeowners who rent out lodging in their homes, and by employers who build seasonal housing or buy and convert homes for seasonal use. Today, seasonal housing is in congregate units, rented rooms or apartments in single family homes, former single family houses that have been entirely converted to seasonal employee housing,

multi-family units with seasonal workers in all bedrooms, motels that have been converted to house workers, and RVs in mobile home parks and on individual lots.

Seasonal housing is now spread throughout the community.

- A 2019 systematic review by 12 knowledgeable employers and longtime residents estimated 1,500-1,680 seasonal employees live in approximately 200 homes/buildings/places in Skagway. This employee count does not include home-owning residents who work seasonally or have their young adult children home seasonally to work.
- A map was created with stars on every home where at least one seasonal employee typically lives in 2019. The entire community – virtually every block - has stars.

With the growing seasonal economy, the demand for seasonal housing will continue to expand.

- Several large seasonal employers say (in 2019) that the need is not yet met and are continually looking for land or homes for sale that could be used for seasonal housing.
- In a 2019 Southeast Conference survey, 16 of 28 responding Skagway business owners indicated they planned to increase hiring in 2020.

A community challenge is that dwellings used for seasonal employee housing are not available for year-round rent or purchase, thus reducing the housing options for residents. It also means there are many vacant dwellings in the fall, winter, and early spring. Some residents do the "summer shuffle," living somewhere off season (fall-winter-spring) then shuffling to find anywhere to bunk in the summer. This lifestyle is not conducive to making a long-term commitment to call Skagway home.

## Cost of Housing

There is no single source for the price of homes in Skagway (Figure H-2). It is not required that a seller disclose the selling price of homes in Alaska, and, since so many home sales in Skagway do not involve a realtor, the real estate Multi Listing Service (MLS) isn't a big help. Information sources include the Skagway assessor's values/tax roll, the US Census American Community Survey (ACS), and information from those who do report home selling prices.

- Today, the best estimates show that a median house in Skagway costs between \$250,000 and \$336,000.

Figure H-2. What Homes in Skagway Cost				
FROM MOS ASSESSOR/TAX ROLL	No. of Residential Parcels	Median Assessed Value of Residential Parcels	Minimum Value	Maximum Value
2018, All Residential <sup>1</sup>	496	\$248,450	\$0	
Residential service area 4-5 <sup>1</sup>	45	\$158,300	\$190,464	\$688,200
Residential service area 3 <sup>1</sup>	72	\$289,300	\$300,163	\$959,500
Residential service area 2 <sup>1</sup>	366	\$245,800	\$7600	\$1,183,200
Residential service area 1 <sup>1</sup>	13	\$294,400	\$190,600	\$641,100
FROM US HUD & ACS		Median Value of Housing Units		
2018 Home Value <sup>4</sup>		\$336,000		
2017 Owner Occupied Housing Units <sup>2</sup>		\$293,800		
How Many Properties Sell Each Year <sup>3</sup>				
2015 - 39 properties sold		2016 - 24 properties sold		
2017 - 18 properties sold		2018 - 18 properties sold		

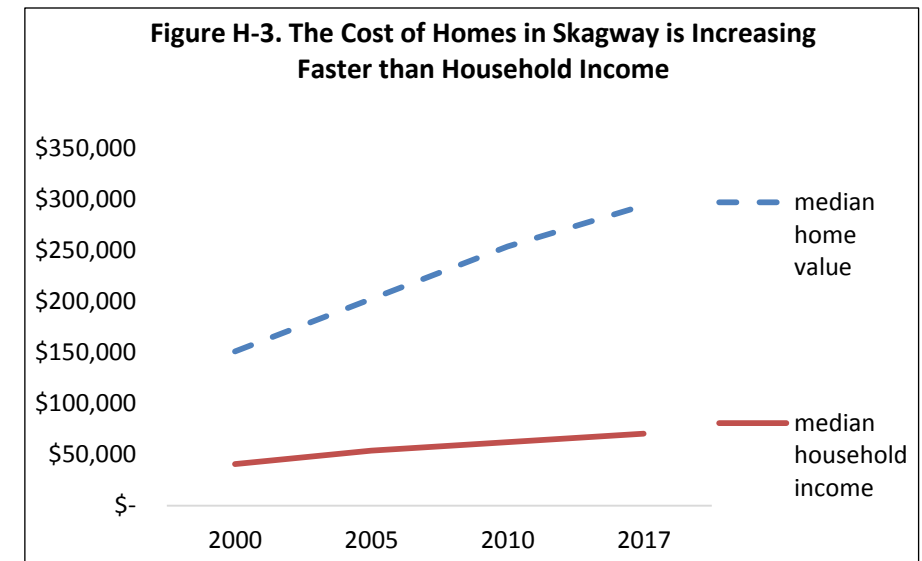
Sources: 1- 2018 Skagway Municipal Tax Roll, analysis by Sheinberg Associates, Residential includes tax roll codes residential, rural residential, apartment, mobile home, mobile home park) 2- ACS 2017 5-year estimate 3 – Municipality of Skagway 4—US HUD

The only readily available measure of rent in Skagway is Fair Market Rent, which is a U.S. Housing and Urban Development (HUD) calculated value. FMR is the calculated amount of money that a given property would command if it were open for leasing now. FMR is often used to help decide how much to charge for rental units.

- Depending on the number of bedrooms, Skagway has essentially the highest calculated fair market rents in 2019: efficiency - \$964 (highest in SE), 1 BR - \$1,139 (highest in SE), 2 BR - \$1,357 (2<sup>nd</sup> highest in SE), 3 BR - \$1,962 (2<sup>nd</sup> highest), 4 BR - \$2,065 (4<sup>th</sup> highest in SE)

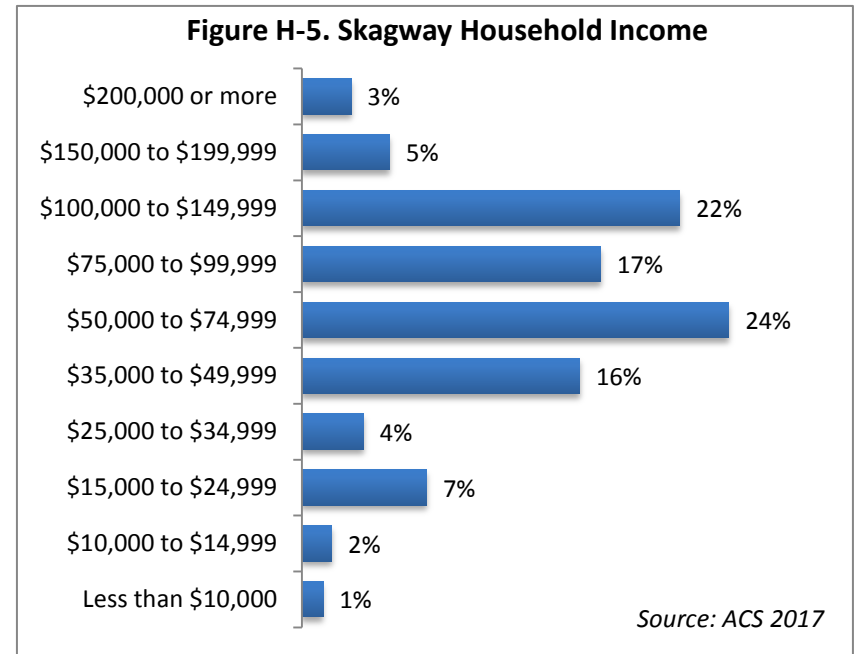
## Housing Affordability

The crux of the affordability issue in Skagway is that, like many places, the cost of housing is rising much faster than income.



- To afford to buy the median priced home in Skagway without becoming cost-burdened (paying more than 30% of your income) the buyer or renter must earn approximately \$54,000-\$75,000 annually.

- Approximately 60% of households in Skagway can afford to buy the median priced home, and 40% cannot (Figure H-5).
- A home buyer or renter must be able to make monthly payments (based on reasonable assumptions about credit status, interest etc.) for a mortgage or rent (including utilities, taxes, insurance) of between \$1,350 and \$1,900/month.
- Looking at typical incomes and median wages in Skagway (Figures H-4 and H-5) shows many people cannot afford to buy or rent a home on their own based just on work earnings without becoming cost-burdened.
- There often must be at least two wage-earners in a household in order to afford to buy a home (thus the need for childcare in order to be able to afford to own a home).



<b>Figure H-4. Skagway Resident Incomes, and What They Can Afford for Housing</b>	
	<b>Annual Income</b>
Starting Skagway teacher BA <sup>1</sup>	\$48,202
Experienced Skagway teacher BA <sup>1</sup>	\$57,896
Starting MOS Grade 13 <sup>2</sup> <i>(such as maintenance and clerical support, 911 dispatcher, recreation worker, medical assistant, community service officers)</i>	\$45,032
Experienced MOS Grade 13 <sup>2</sup>	\$61,506
Average employment wage 2018 <sup>4</sup>	\$40,980
Median earnings for workers <sup>3</sup>	\$35,705
Median earnings for men full-time, year-round workers <sup>3</sup>	\$50,938
Median earning for women full-time, year-round workers <sup>3</sup>	\$45,000
Median Household income <sup>3</sup>	\$70,673
Average Household Income <sup>3</sup>	\$81,260
<i>Sources: 1 - Cindy O'Daniel, Business Manager Skagway Schools, 2- Emily Deach, Municipal Clerk, 3 - ACS 2017 5-year estimate, 4 - ADOLWD QCEW 2018 NOTE: Depending on data point, ACS margin of error are ± \$5,000-\$9000 (\$416 to \$750 monthly)</i>	

What can Skagway do to ensure:

- 1) More housing to meet pent-up and future demands is built, and
- 2) That some of that housing will be affordable to rent or buy for starter families and young people who want to settle in Skagway?

Set a measurable goal for the number of dwelling units to be built

Setting a measurable public policy goal for the number of dwelling units Skagway reasonably finds need to be constructed to meet current and future housing needs is an important action. This sets expectations for residents, builders, and is a measure against which the effectiveness of private and public sector efforts can be measured. See the section on "Skagway's Future Housing Needs".

Increase Incomes

One way to make homes more affordable is for income (wages) to rise. "A rising tide raises all boats," and more well-paying year

round jobs, that increase wages and resident income, and that reduce income inequality, is an economic goal.

#### Reduce the Cost of Labor

Reducing the cost of labor could be a way to reduce the costs of homes. However, this is the opposite of the economic goal to raise wages and income.

#### Reduce Cost of Supplies and Construction

This is a challenge; if there were easy answers there would not be a housing affordability issue in many towns in Alaska and the US. Some ideas to increase competition for lumber and other supplies or reduce transportation costs are offered that may merit investigation.

- Most supplies come by barge via Southeast waters. Are there opportunities that would reduce costs if lumber and other supplies came in via road from Anchorage or Whitehorse? Empty containers are trucked in from Anchorage to pick-up seafood and deliver via the road system to the continental US. Could a "front-haul" opportunity exist to bring in building supplies?
- A private/public partnership alternative to the AMHS is being investigated. How would this system change affect freight rates?
- Can construction companies or local developers team to consolidate lumber and other supply imports at a group rate and achieve any costs savings that could be passed on to consumers?
- Manufactured and modular home design has become quite varied and typically is significantly less expensive than frame construction. Is there a distributor interested in working with Skagway via Skagway Hardware, or an entity such as the Chamber of Commerce or Skagway Development Corp?

- In the quest for reduced home construction costs, are there aspects of its zoning code that Skagway should consider changing?

#### Reduce the Cost of Land

##### *Private/Public Sector Balance Point*

The value of land typically rises most years as land is developed/used and thus becomes more scarce and valuable (supply is reduced). This is basic free market supply and demand. A widely accepted city and borough responsibility is to make its land available for sale or lease (with appropriate zoning) to meet economic and community needs. However, the private sector can often become concerned that the public sector is "flooding the land market" and will reduce the value of private sector land investments. This is particularly true when the public sector puts what is perceived as a large amount of land out for sale, or when it offers land at less than market value in order to achieve a public policy objective that the free market is not able to fulfill (such as building enough affordable housing). This tension happens virtually everywhere, and each community must find its balance point between the city/state making too much or too little land available. And, that balance point commonly changes over time too.

##### *Community Land Trusts*

Municipalities and non-profits, together or separately, frequently remove the cost of land from the price of housing by retaining the land and offering homes for rent or for sale with 99-year leases on the land. This is a commonly part of how Community Land Trusts (CLT) keep homes affordable for buyers and renters. (Of note, it is usually private sector builders constructing CLT homes.)

##### *Reduce Land Price via Municipal Discounts*

Municipalities sometimes build the roads, extend the utilities, and do similar site preparation prior to selling municipal land and either discount or contribute the cost of these improvements to reduce land costs. Given this municipal contribution, the land sale may be for development/housing for targeted populations.

### Stimulating Housing Development for Target Populations

Some municipalities stimulate the construction of housing that is for a special or targeted population (sometimes through a non-profit CLT). Targeted populations are typically seniors; affordable housing for rent or sale to those earning 50-60%, 60-80%, or 80-120% of Area Median Income (AMI); for essential personal (school teachers, police, fire fighters); or housing that is for year-round residents in the workforce (see [Mammoth Lakes Housing](#) and [Chamonix CO](#))

There is one unit of housing in Skagway built for a targeted population. This was built by the Skagway Traditional Council for a low income tribal citizen. There were no qualifying residents, so the house is now rented to a citizen who is part of the essential workforce.

### Affordable Housing Fund

Many communities have an Affordable Housing Fund, Housing Trust Fund, or similarly called fund to invest in or leverage financing for development of affordable housing. Funds typically offer grants or competitive interest rate loans. It is lendable, investable, and recyclable funding designed to support a range of housing objectives. Purpose is to help counter the cost escalators associated with a limited land base, steep slopes, and high materials and labor costs, and the risks facing developers. Here is a partial [List](#) of cities with Housing Trust Funds.

Though the Municipality of Skagway does not currently have a fund like this, the role of financier is not new to the city as it already offers competitive financing for some purchasers of municipal land.

As a nearby example, Juneau has an Affordable Housing Fund whose principal was funded through a combination of a direct grant, money from land sales, and dedicating a portion of sales taxes for a period of time. Today it has \$1 million and will receive another \$1.2 million over next 3 years. It offers small grants to

homeowners to support construction of accessory dwellings units, small grants to help individuals buy manufactured homes, and offers grants to non-profits and public housing authorities building homes for those earning up to 80% of Area Median Income (AMI), and offers 0-interest loans to developers building workforce housing (80-120% of AMI). Qualifying projects are eligible for grants or loans up to \$50,000 per affordable for workforce housing unit created (terms for last few items being finalized now). The CBJ views this as an investment to leverage other money and increase affordable and workforce housing. Another example is from Vancouver, Washington. Here is there [1-page Summary](#) of the applications its Affordable Housing Fund received in 2018, with requests to loan \$8 million to leverage \$119 million in housing investments and create (or rehab) 602 housing dwelling units of which 378 are for those earning 50% or less of AMI.

### Tax Abatement to accomplish economic development (including housing) goals

Alaska State law changed in the last five years to allow municipality's to partially or totally exempt some types of *economic development* from property taxes for a designated period [AS 29.45.050 \(m\)](#)

Another Juneau example is offered not to suggest it is appropriate for Skagway, but to show how one city took actions to achieve its assisted living housing goal, the issues it raised, the time it took, and use of tax abatement for 12 years for economic development (housing) purposes.

For the last decade, Juneau has desired to have an assisted housing complex built. In the last 5 years it adopted this as a goal in its Economic Development Plan and its Housing Action Plan. In 2013, an assisted living taskforce was established whose citizens have worked since to help oversee research, talk with developers, and generally assist. In 2014, Juneau conducted a senior housing and services market demand study. In 2017, there was an economic impact study done on an assisted living project at

Vintage Park. Developers simply could not secure financing given the high land, construction and development costs. The assembly decided in 2019 to assist by purchasing the 2.35 acre site for this development, and, it passed an ordinance to provide property tax

abatement for 12 years for assisted living developments that create 15 or more residential units. Cities must balance the desire for the housing versus the demand for municipal services and the impacts on tax revenue.

## Key Challenges and Opportunities for the Future

- Local market is not keeping pace with demand for year round rental and sale housing.
- Population projected to add 160 more people by 2030 and another 115 by 2045. continue growing; This will create an additional demand for 120 more dwelling units by 2030, and 50 more by 2040. + housing demand.
- Continuing dramatic increase in local senior population projected, with attendant housing needs.
- Lack of housing, or affordable housing, can threaten economic growth and cause young adults, families, and seniors to move.
- Lack of understanding of options, ambivalence, or opposition to possible Municipality of Skagway role in stimulating housing development (beyond selling land) has stymied action on development of senior housing and affordable housing.
- Planned extension of water and sewer across 23<sup>rd</sup> Street Avenue Bridge will allow higher density residential development and redevelopment there.
- MOS purchase of 3.5 acre Garden City RV Park is tremendous opportunity to meet housing needs in the townsite.

- ~~CCommitted group of~~ civic-minded business employers/managers who are residents and committed to meet their seasonal housing needs. However, as responsible business owners purchase Acquisition of housing to meet their seasonal needs, this also demand reduces housing stock available for year-round rentals and sales.
- Current zoning code lacks clustered or cottage housing standards and planned unit development standards, which limits flexibility and creativity of landowners and developers. Also, code should encourage higher density housing in certain areas.
- Partnering or encouraging AMHT to create a lower AB Mountain subdivision and land sale.
- A campground is needed both for visitors and to meet some of the seasonal housing demand.
- Skagway's topography limits developable land for all purposes.



## Housing Objectives

H 1 - ~~Establish~~Appoint a 1-year Mayor's Housing Taskforce with staffing and support through Managers Office.

H 2 - ~~Ensure new housing is built to meet current pent-up demand and meet future demand (that will be created by projected population growth).~~ Estimate 120 new dwelling units needed by 2030 and another 50 by 2040. This is an average of about 12 new housing units/year. New housing should be a mix of housing styles, and at least 10 units should be permanently affordable.

~~H 3 - Build permanently affordable housing to assist young adults and new families in making Skagway their home.~~

H ~~3~~4 - Expand housing for the seasonal workforce.

H ~~5~~4- Skagway's senior population is increasing rapidly; enable residents to stay in Skagway as they age. (In 2018, there are approximately 155 residents age 65 or older. Projections are for 65 more residents age 65 or older (220 total) by 2030 and an additional 40 (260 total) by 2040.)

H ~~5~~6 - Enforce rules consistently - particularly in summer - so residents, business owners, developers, and investors have predictability and assurance.

# Housing Objectives and Actions

Time Frame: ST Short-term (0-2 years), MT Mid-term (3-5 years), LT Long-term (5-10 years), OG Ongoing  
 Funds Needed: L Low (\$0-99,999), M Mid (\$100,000-\$999,999), H High (\$1,000,000+), U Unknown, GF Grant Funded

	Objective/Action <b>NOTE actions in this section have been re-ordered and consolidated</b>	Responsible Parties	Time Frame	Funds Needed or Comment
H 1	Establish a 1-year Mayor's Housing Taskforce with staffing and support through Managers Office			
	H1 –Appoint a Mayors Housing Taskforce. Elect chair, members to include 1-2 Assembly, 1-2 Planning Commissioner, and representatives from SDC, STC, NPS, large and small business owners with seasonal employees, builders, bankers, realtor, those seeking first time homes, church and senior representatives. Define tasks to accomplish within 1 year. After 1 year, review progress and task list, determine if Taskforce sunsets or continues.	MOS (lead) business community, <a href="#">STC</a> , SDC, others	ST	L
H 2	Ensure new housing is built to meet current pent-up demand and <del>meet</del> future demand ( <del>that will be</del> created by projected population growth). <a href="#">Estimate 120 new dwelling units needed by 2030 and another 50 by 2040. This is about 12 new housing units/year.</a> New housing should be a mix of housing styles, and at least 10 units should be permanently affordable.			
	H2 A-- Review <a href="#">programs/tools MOS could use to stimulate</a> non-profit or private sector housing unit construction for targeted populations including <a href="#">affordable housing</a> , workforce housing, and senior housing. For each option, identify purpose, <a href="#">pros &amp; cons, costs,</a> and <a href="#">implications. After P&amp;Z and Assembly review, make decisions, and enact. Develop measures to assess effectiveness after 1, 3 and 5 years. Reevaluate continued use of programs/tools after 5 years.</a> <ul style="list-style-type: none"> <li>Options to review include an Affordable Housing Fund offering targeted grants or low interest loans to stimulate./leverage housing investments, property tax abatement program, selling of land with city installed roads and utilities or at below market rate for development of housing for target populations (to a Community land trust, non-profit, or housing authority,</li> </ul>			
	H2 B - Continue the residential land disposal program for Borough-owned land.			
	H2 C - Support establishment of a Community Land Trust in Skagway to facilitate private-public-nonprofit partnerships and construction of 10 permanently affordable housing units.			
	H2 D Adjust zoning, permitting and related land-use processes to encourage clustered, moderate-density, mixed-use development that makes wise use of existing infrastructure. <ul style="list-style-type: none"> <li>This could be done through a new or modified zoning district, by creating one or more zoning overlay districts for municipal and adjacent private land, or by creating a development/zoning</li> </ul>			

	Objective/Action <b>NOTE actions in this section have been re-ordered and consolidated</b>	Responsible Parties	Time Frame	Funds Needed or Comment
	<p>bonus point system.</p> <ul style="list-style-type: none"> <li>The purpose is to encourage clustered development with green or community spaces or facilities and connected pedestrian paths; and planned multi-lot development.</li> <li>Target areas are around Garden City RV Park, "8 Pastures," and the most developable portion of the municipal land northwest of the WPY&amp;R railroad yard.</li> </ul>			
	<p>H2 E - Rezone <a href="#">a portion of</a> the area north of the 23<sup>rd</sup> <del>Avenue</del> <a href="#">street</a> <del>Bridge</del> in concert with the Future Growth Map and narrative in Land Use chapter in order to better match existing development patterns and encourage higher density residential development now that water and sewer will be extended (2022/23).</p>			
	<p>H2 F <a href="#">Take actions needed to implement</a> <del>By end of 2019 identify</del> desired development pattern <a href="#">for Garden City RV Park</a> (s), with 50-100 new dwelling units expected there, <del>and municipal role and management structure(s) for Garden City RV Park.</del></p> <ul style="list-style-type: none"> <li>Design for MOS land to accommodate a combination of 80 RVs and apartments, <u>at a minimum</u>, just to meet current demand due to redevelopment of Garden City.</li> </ul>	P&Z, SDC, <a href="#">Assy</a>	ST (2020-2021)	Ensure enough land for future IND/LT IND use
	<p>H2 G - Periodically review and revise zoning code to ensure a diversity of residential housing types can be permitted and that it is not inhibiting MOS from meeting its housing goal and objectives.</p>	P&Z		
	<p>H2 H - Meet with the Alaska Mental Health Trust to discuss development plans for its land on the lower slopes of A.B. Mountain and off of Dyea Road. Discuss ways the borough could facilitate or encourage this development. Consider a joint Borough-AMHT subdivision.</p>	MOS, AMHT		
	<p>H2 I – Stimulate rehab of dilapidated housing stock that in uninhabitable.</p> <ul style="list-style-type: none"> <li>Provide incentives for owners of dilapidated structures to repair and bring them up to Code. Incentives might include waiving or reducing building permit fees, abatement of incremental property tax increase for 5 years, free inspection and listing of needed improvements by City personnel, low interest loans, etc.</li> <li>Provide disincentives for owners of dilapidated structures that are neglecting to repair and bring them up to Code. Disincentives might include gradually increasing property tax levy to account for added expenses and public services that 'attractive nuisances' create.</li> <li>Assist homeowners to obtain rehabilitation funds for homes that have documented historic significance.</li> <li>Provide information to residents on AHFC's Home Energy Rebate Program and the Weatherization Program. Assist local builders in qualifying as energy raters.</li> </ul>	MOS, AHFC, STC, SHPO, REAP, SEC		Unfair to home owners that keep their places up. Property tax reductions increase burden on others.
H 3	<p>Expand <a href="#">housing for the</a> seasonal workforce <del>housing in Skagway.</del></p>			
	<p>H3 A – Ensure tools adopted per H2-A are available to those building workforce or seasonal housing.</p>			

	Objective/Action <b>NOTE actions in this section have been re-ordered and consolidated</b>	Responsible Parties	Time Frame	Funds Needed or Comment
	H3 B- Better <del>quantify and</del> define deficit to meet 2025 seasonal housing needs. <i>(16 of 28 responding Skagway business owners in 2019 SEC survey plan to increase hiring in 2020)</i>	Mayors HT, SDC		
	H3 C - Continue innovative and creative efforts that increase the supply of safe seasonal housing, such as the current <del>program 3-year trial to</del> allowing <u>one RV attached to water and sewer per home</u> (17 permitted in 2019).			Program expected to sunset after utilities extended. Planners: Relocated RV Park must have spaces for current & future demand,
	H3 D - Ensure there is always a legal campground for at least <b>xx</b> campers in or near the Skagway town-site (public or private).			
	H3 E - Support research and business community dialogue to determine if there are ways to cost share and build one or more congregate, bunkhouse, or apartment style housing complexes for multiple businesses to lease or rent units.			
H-4	Skagway's senior population is increasing rapidly; enable residents to stay in Skagway as they age. <u>(In 2018, there are approximately 155 residents age 65 or older. Projections are for 65 more residents age 65 or older (220 total) by 2030 and an additional 40 (260 total) by 2040.)</u>			
	H4 A - Build 6 units of combined market rate and rent-subsidized senior housing <i>(2015 "Market Analysis, Independent and Assisted Living, Skagway, Alaska," by Sustainable Solutions and Chi Pa</i>	<a href="#">MOS, STC, businesses</a>		
	H4 B - Ensure tools adopted per H2-A are available to those building senior housing			
	H4 C - Develop simple pre-approved designs/plans with home modifications to assist seniors to stay in their existing homes, waive any permitting fees.	MOS		
	H4 D - Support development of one or more Assisted Living homes in Skagway, to serve 2-6 clients. <ul style="list-style-type: none"> <li>• Bring in an Alaska based expert to describe how to create and permit small, private, home-based assisted living.</li> <li>• If a resident has serious interest in developing such a business, support or subsidize the</li> </ul>			

	Objective/Action <b>NOTE actions in this section have been re-ordered and consolidated</b>	Responsible Parties	Time Frame	Funds Needed or Comment
	learning process and assist the person in obtaining the training needed to meet state requirements and provide high-quality care.			
H5	Enforce rules consistently - particularly in summer - so residents, business owners, developers, and investors have predictability and assurance.			
	H5-A Hire a summer code enforcement officer to increase MOS enforcement and inspection presence to address safe and sanitary housing violations including living in places /spaces without water and sewer, illegal camping, illegal fires, late night noise violations, abandoned vehicles, etc.			