

Economic Analysis for the Whittier Waterfront Development Plan

Prepared for

City of Whittier

December 2024

Prepared by



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Abbreviations

ADCCED	Alaska Department of Commerce, Community, and Economic Development
ADOLWD	Alaska Department of Labor and Workforce Development
ADOR	Alaska Department of Revenue
ADOTPF	Alaska Department of Transportation and Public Facilities
ARRC	Alaska Railroad Corporation
BTI	Begich Towers Incorporated
CFEC	Commercial Fisheries Entry Commission
CPV	Commercial Passenger Vessel
FAA	Federal Aviation Administration
HAP	Holland America & Princess
KPB	Kenai Peninsula Borough
MSB	Matanuska-Susitna Borough
MOA	Municipality of Anchorage
NOAA	National Oceanic and Atmospheric Administration
NCL	Norwegian Cruise Line
QCEW	Quarterly Census of Employment and Wages
USCB	U.S. Census Bureau
WCSC	Waterborne Commerce Statistics Center

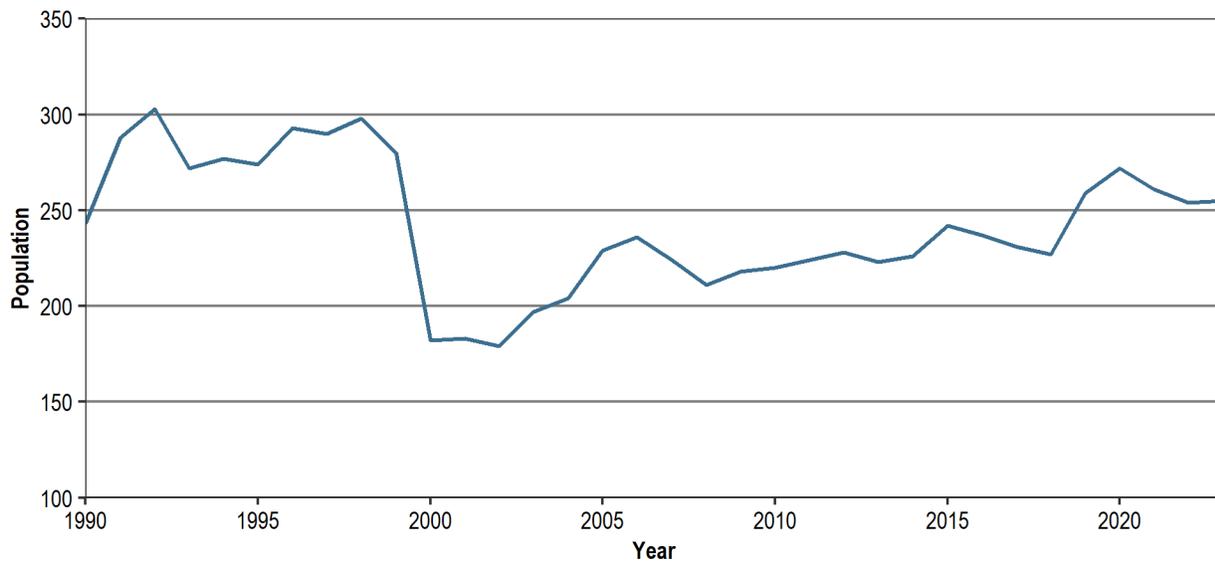
Community Overview

Whittier is located at the head of Passage Canal, to the northwest off Prince William Sound, in Southcentral Alaska. It is in an unincorporated area designated as the Chugach Census Area and is 61 road miles from Anchorage, 88 road miles from Seward, and 110 water miles from Valdez (Google Maps 2024, NOAA 2019). Development of the community took off in 1941, when the U.S. Army chose to construct a tunnel to connect it to the rail line in the event of a supply disruption at the Port of Seward (Alaska.org 2024). The community incorporated into the City of Whittier in 1969 (City of Whittier 2024d). Today, Whittier is home to fewer than 300 residents but offers access to the water and multiple tourism-focused goods and services for Alaskan and outside visitors.

Population and Demographics

Whittier was home to 255 residents in 2023 (ADOLWD 2024c). After a decline in the city’s official population to under 200 in 2000, it has been growing steadily over the last two decades, as shown in Figure 1.

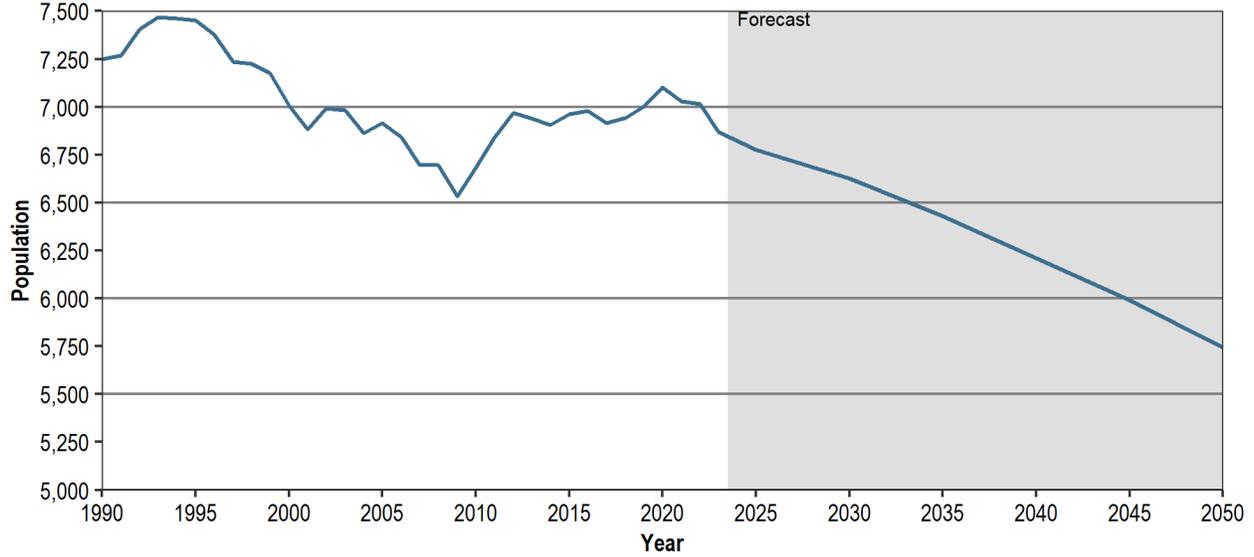
Figure 1. Historical Population, Whittier, 1990–2023



Source: ADOLWD (2013b, 2013c, 2022c, 2024b, 2024c) and Northern Economics analysis

The population in the broader Chugach Census Area (Figure 2) has mostly remained flat during the last two decades, and the Alaska Department of Labor and Workforce Development (ADOLWD) projects the census area’s population to decline by about 1,000 people by 2050.

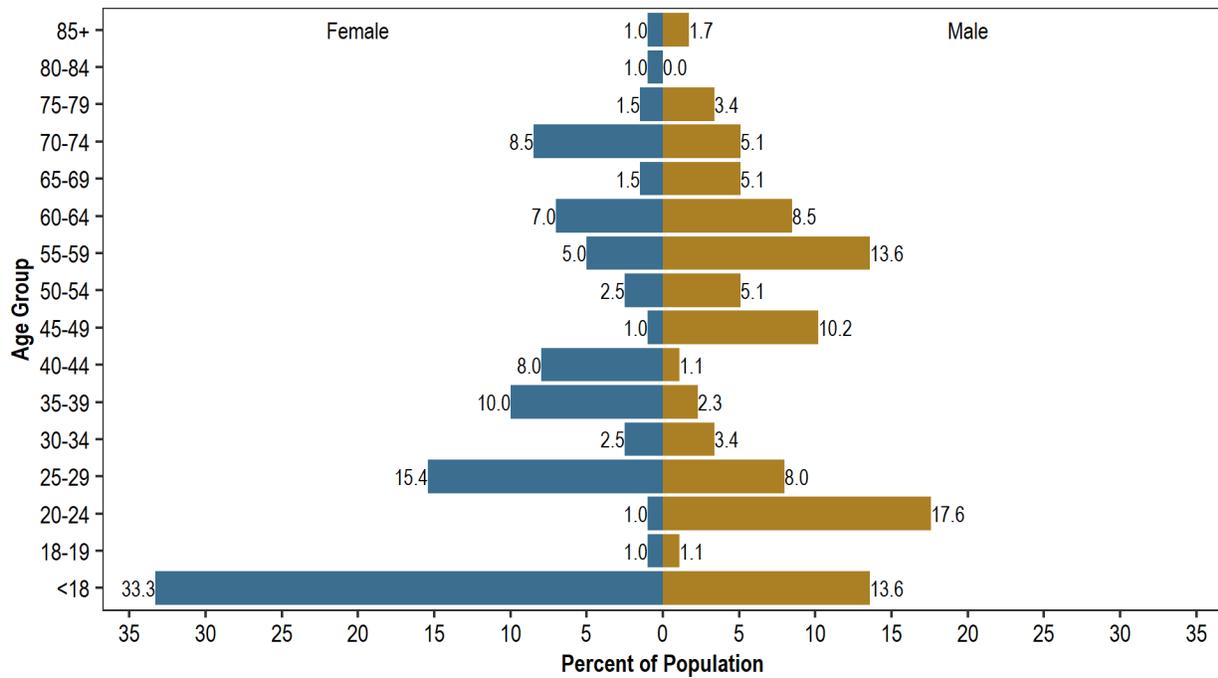
Figure 2. Historical (1990–2023) and Projected (2024–2050) Population, Chugach Census Area



Source: ADOLWD (2013a, 2022a, 2022b, 2024b, 2024c)

The U.S. Census Bureau (USCB) estimates that Whittier has a large population of children under the age of 18, especially young women (Figure 3). Note that these estimates have a large margin of error.

Figure 3. Population Pyramid for City of Whittier, 5-Year Estimate, 2018–2022



Source: USCB (2024) and Northern Economics analysis

Housing and Land Ownership

Whittier is a unique community with respect to its housing. The limited amount of land for housing may impact Whittier’s housing future with respect to having sufficient housing for a local workforce to capture economic opportunities. The unique nature of the existing housing in the Begich Towers Incorporated (BTI) building may attract some workers and their families, but it may turn away other workers who want a different lifestyle. As noted in McKinley Research Group (2019), residents are frustrated with the condition of the BTI building and a perceived concentration of power in the facility. The report identifies the need for a new, 200-unit or larger multi-family residential building to accommodate Whittier’s population. Identifying areas where additional housing could be developed could help to support future economic growth.

Most of the town’s residents live in the 14-story, 196-unit BTI building, which was built during the cold war in 1954. As a result of Whittier’s military history, 93.1% of housing units in Whittier were constructed between 1940 and 1959. The building is also home to a general store and the post office. It is also connected to the school via a tunnel. In addition to the BTI building, the Whittier Manor facility was built in 1986. In Whittier, there are an estimated 347 housing units, 45% of which are occupied and 55% are vacant according to USCB (2024) estimates. Some of the vacancy could be explained by vacant crew housing based on the timing of USCB data collection, since housing data is sampled and conducted at different times of the year, A little over half of vacant units are for seasonal, recreational, or occasional use (USCB 2024), with the remainder likely within Begich towers.

Additionally, most people living in Whittier do not own their homes, with only 27.7% of housing units owner-occupied. Most homeowners do not have a mortgage on their home (88.4%), and the median monthly ownership costs for those without a mortgage is \$643. There were only 5 housing units with mortgages, and 1 unit had monthly owner costs between \$500 and \$999, while the other 4 were between \$1,500 and \$1,999. Among those who rent their homes, 92% of people paid between \$500 and \$1,499 per month in gross rent, the majority of which is between \$500 and \$999. Median gross rent in 2022 dollars is \$957 (USCB 2024).

Table 1 shows the various types of housing available in Whittier and in the State of Alaska. Since most residents live in the BTI building, it is not surprising that 75.8% of housing units in Whittier are in a structure with 20 or more units. This type of housing is unusual in the state, with only 4.9% of housing units in Alaska found in this type of large structure. There is also some housing Whittier in lower-density multifamily structures, ranging from as few as 5 units to as many as 19 units. Additionally, there are very few single-family detached housing units in Whittier (3.7% of housing units), while in Alaska they are the most common housing unit type (63.3%) (USCB 2024).

Table 3 shows the number of bedrooms in housing units in Whittier and Alaska. Housing units with more than 3 bedrooms are unusual in Whittier, making up less than 5% of housing units. In Alaska, 19% of housing units have greater than 3 bedrooms. Additionally, Whittier has many more studio housing units with no bedrooms compared with the state (21.6% versus 6.4%, respectively) (USCB

2024). While this is not particularly surprising given that most residents live in high density housing, it is something that makes Whittier unique among Alaskan communities.

Table 1. Housing Types in Whittier and Alaska, 5-Year Estimate, 2018–2022

Housing Units in Structure	Whittier	Alaska
1-unit, detached	3.7%	63.3%
1-unit, attached	0.0%	7.7%
2 units	0.0%	5.3%
3 or 4 units	0.0%	7.3%
5 to 9 units	8.9%	4.6%
10 to 19 units	11.0%	2.8%
20 or more units	75.8%	4.9%
Mobile home	0.0%	4.1%
Boat, RV, van, etc.	0.6%	0.1%

Source: USCB (2024)

Table 2. Owner-Occupied Housing Value (2022 Dollars), Whittier and Alaska, 5-Year Estimate, 2018–2022

Value	Whittier	Alaska
Less than \$50,000	11.6%	5.5%
\$50,000 to \$99,999	44.2%	4.0%
\$100,000 to \$149,999	20.9%	4.9%
\$150,000 to \$199,999	18.6%	7.3%
\$200,000 to \$299,999	0.0%	24.1%
\$300,000 to \$499,999	4.7%	38.3%
\$500,000 to \$999,999	0.0%	14.6%
\$1,000,000 or more	0.0%	1.2%
Median (dollars)	\$79,500	\$318,000
Mortgage Status		
Housing units with a mortgage	11.6%	61.0%
Housing units without a mortgage	88.4%	39.0%

Source: USCB (2024)

Table 3. Number of Bedrooms per Housing Unit, Whittier and Alaska, 5-Year Estimate, 2018–2022

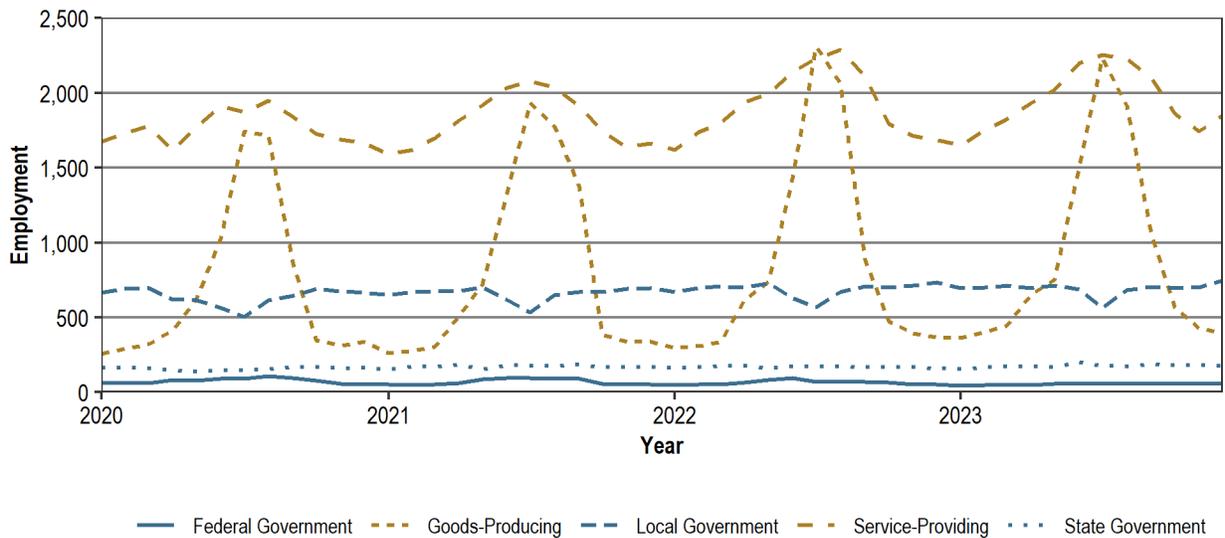
Number of Bedrooms	Whittier	Alaska
No bedroom	21.6%	6.4%
1 bedroom	11.5%	13.2%
2 bedrooms	31.7%	25.9%
3 bedrooms	30.5%	35.2%
4 bedrooms	3.2%	15.6%
5 or more bedrooms	1.4%	3.7%

Source: USCB (2024)

Employment and Wages

Employment is tracked by ADOLWD at the census area level, though Whittier’s employment is anticipated to be similar to that of the Chugach Census Area due to its location and large tourism industry. Figure 4 shows the seasonal fluctuation of employment in the private sector, especially in service-providing industries. Government employment is more stable, though federal employment still increases somewhat during the summer months and local employment dips.

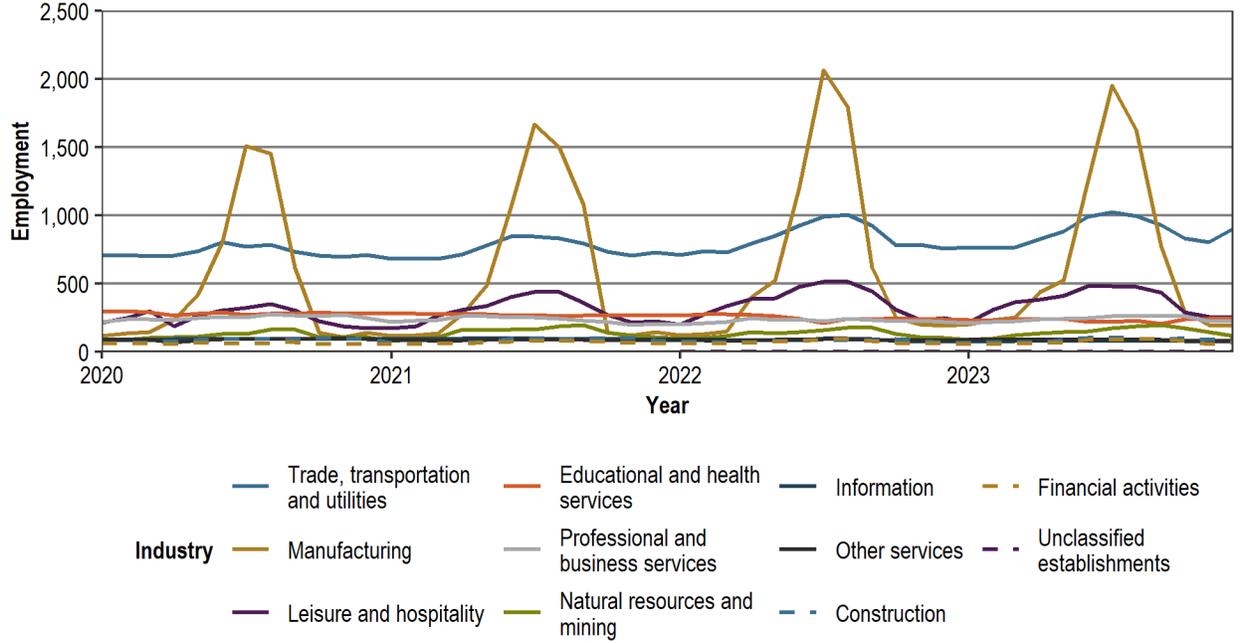
Figure 4. Employment in Chugach Census Area, 2020–2023



Source: ADOLWD (2021, 2024d, 2024e, 2024f, 2024g)

Figure 5 shows the seasonality of employment by industry. While there are a lot of industries shown in the figure, a few stand out. The manufacturing industry has the largest variation in employment, from close to zero during the winter to nearly 2,000 in the summer of 2023. This industry includes fish processing, which spikes midyear. Trade, transportation, and utilities, which has a higher level of employment overall but also spikes in the summer. Finally, leisure and hospitality exist year-round but increase in the summer. Each of these three industries has a strong tie to tourism. Specific activities within tourism fall under different sectors. For example, fishing guides are under leisure and hospitality, while rentals of recreational goods (motorized or non-motorized) fall under trade, transportation and utilities. Campgrounds are classified as leisure and hospitality.

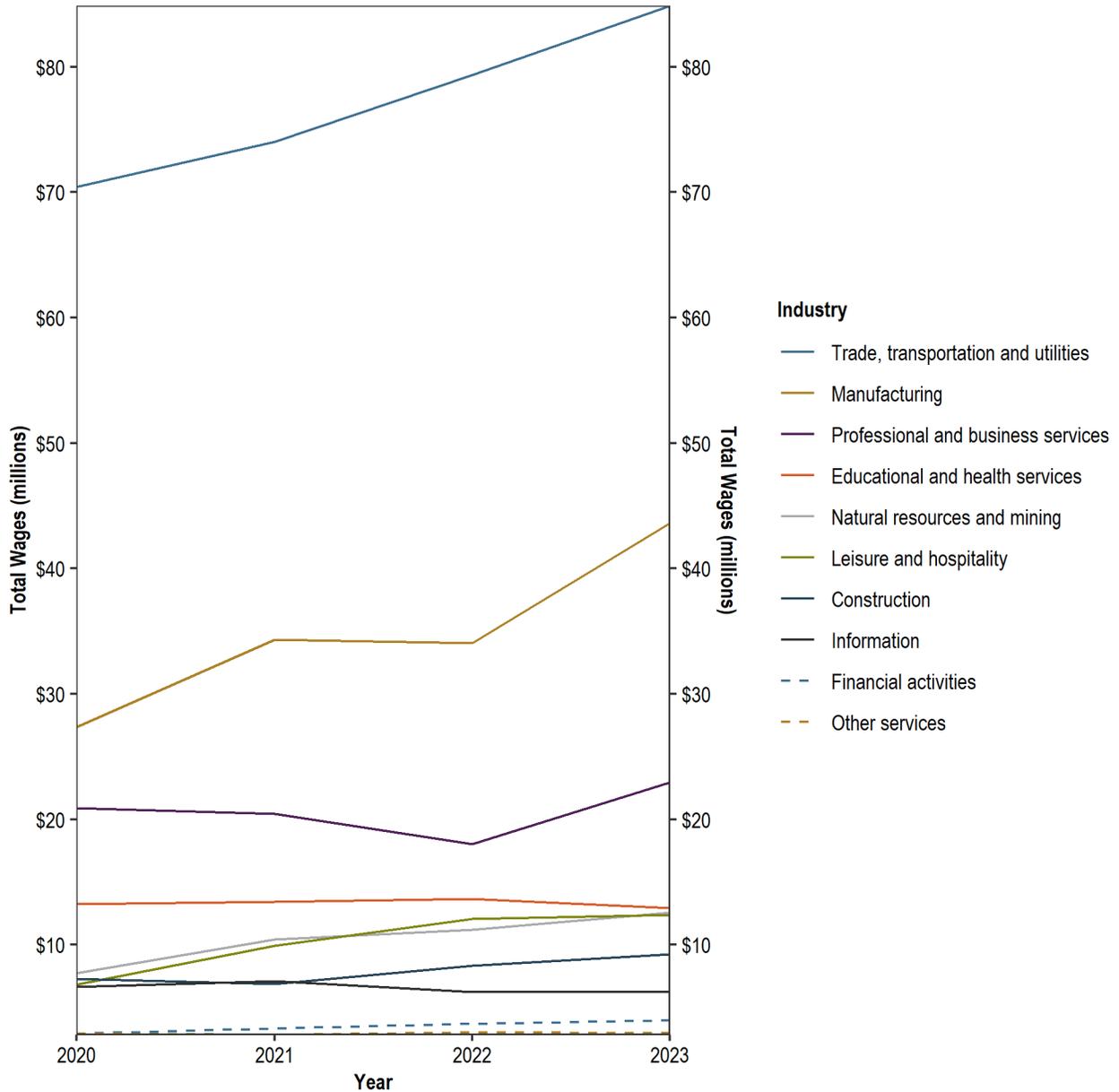
Figure 5. Employment by Industry in Chugach Census Area, 2020–2023



Source: ADOLWD (2021, 2024d, 2024e, 2024f, 2024g)

Total wages by industry, as shown in Figure 6, generally follows the order of employment shown in the prior figure, though total wages from the leisure and hospitality industry are below those of professional and business services and educational and health services, each of which tend to feature high-paying jobs.

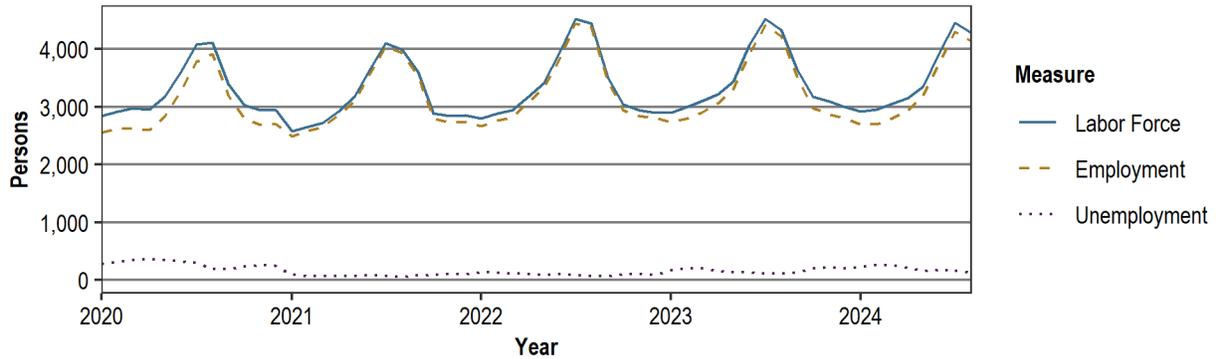
Figure 6. Total Wages by Industry in Chugach Census Area, 2020–2023



Source: ADOLWD (2021, 2024d, 2024e, 2024f, 2024g)

Figure 7 shows the size of the labor force and the employment and unemployment rates in the census area. As with employment, the labor force and employment rate peak in the summer as there are more tourism-related jobs and the population increases with the seasonal workers who fill many of those jobs.

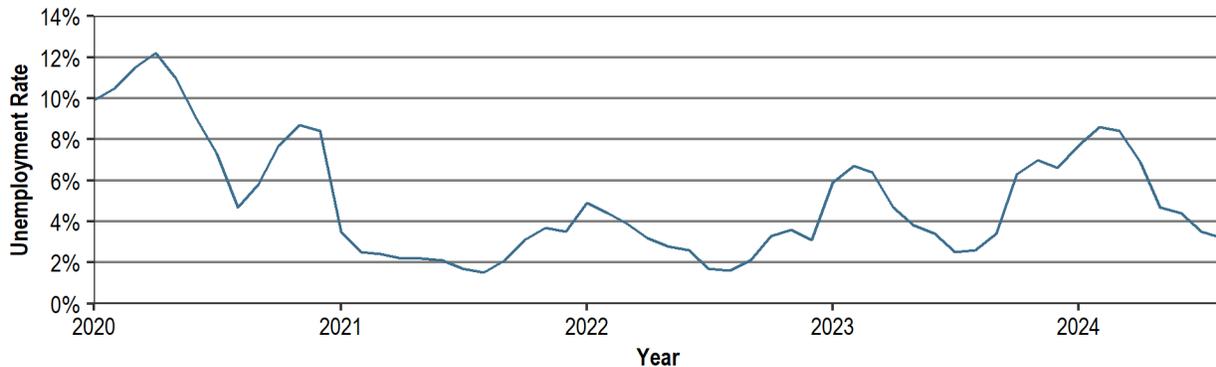
Figure 7. Labor Force, Employment, and Unemployment in Chugach Census Area, 2020–2024



Source: ADOLWD (2024a)

Figure 8 provides more detail about the unemployment rate over time, indicating the ability of individuals looking for work to find it. Other than the pandemic year of 2020, which affected the availability of jobs, the unemployment rate is generally under 9% and spikes during the winter months. Unemployment in the Chugach Census Area seems to have been growing over the last three years, both in its summer lows and its winter highs.

Figure 8. Unemployment Rate in Chugach Census Area, 2020–2024



Source: ADOLWD (2024a)

Development of the Head of Bay could create demand for additional workers and support businesses, potentially providing employment opportunities for unemployed residents. The scale of the need is not known at this time, and the ability of jobs to be provided by residents will depend on the nature

and magnitude of the opportunities and sufficient housing for any imported workforce to become residents.

Personal Income

Table 4 shows annual household incomes in Whittier and Alaska. There are two large points of difference between Whittier and Alaska with respect to household incomes. The first is the share of households earning \$200,000 or more. In Whittier, only 3.2% of households earn \$200,000 or more, while across Alaska 12.3% of households fall into this category. The second is the share of households earning between \$35,999 and \$49,999 annually. In Whittier, just over 25% of households fall into this income range. However, in Alaska only 9.4% of households fall into this range.

Residents of Whittier earn \$30,928 per capita, which is less than the \$42,828 per capita income in Alaska as a whole (USCB 2024). Similarly to per capita income, Whittier residents have lower household incomes compared with Alaska as a whole. The median household income in Whittier is \$48,828, which is 43% less than the Alaska median household income. Additionally, the mean household income in Whittier is \$69,677 and \$110,602 in Alaska.

Table 4. Household income (2022 Dollars), Whittier and Alaska, 5-Year Estimate, 2018–2022

Household Income	Whittier	Alaska
Less than \$10,000	7.10%	3.90%
\$10,000 to \$14,999	4.50%	2.50%
\$15,000 to \$24,999	9.70%	5.80%
\$25,000 to \$34,999	8.40%	5.50%
\$35,000 to \$49,999	25.20%	9.40%
\$50,000 to \$74,999	12.90%	15.70%
\$75,000 to \$99,999	9.00%	14.20%
\$100,000 to \$149,999	11.60%	19.70%
\$150,000 to \$199,999	8.40%	11%
\$200,000 or more	3.20%	12.30%
Median income (dollars)	\$48,828	\$86,370
Mean income (dollars)	\$69,677	\$110,602

Source: USCB (2024)

Table 5 shows the sources of household income in Whittier, Kenai Peninsula Borough (KPB), Chugach Census Area, and Municipality of Anchorage (MOA) (USCB 2024). Among these areas, Whittier has a substantially higher share of households with income from cash public assistance or food stamps/SNAP (31% of households in Whittier, while the next closest is 12%). Whittier has a relatively low share of households with retirement income at 18.7%, the lowest among the areas included in the table. Whittier also has a relatively high percentage of households with social security income (34.2%).

Table 5. Sources of Household Income, 5-Year Estimate, 2018–2022

	Whittier	Chugach Census Area	Kenai Peninsula Borough	Municipality of Anchorage
Percentage of households with earnings	78.1%	86.7%	72.1%	85.1%
Percentage of households with interest, dividends, or net rental income	31.6%	29.0%	41.8%	42.0%
Percentage of households with Social Security income	34.2%	26.0%	35.4%	21.1%
Percentage of households with Supplemental Security Income (SSI)	3.2%	2.2%	4.8%	4.6%
Percentage of households with cash public assistance or food stamps/SNAP	31.0%	10.9%	12.0%	12.0%
Percentage of households with retirement income	18.7%	21%	27.4%	22.9%
Percentage of households with other types of income	61.9%	57.3%	36.0%	29.8%

Source: USCB (2024)

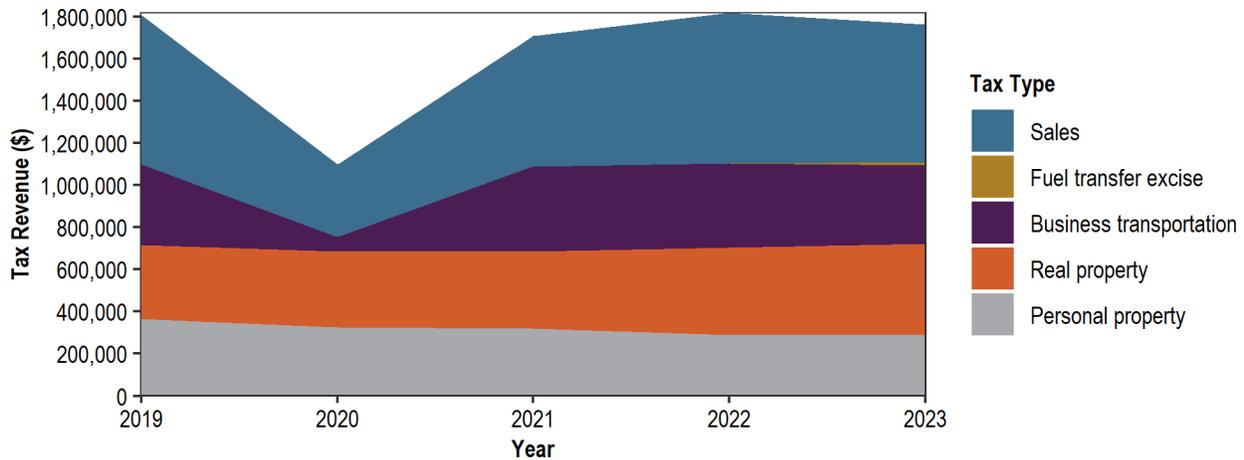
Revenue Overview

City Tax Revenues

This section provides an overview of city revenues from taxes. Financial information for Delong Dock and Whittier Harbor is shown later, under *Port and Harbor Operations*. The City of Whittier receives around \$1.7–1.8 million annually from five categories of taxes. Over the last five years, personal property¹ tax revenue has been declining while real property tax revenue has been growing, totaling about \$700,000 each year. One-third of the city’s tax revenue comes from sales tax, except for the 2020 dip that affected sales and business transportation taxes.² Tax revenues are shown in Figure 9.

According to the city tax roll, the total assessed value of real property in Whittier was \$52 million in 2024 (Whittier 2024f). Commercial property accounted for 41% of the total taxable value and condominiums and residential properties were another 53%. Vacant property accounted for the remaining 6%. Applying the 2024 taxable value to the property tax revenues for 2023 (City of Whittier 2024a) suggests that real property tax revenues from commercial properties were \$296,500 of the \$721,400 total.

Figure 9. City of Whittier Tax Revenues. 2019–2023



Source: City of Whittier (2020, 2021, 2022, 2023b, 2024a)

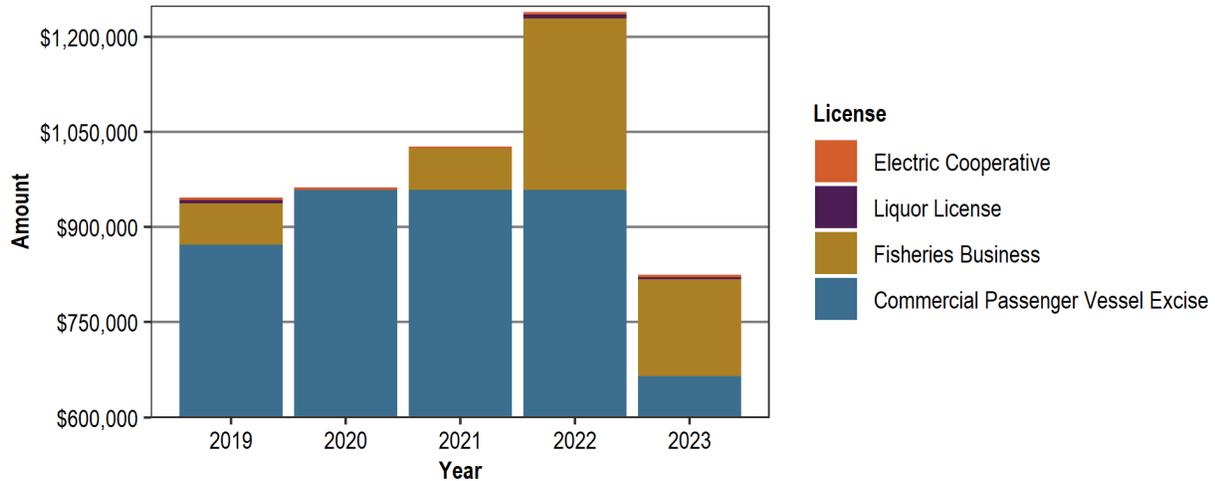
The city also received shared taxes from the State of Alaska, predominantly from the Commercial Passenger Vessel (CPV) Excise Tax and Fisheries Business Tax (Figure 10). Overall, these taxes dropped in 2023 relative to their average values over the prior four years (see notes under the

¹ Personal property is defined as any property that is not defined as real property. It includes motor vehicles and boats.

² Whittier was originally collecting sales tax for only 6 months of the year. Effective January 2025, taxes will be collected year round. This will increase sales tax revenues, though the extent of the increase cannot be determined at this time.

figure). Each is subject to volatility, however, based on cruise ship itineraries (since the tax is only paid to the first several ports of call) and seafood processing activity. With additional cruise vessels arriving in 2025, the CPV revenues are expected to increase.

Figure 10. Shared Tax Revenues Received by City of Whittier, by License Type, 2019–2023



Notes: The City of Whittier received actual CPV revenue in 2020 (\$958,385). Due to COVID-19, the 2021 and 2022 amounts shown were actually legislative appropriations of \$958,385 in each year. After a dip in 2023 caused by a slow year of ramping up, activity has returned to normal and the 2024 CPV revenue exceeds \$1 million, though the 2024 shared revenue report is not yet out to show that.

Source: ADOR (2020, 2021, 2022a, 2022b, 2023)

Harbor Moorage Rates

From a market rates perspective, Whittier’s harbor moorage rates are generally higher than that of its peers in Seward and Valdez, as described below. However, the relatively high rates can be justified by the strong demand for its harbor, travel cost savings due to its location, and residency of its user base. Whittier is located near the MOA and Matanuska-Susitna Borough (MSB) and has strong demand from that population center. Its location also offers a shorter road distance for that population to access Prince William Sound. Approximately 85% of stall usage in Whittier Harbor comes from that population (see *Whittier Harbor* section). These three factors help to explain how it can charge a high moorage rate, and how it could likely raise rates and still have a large waitlist (which is primarily occupied by MOA residents).

Whittier charges daily transient use at \$1.22 per foot and monthly at \$17.53 per foot in the summer. It offers a winter rate of \$51.55 per foot that covers October 1–March 31. Preferential moorage is billed annually at a rate of \$76.90 per foot (City of Whittier 2023a).

By comparison, Seward charges transient users a daily rate of \$0.86 per lineal foot and an annual rate of \$62.80 per lineal foot. Monthly moorage is 18% of the annual rate (\$11.30) and semi-annual

moorage is 60% (\$37.68). Reserved moorage is offered on a semi-annual basis at a rate of \$28.55 per lineal foot (City of Seward 2024).

Valdez charges transient users of its A–W Docks a rate of \$0.80 per foot per day and an annual rate of \$58.36 per foot for boats in the 24–40-foot range and \$62.74 per foot for boats over 40 feet. At its Tour Dock, it charges \$1.50 per foot daily and \$92.27 annually. Reserved moorage is charged on boats based on the length of boat (\$50.74 per foot for 24–40 feet and \$54.55 per foot for 48 feet or longer) or the length of the stall, whichever is greater (City of Valdez 2023).

The private Cliffside Marina charges moorage on a monthly basis. Forty-foot slips are \$780 per month, 50-foot slips are \$1,040 per month, and 60-foot slips are \$1,350 per month (Cliffside Marina 2011). On a per foot basis on the stall length, those monthly costs amount to \$19.50, \$20.80, and \$22.50, respectively. Each of these per-foot rates exceeds those in the Whittier Harbor. In addition to moorage, tenants pay real property tax on their condominium that the moorage affords them, as well as personal property tax on their vessel (as do tenants of Whittier Harbor).

The higher rates charged at the Cliffside Marina and the real property taxes charged for the condominiums represent a potential for the city to raise rates in Whittier Harbor, as long as the users perceive level of service and other benefits to justify the rates.

Lease of City Lands

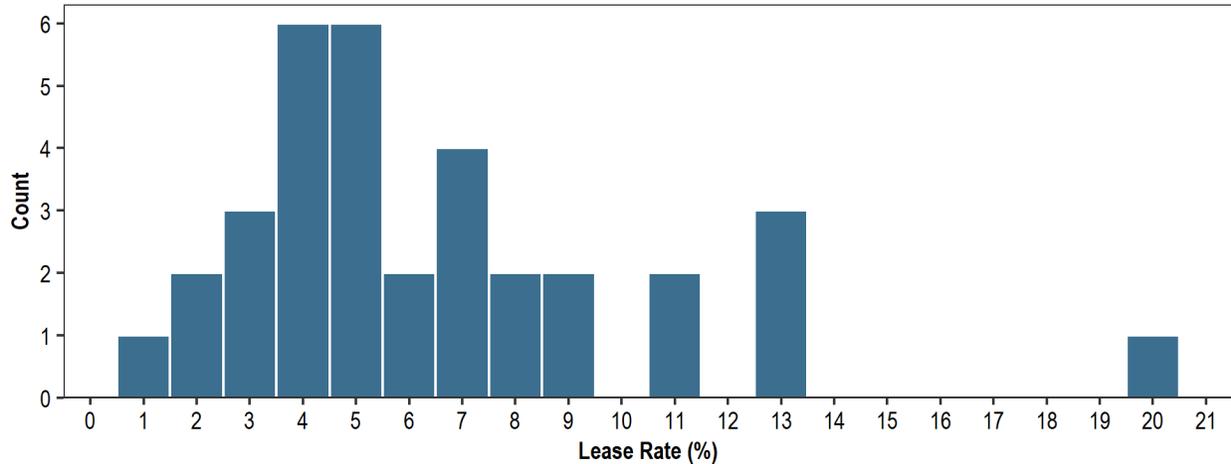
Under the Code of Ordinances, city-owned property “shall be leased at no less than ‘fair market rent,’ which is defined as no less than 10% of the “fair market value.” That value is defined by an appraisal (or estimated value), at the time it is appraised. The code requires appraisals to be completed with each new or transferred lease, and within two years of each lease renewal, though the lease rate cannot be increased more often than every five years (City of Whittier 2024b). Unlike Seward and Valdez, the code does not explicitly state that appraisals must be completed each year, except for lands that the city has leased from the Alaska Railroad Corporation (ARRC). The ARRC master lease agreement requires the city to appraise the lands every five years. The City of Whittier has not appraised leased property according to the 5-year requirement, though it is currently pursuing a contractor to conduct appraisals.

For comparison, City of Seward (2023) notes that it leases city-owned property at an 8% rate, with the value of the property adjusted by appraisal every 5 years, and that most communities around the state charge 6% to 10% of the assessed value. City of Valdez (2024) specifies a lease rate of 10% of fair market value annually, also adjusted every fifth year.

The City of Whittier’s leased property is assessed at \$4.0 million and generates almost \$183,500 of annual lease revenue (City of Whittier 2024f). The revenue generated by these properties is 4.5% of its assessed value, which is less than half the fair market rent in the city’s code (City of Whittier

2024b). The histogram in Figure 11 shows the distribution of lease rates; all but six of the parcels have a rate under 10%.

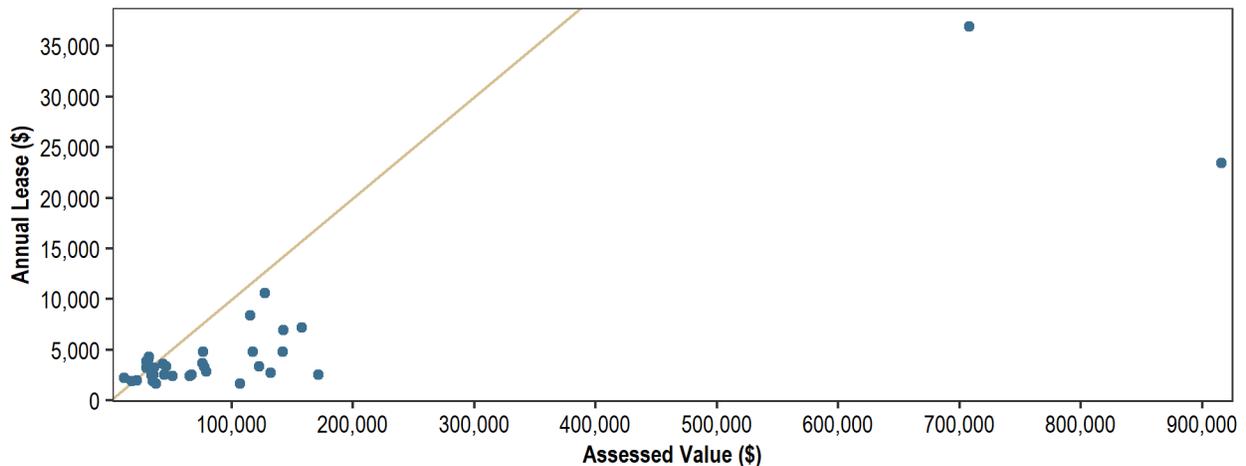
Figure 11. Distribution of Lease Rates (%)



Source: City of Whittier (2024f) and Northern Economics analysis

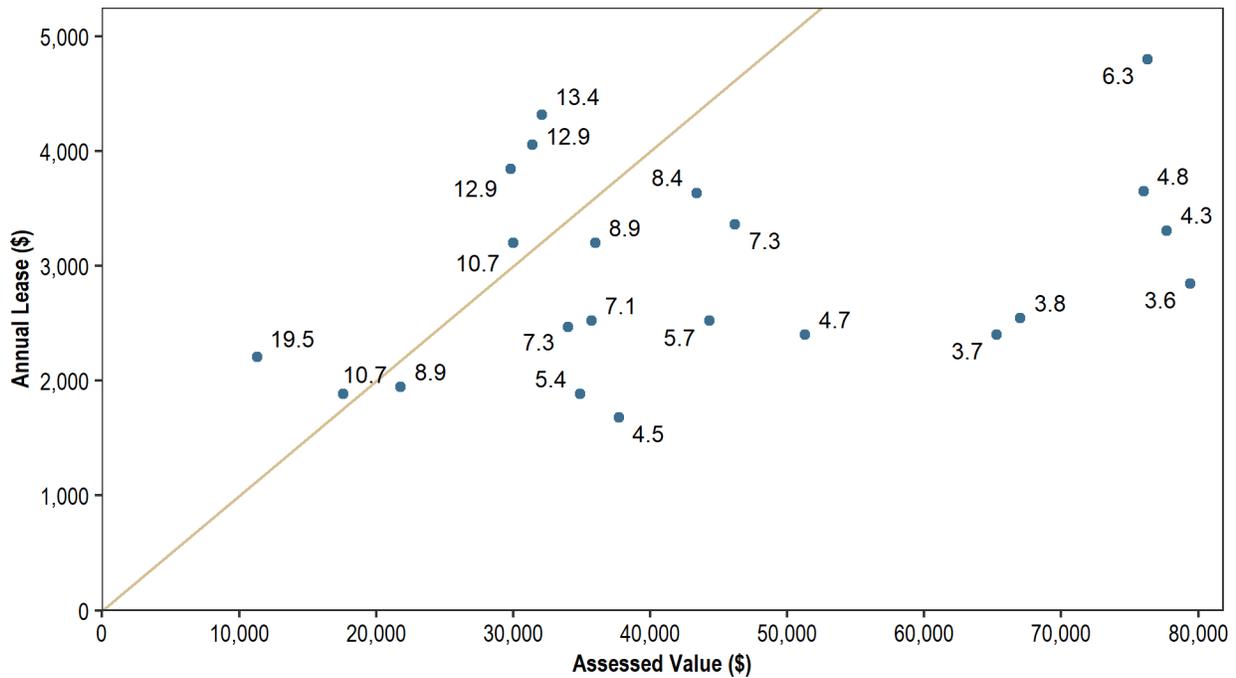
Figure 12 compares the annual lease revenue per parcel against the total assessed value of the land and improvements for each parcel. The line indicates the annual lease rate that each parcel would be paying, based on the assessed value and the fair market rent of 10%. Zooming in on the bottom left portion of the chart, Figure 13 shows the lease rate percentages for parcels assessed at under \$80,000. The six parcels with a lease rate over 10% are all valued under \$40,000, with the others ranging from 3.6% to 8.9%.

Figure 12. Assessed Value and Lease Rate for Each Leased Parcel



Source: City of Whittier (2024f) and Northern Economics analysis

Figure 13. Assessed Value and Lease Rate for Parcel Valued Under \$80,000



Source: City of Whittier (2024f) and Northern Economics analysis

If the city were to charge 10% of the assessed value of all parcels, reducing the rate for those six parcels and raising it for the others, the annual rental revenue would be \$393,920, an increase of \$215,904 over the current revenues (see Table 6). It is important to note, however, that the date of the last appraisal for each parcel is not readily available and therefore the potential revenue could be significantly higher when lease revenue is adjusted for both the appraised value and the 10% rate.

Table 6. Potential and Foregone Revenue from Charging Less Than 10% Lease Rate

Lease Location	Number of Parcels	Total Annual Rental (\$)	Total Assessed Value (\$)	Lease Rate (%)	Annual Rental at 10% Lease Rate	Forgone Revenue (\$)
Harbor View	9	27,069	765,500	3.5%	76,550	49,481
Harbor Loop	17	112,769	2,387,200	4.7%	238,720	125,951
Harbor Triangle	8	38,178	786,500	4.9%	78,650	40,472
Total	34	178,016	3,939,200	4.5%	393,920	215,904

Source: City of Whittier (2024f) and Northern Economics analysis

Industry Overview

This section covers three major waterfront-related industries: tourism, commercial fishing, and cargo and transportation.

Tourism

Whittier serves cruise ship visitors, ferry passengers, and in-state visitors who come for recreational activities.

Cruise Ship Visitors

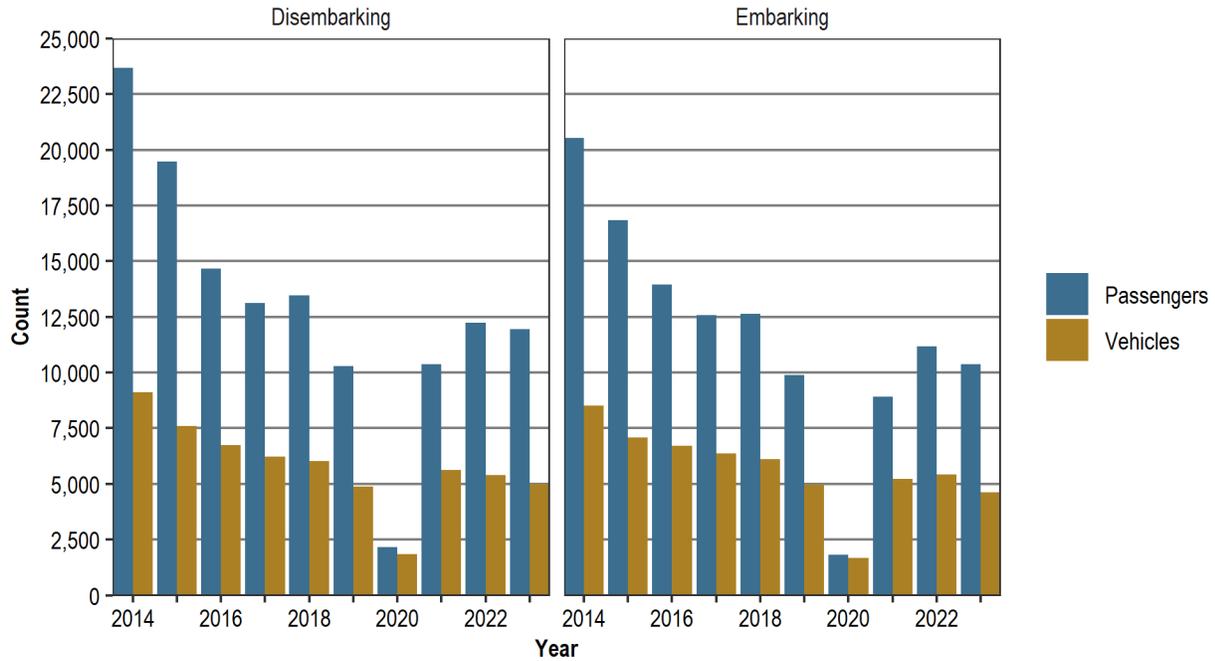
City of Whittier (2024c) provided a general overview of cruise ship activity and visitors: Over the past 5 years Whittier has received ships starting the second week of May through mid-September during the weekends. One ship arrives on Friday evening (2200) and that vessel departs on Saturday evening around 2100-2200. The departing vessel passes an inbound ship that moors at around 2200-2300 Saturday evening and that vessel will depart around 2100-2200 Sunday evening. The community also receives a ship every other Wednesday for a total annual visit of 46 ships. The average time for vessels in port is 20-22 hours. Whittier didn't receive any vessels in 2020 due to Covid-19. With the addition of the Huna-Totem partnership with Norwegian Cruise Line (NCL), the city expects to receive additional vessels for a total of 72 annually. It is not clear there will be any other changes to cruise service in Whittier, such as length of time in the community or additional demand for locally-provided services.

Northern Economics contacted the Cruise Line Agencies of Alaska to request additional information about cruise ship visitors to Whittier but did not receive information back in time for the publication of this report.

Ferry Passengers

Whittier receives Alaska Marine Highway System (AMHS) ferries and is on a route that serves other communities in Prince William Sounds. Ridership has been steady in recent years, though it is down from 2014 and 2015. Figure 14 shows the number of passengers and vehicles that have disembarked or embarked in Whittier from 2014 through 2023.

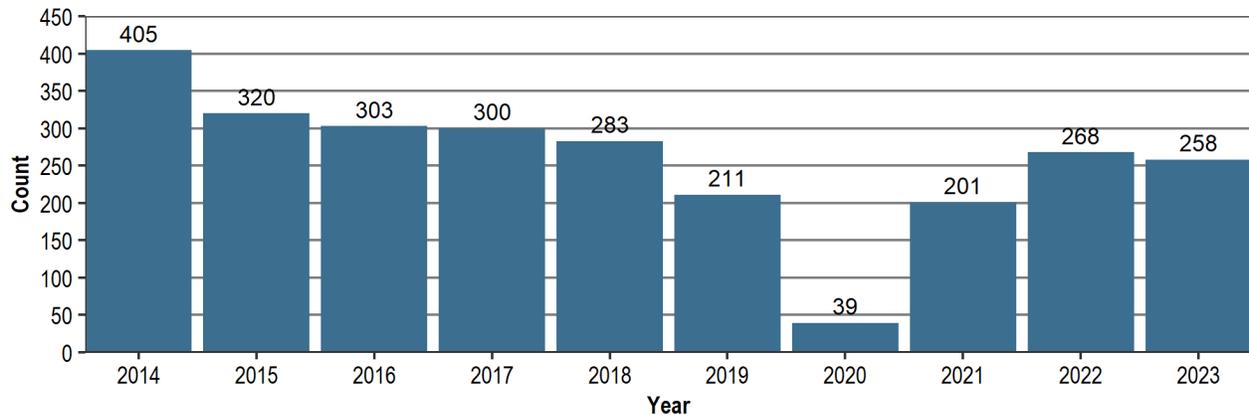
Figure 14. Ferry Passengers and Vehicles Disembarking and Embarking at Whittier, 2014–2023



Source: AMHS (2024a)

Figure 16 shows the number of ferry sailings at Whittier for 2014–2023, a figure that highlights the decline from 2014, when there were 405 sailings compared to 258 in 2023.

Figure 15. Ferry Sailings at Whittier, 2014–2023



Source: AMHS (2024a)

The *MV Aurora* and *MV Kennicott* serve Whittier.

MV Aurora is a smaller vessel, with a capacity of 250 passengers and 660 linear feet of vehicles (AMHS 2024b). She serves Prince William Sound and in 2023 reached a passenger capacity of 30.1% from Valdez to Whittier and 24.0% from Whittier to Valdez. The next highest capacity route in 2023 was

between Whittier and Tatitlek. The route between Whittier and Cordova was slightly under 15% capacity. Vehicle capacity (measured by linear feet sold) was between 47% and 63% out of Whittier was 70.4% from Valdez to Whittier.

MV Kennicott is a mainline ferry with a capacity of 499 passengers and 1,340 linear feet of vehicles when calling at Whittier (AMHS 2024c). She provides a cross-gulf connection between Whittier and Juneau. She generally has low passenger capacities to and from Whittier, though she operates at a much higher capacity for vehicles since she serves Juneau and Whittier offers a much shorter drive and entirely in-state drive from Anchorage than a ferry from Haines can offer. In 2023, she was at 96.0% capacity from Whittier to Juneau and 84.5% from Juneau.

Recreational Activities

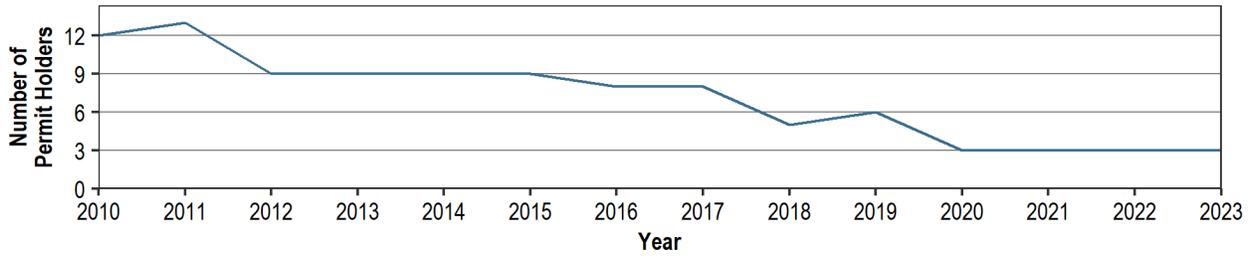
Whittier offers a variety of activities for visitors, making it an attractive destination for in-state as well as out-of-state visitors. Most activities near Whittier cater to people interested in seeing and experiencing the natural beauty of Alaska. Whittier's proximity to the Chugach Mountains and glaciers combined with its waterfront location make it a beautiful waterfront and mountain destination. Popular activities in the summer include fishing, boating, jet ski tours, sea kayaking, wildlife viewing cruises, fishing charters, biking, hiking, stand-up paddleboarding, and camping. Popular winter activities include recreational snowmobiling, snowmobile tours, heliskiing, snowshoeing, cross-country skiing, hunting, back-country skiing, and ice climbing. The Prince William Sound welcomes visitors year-round.

There are 76 businesses licensed with a physical address in Whittier (ADCCED 2024). Of those, 8 are categorized as arts, entertainment, and recreation (NAICS code 71) and 18 as accommodation and food services (NAICS code 72).

Commercial Fishing

In recent years, only 3 Whittier residents have held commercial fishing permits, down from a high of 13 in 2011 (CFEC 2024). Figure 16 shows the number of permit holders since 2010. Due to the small number of permit holders, information on earnings is withheld due to confidentiality constraints.

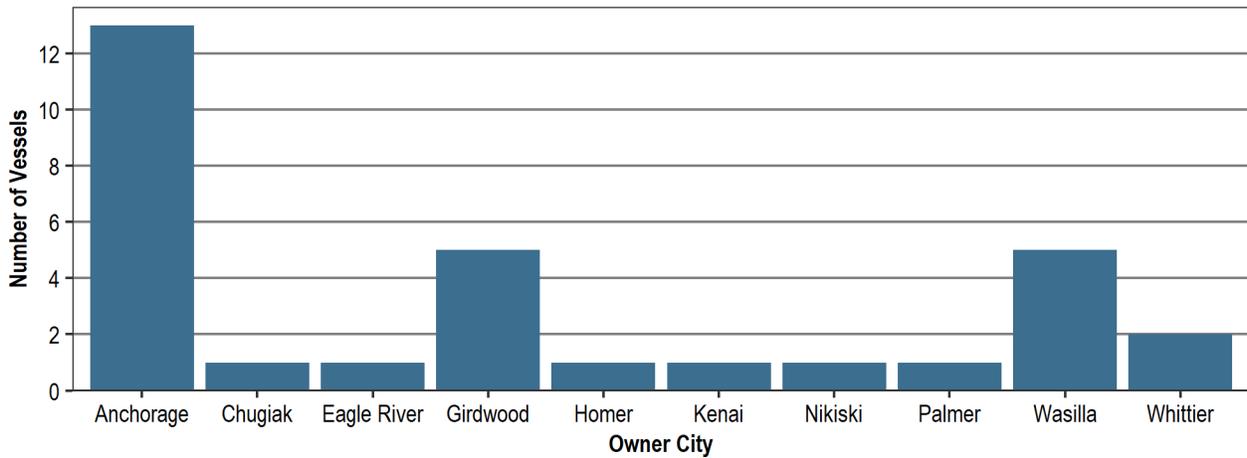
Figure 16. Number of Commercial Fishing Permit Holders Residing in City of Whittier, 2010–2023



Source: CFEC (2024) and Northern Economics analysis

Though only 3 Whittier residents have commercial fishing permits, Whittier Harbor is still used by commercial fishing vessels owned by residents of several communities around the state. Figure 17 shows the number of commercial fishing vessels homeported in Whittier, by city of residence. Anchorage, Girdwood, and Wasilla residents have the most vessels homeported in Whittier harbor.

Figure 17. Number of Commercial Fishing Vessels Home Ported in Whittier, by Owner City, 2024

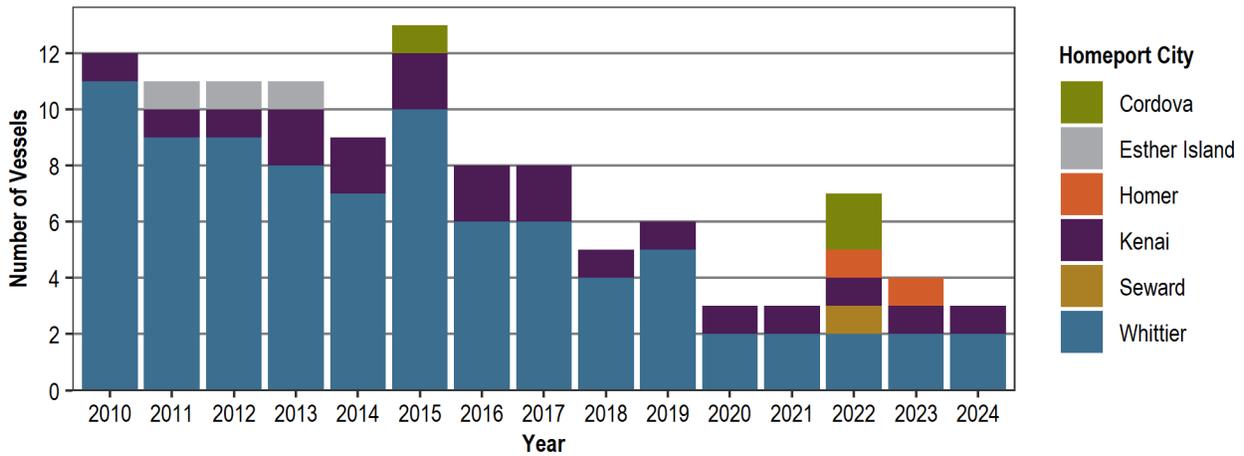


Source: CFEC (2024) and Northern Economics analysis

Despite its location, Whittier has a small number of commercial fishing users relative to other harbors on Prince William Sound. Contribution factors include Whittier’s insurance requirement, a lack of uplands to allow boat owners to pull their boat out of the water to do maintenance, and limited services and supplies needed for commercial fishermen relative to other harbors.

Figure 18 looks at the home port of commercial fishing vessels owned by Whittier residents. While in recent years only 2 vessels have been in Whittier Harbor, in the past there had been as many as 11 of them.

Figure 18. Commercial Fishing Vessels Owned by Whittier Residents, by Home Port Location, 2010–2024



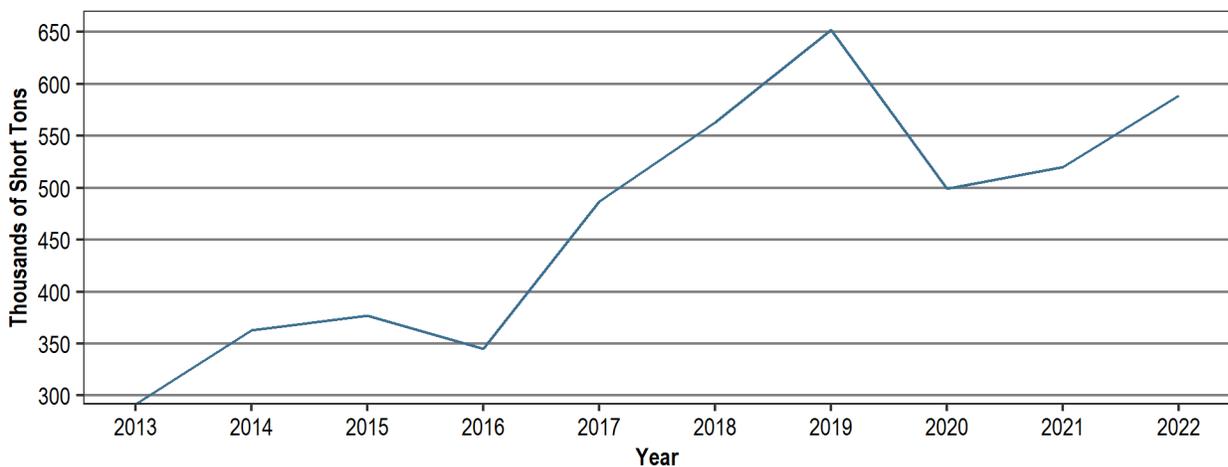
Source: CFEC (2024) and Northern Economics analysis

Cargo and Transportation

Waterborne Cargo

Facilities within Whittier’s municipal boundary, which essentially represents activity by ARRC, received 580 thousand short tons and shipped 9 thousand short tons of waterborne cargo in 2022. Manufactured equipment made up more than 70% of cargo. (WCSC 2024).

Figure 19. Waterborne Cargo Handled in Whittier, Thousands of Short Tons, 2013–2022



Source: WCSC (2024)

The Seward Master Plan (ARRC 2017) provides inbound and outbound cargo handled in Seward, Whittier, and Anchorage (each with ARRC access) and in Valdez for the prior years of 2004–2013.

Though dated,³ the cargo numbers have had coal removed from Seward’s cargo volumes and petroleum removed from Valdez’s to provide a better comparison of general cargo volumes handled in each community.

Table 7 presents total inbound and outbound freight by port for 2004–2013, excluding coal and petroleum.

Table 7. Total Cargo by Southcentral Alaska Port, Excluding Coal and Petroleum, 2004–2013

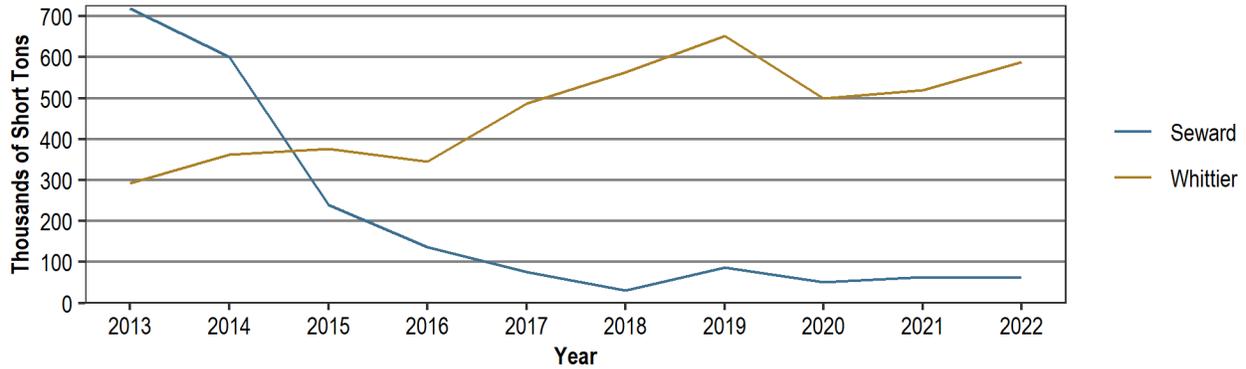
Port	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Inbound Freight (thousands of short tons)										
Seward	26.0	17.9	25.9	24.6	12.1	13.6	10.6	40.6	71.5	48.1
Whittier	208.1	247.7	264.3	251.4	266.1	316.4	259.5	247.0	253.1	280.6
Anchorage	2,129.8	2,535.6	2,298.6	2,005.6	1,989.5	1,862.2	2,452.4	2,645.3	2,520.7	2,286.6
Valdez	4.4	29.7	1.0	4.3	186.2	134.0	35.6	52.7	20.5	7.8
Total	2,496.2	3,008.7	2,962.6	2,801.0	2,635.4	2,485.0	2,923.8	3,352.6	3,104.0	2,965.2
Outbound Freight (Excluding Coal and Petroleum) (thousands of short tons)										
Seward	2.6	0.0	0.3	0.3	0.0	3.4	0.0	1.9	2.0	29.3
Whittier	47.1	24.9	32.2	18.3	10.0	11.9	11.5	10.4	8.5	11.7
Anchorage	122.1	180.9	138.6	141.6	156.7	129.6	148.0	164.2	152.8	151.0
Valdez	3.0	1.0	0.0	0.0	0.0	0.0	9.0	1.0	11.0	10.0
Total	286.3	327.3	235.9	218.1	253.9	190.6	302.9	248.4	286.0	370.1

Source: ARRC (2017)

Cargo data for more recent years are available from WCSC (2024) since 2013. As noted above, ARRC operates cargo ports in Seward and Whittier. Cargo handled in each of those ports is shown in Figure 20. Whittier’s cargo volume has grown over time, while Seward’s shrunk due to coal exports ending in 2016 (George 2024). Excluding coal, Seward’s cargo movements are relatively steady.

³ ARRC is working on a master plan for its Whittier Terminal, which should provide updated cargo data, but it is still a draft.

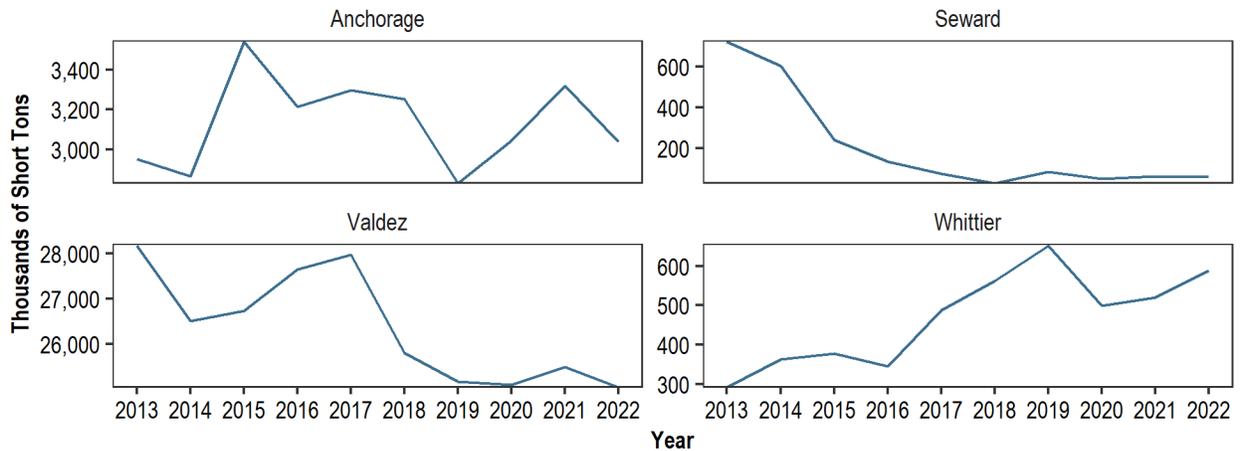
Figure 20. Waterborne Cargo Handled in Whittier and Seward, Thousands of Short Tons, 2013–2022



Source: WCSC (2024)

Figure 21 add Anchorage and Valdez to the cargo handling picture. Valdez handles the most cargo of the four ports, by an order of magnitude, driven by exported crude oil from the pipeline. Without petroleum included, Valdez’s cargo activity is lower than that of Seward and Whittier, as seen in the prior years in Table 7.

Figure 21. Waterborne Cargo Handled in Whittier and Comparison Ports, Thousands of Short Tons, 2013–2022

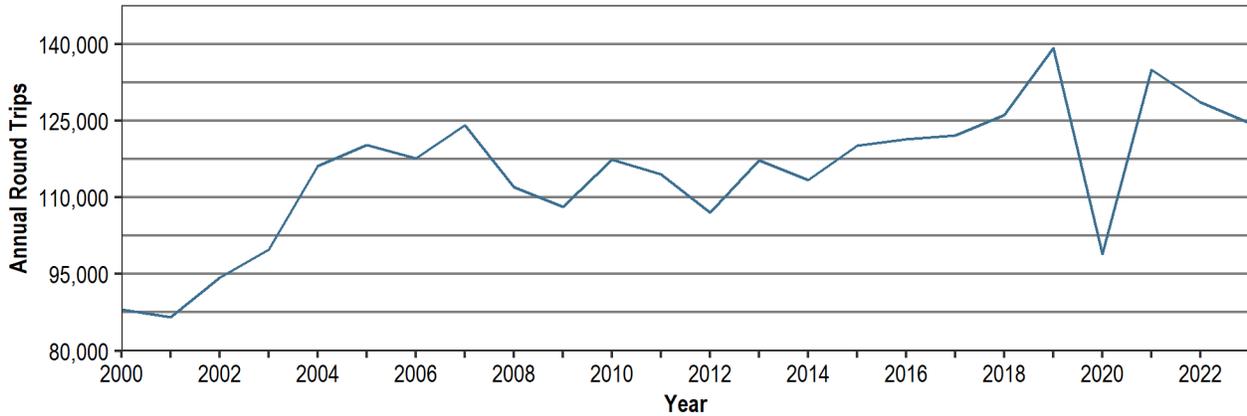


Source: WCSC (2024)

Tunnel Traffic

Road and rail access to Whittier relies on the Anton Anderson Memorial Tunnel to connect to facilities along Turnagain Arm. Figure 22 summarizes the road traffic in the tunnel for 2000–2023. In recent years, traffic has generally been higher than it was for much of the period, other than the 2020 dip.

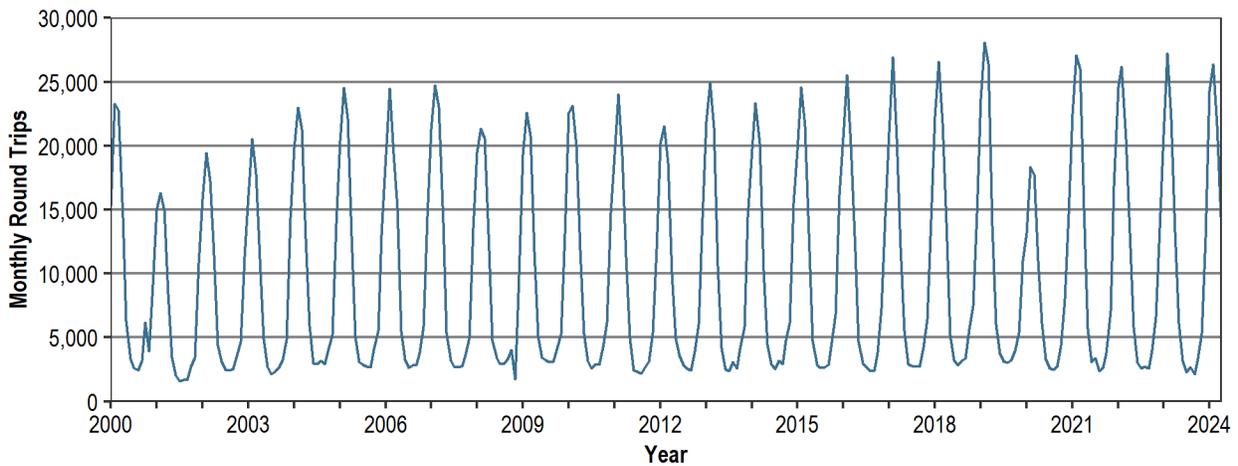
Figure 22. Whittier Tunnel Traffic by Year, 2000–2023



Source: ADOTPF (2024)

Figure 23 shows the seasonality of tunnel traffic, which expected peaks during the summer months due to tourism.

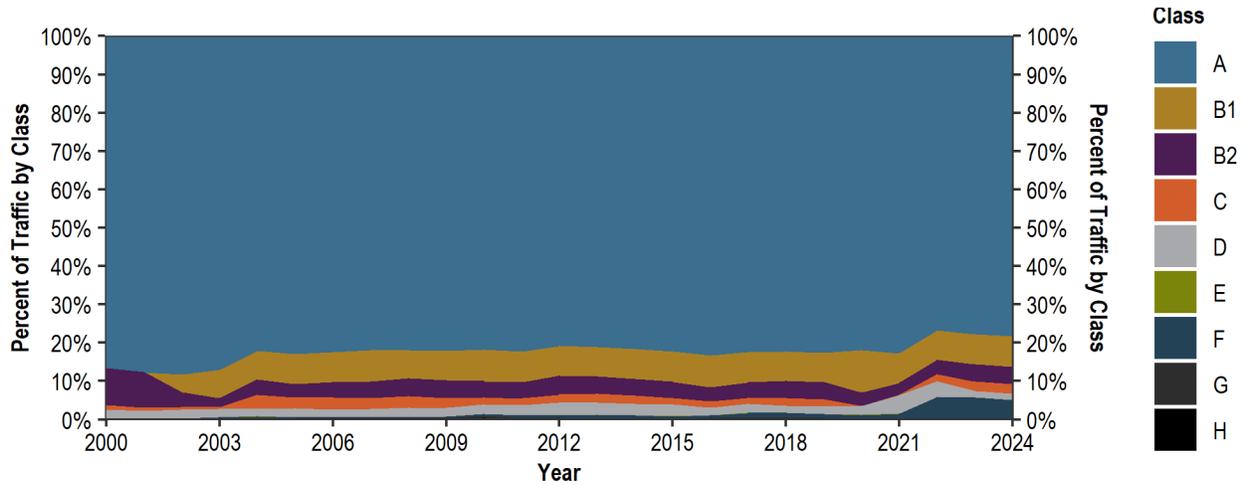
Figure 23. Whittier Tunnel Traffic, Monthly, June 2000–August 2024



Source: ADOTPF (2024) and Northern Economics analysis

The majority (approximately 80%) of traffic in the tunnel comes from class A passenger vehicles, with classes B1, B2, and C typically accounting for most of the remaining traffic. Since 2021, however, class D and F traffic has increased to 5%–10% of the total. Vehicle classes are summarized in Table 8, but in general passenger vehicles are class A, RVs and vehicles pulling trailers (including boats) are classes B1 or B2, and tour busses are class C. Class A vehicles account for about 80% of traffic and class B1 and B2 vehicles another 10%.

Figure 24. Tunnel Traffic by Vehicle Type, 2000–2024



Source: ADOTPF (2024) and Northern Economics analysis

Table 8. Vehicle Classes, Summarized from 17 AAC 38.025

Class	Description
A	<ul style="list-style-type: none"> Passenger vehicles that are not pulling trailers
B1	<ul style="list-style-type: none"> Passenger vehicles that are pulling trailers RVs under 28 feet that are pulling trailers RVs over 28 feet that are not pulling trailers Trucks with a gross vehicle weight under 12,000 pounds that are pulling trailers
B2	<ul style="list-style-type: none"> Passenger vehicles and recreational vehicles pulling trailers carrying boats, with a trailer width of 8.5–10 feet RVs over 28 feet that are pulling trailers Vans and buses designed to carry 10–29 people including the driver Trucks with a gross vehicle weight of 12,000 pounds or more with up to 3 axles in the down position that are not pulling trailers
C	<ul style="list-style-type: none"> Buses designed to carry 30 or more people including the driver
D	<ul style="list-style-type: none"> Trucks with a gross vehicle weight of 12,000 pounds or more with 4 or more axles in the down position that are not pulling trailers Trucks with a gross vehicle weight of 12,000 pounds or more with 3 or more axles in the down position that are pulling trailers Truck-tractors with a gross vehicle weight of 12,000 pounds or more that are pulling trailers Motor vehicles, including any trailer and load, if more than 8.5 feet wide, excluding mirrors, but no more than 10 feet wide and 14 feet high, and if the combined length of the vehicle, trailer, and any load is no more than 75 feet long Any vehicle that is not otherwise specified
E	<ul style="list-style-type: none"> Motor vehicles, including any trailer and any load, if they are more than 10 feet wide, excluding mirrors, but no more than 11 feet wide; or 14 feet high, but no more than 15 feet high
F	<ul style="list-style-type: none"> Motor vehicles exempt from tolls
G	<ul style="list-style-type: none"> Government motor vehicles, other than those that fall within class F
H	<ul style="list-style-type: none"> Unknown (not in 17 AAC 38.025)

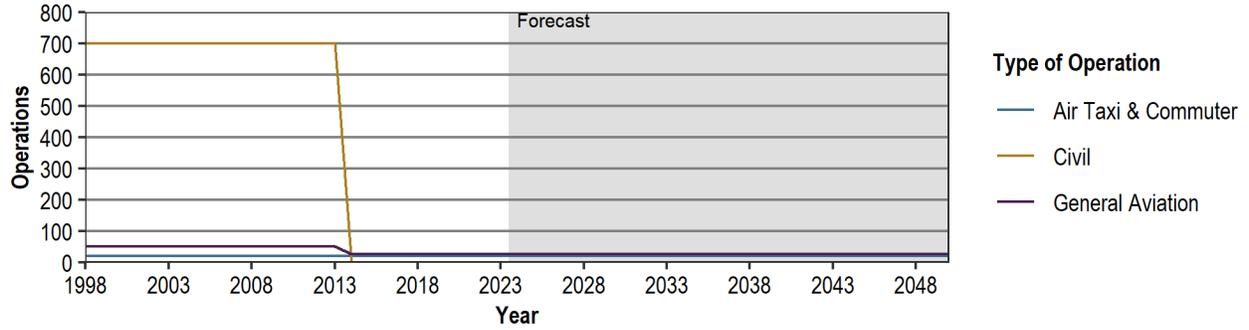
Note: Please refer to the Alaska Administrative Code for exact definitions, since this is an approximate summary for comparison purposes.

Source: Alaska State Legislature (2024) and Northern Economics analysis

Aviation

FAA (2024) shows no based aircraft at the Whittier Airport, though it reported 2 aircraft prior to 2011. Available FAA data are shown in Figure 25.

Figure 25. Historical (1998–2022) and Forecasted (2023–2050) Operations at the Whittier Airport



Source: FAA (2024)

Port and Harbor Operations

This section looks at city-owned and other facilities on Whittier’s waterfront.

In addition to the existing facilities described here, the Whittier Capital Improvements Plan (City of Whittier 2023c) includes several harbor-related projects to improve the floats, launch ramps, and uplands facilities, along with planned replacement of Delong Dock. At the Head of Bay, the city is also envisioning a new harbor along with other major uplands facilities like new parking lots, boat launch ramps, water and wastewater systems, and cruise facilities. These projects would help to address the harbor’s waitlist and improve the safety and reliability of port and harbor operations.

City of Whittier Facilities

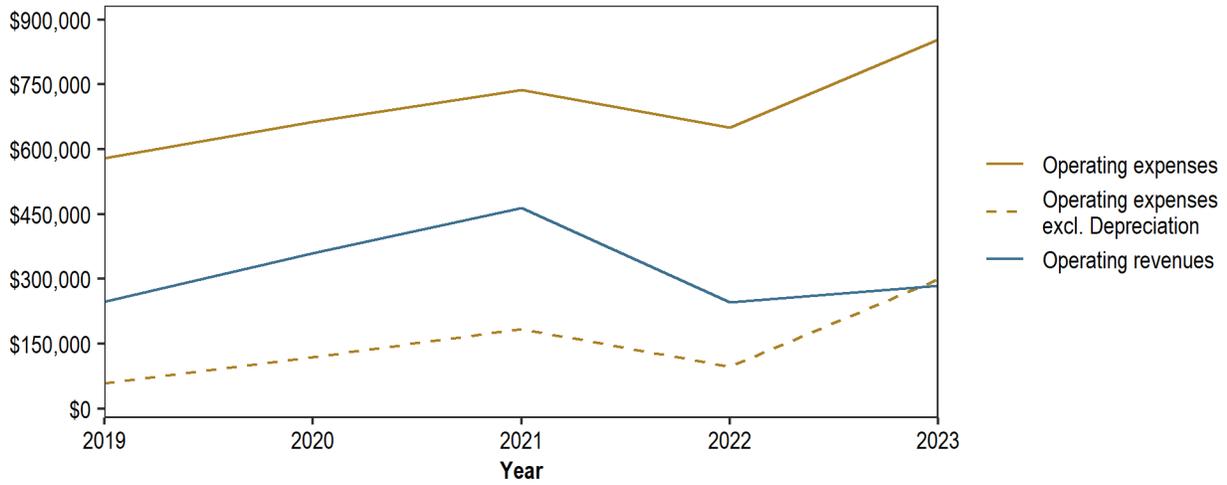
Delong Dock

Delong Dock had been used to offload refined fuels, but it is no longer used for that purpose. Over the years, it has been used as a raw fish offload point for Whittier Seafoods (2019–2023) and Copper River Seafoods. Whittier Seafoods did not operate in 2024 and has filed for bankruptcy.

The dock has operated at a financial operating loss for the last five years.⁴ Note that depreciation expense, which represents wear and tear on the dock over its useful life from an accounting standpoint, is included in the operating expenses. Depreciation was \$553,513 in 2023, making up most of the \$568,846 loss from operations. In 2019–2022, the dock did generate enough revenue to cover operating expenses excluding depreciation. Ideally, the excess revenue would be used to cover deferred maintenance and contributions to a replacement fund, though the city plans to replace the dock in the near future. Figure 26 shows the dock’s revenues and expenses for 2019–2023.

⁴ The increased expenses in 2023 were an anomaly for Delong Dock due to a Bad Debt expense of \$186,440 related to the doubtful collection of Whittier Seafoods’ charges. This largely explains the increase in expenses from 2022.

Figure 26. Operating Revenues and Expenses for Delong Dock, 2019–2023

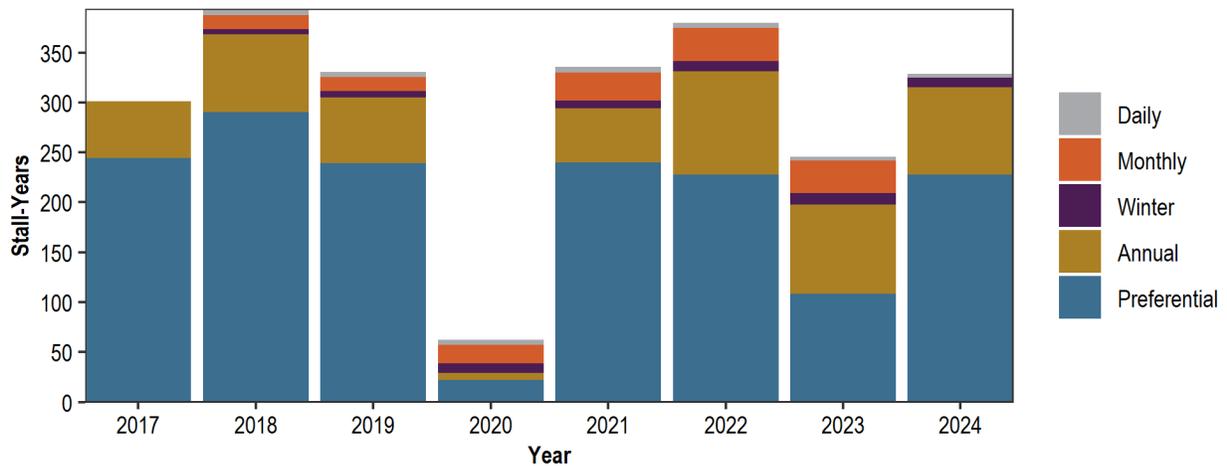


Source: City of Whittier (2020, 2021, 2022, 2023b, 2024a)

Whittier Harbor

Whittier Harbor has 360 total slips/berths, with 195 assigned and the remaining treated as transient (City of Whittier 2024c). A breakdown of harbor use by length of permit is shown in Figure 27. Preferential and annual moorage holders make up the bulk of use when standardized to the length of stay. Other than a dip in 2020 due to the pandemic and another dip in 2023, the level of use has been relatively consistent.

Figure 27. Harbor Use Based on Duration, Standardized to Stall-Years, 2017–2024

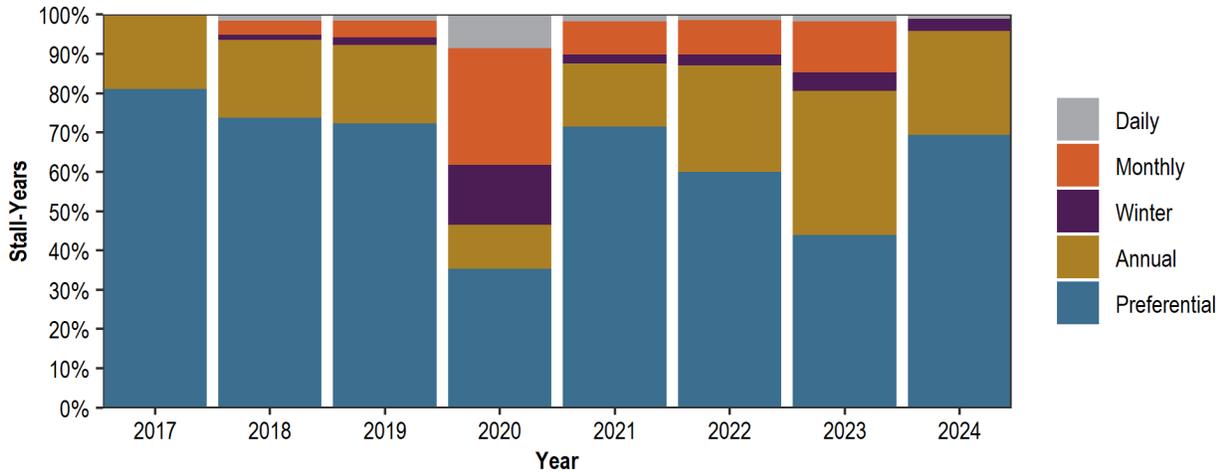


Source: City of Whittier (2024c) and Northern Economics, Inc. analysis

Figure 28 presents the information show in Figure 27 on a percentage basis to provide a look at the relative size of each type of user. Other than 2020 and 2023, preferential use generally accounts for

70% of the time stalls are used, and annual holders generally account for another 20% or more. Daily, monthly, and winter users make up a much smaller amount of the time the stalls are occupied.

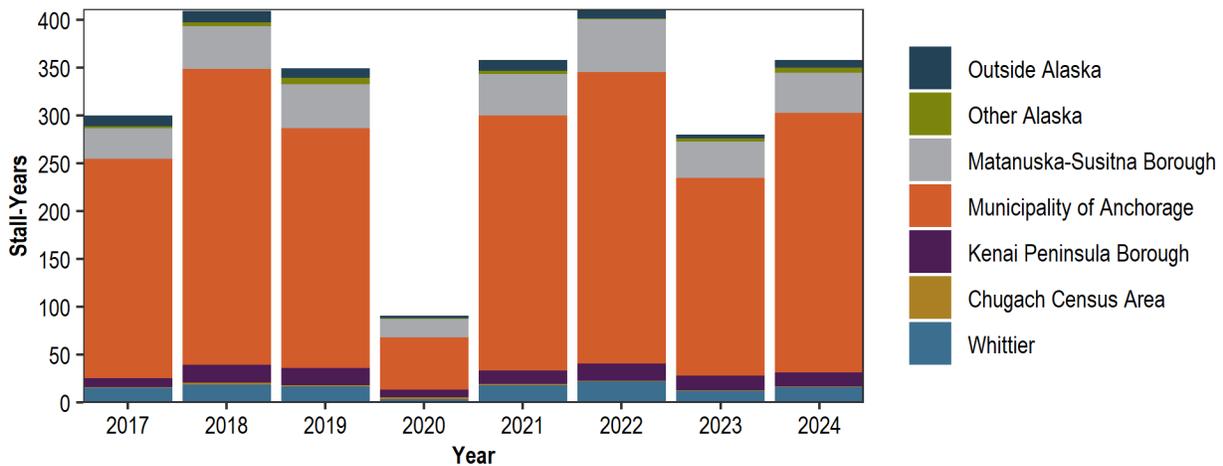
Figure 28. Share of Harbor Use by Duration, Standardized to Stall-Years, 2017–2024



Source: City of Whittier (2024c) and Northern Economics, Inc. analysis

Figure 29 shows harbor use by residency, again based on time. Residents of the MOA make up the bulk of the harbor’s use.

Figure 29. Harbor Use Based on Residency, Standardized to Stall-Years, 2017–2024

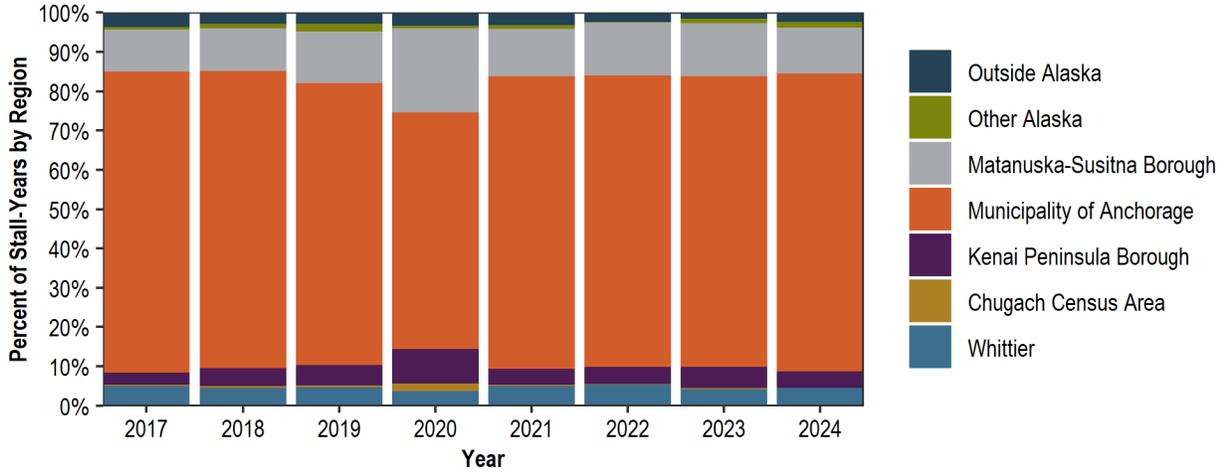


Source: City of Whittier (2024c) and Northern Economics, Inc. analysis

Figure 30 presents the information shown in Figure 29 on a percentage basis to provide a look at the relative amount of use by boaters’ residency. Whittier residents generally occupy about 5% of slips. Users from the KPB, MOA, and MSB consistently account for about 90% of the harbor’s use when

measured by time that stalls are occupied. Only a handful of residents from elsewhere in the Chugach Census Area, elsewhere in Alaska, or outside Alaska use the harbor.

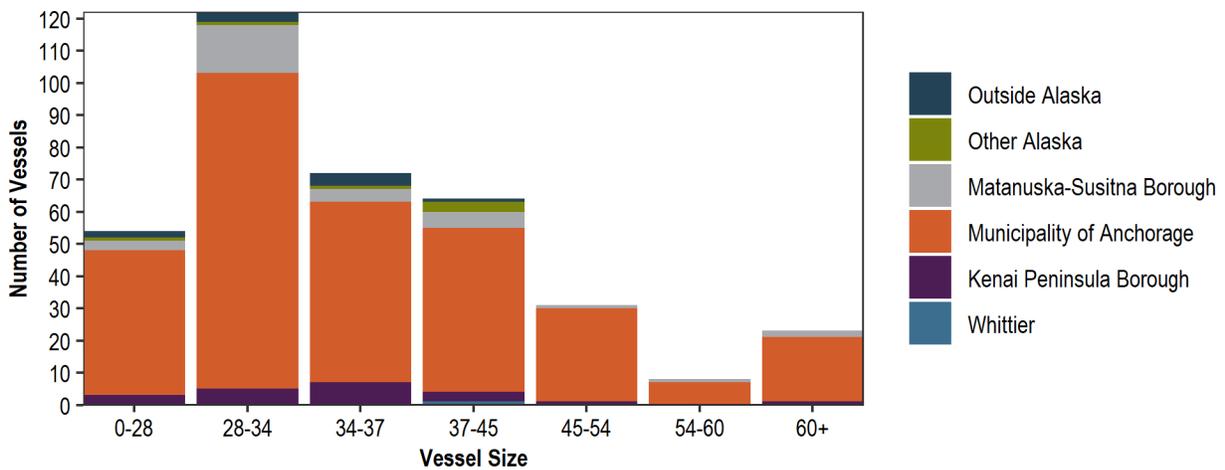
Figure 30. Share of Harbor Use Based on Residency, Standardized to Stall-Years, 2017–2024



Source: City of Whittier (2024c) and Northern Economics, Inc. analysis

The city maintains a waitlist with 374 entries (City of Whittier 2024e).⁵ Figure 31 shows the vessel size and residency of vessels on the waitlist. Residents of the MOA make up the majority of waitlist entries, and the greatest demand is for vessels up to 45 feet.

Figure 31. Whittier Harbor Waitlist by Vessel Size and Region of Owner

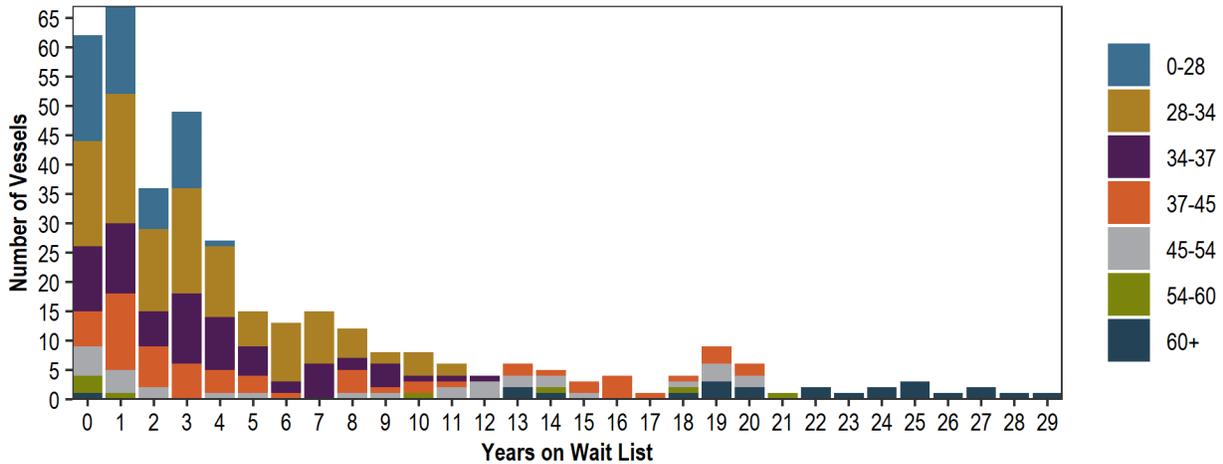


Source: City of Whittier (2024e) and Northern Economics, Inc. analysis

⁵ An analysis of annual changes to the waitlist (additions, slip offers, and slip acceptances) is pending.

Figure 32 shows the amount of time vessels have been on the waitlist, by vessel size. Sixty-two vessels were placed on the list in 2024 and 67 in 2023. Vessels over 60 feet cannot be accommodated in Whittier Harbor, so the city does not charge for vessels of that size to be on the waitlist. Except for one addition in 2024, all vessels of that size have been on the waitlist for at least 13 years.

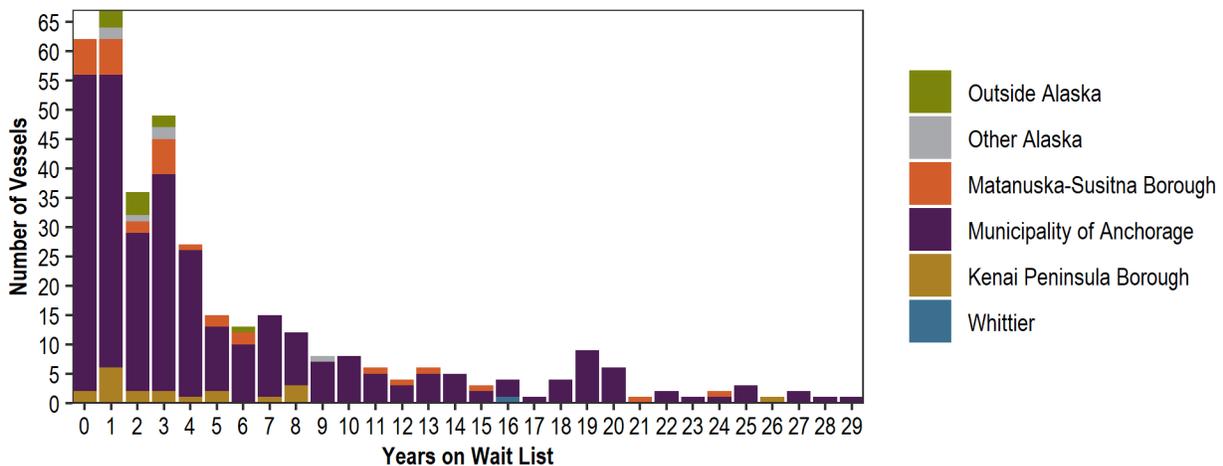
Figure 32. Whittier Harbor Waitlist Time by Vessel Size



Source: City of Whittier (2024e) and Northern Economics, Inc. analysis

Figure 33 shows the amount of time vessels have been on the waitlist, by the owner’s residency.

Figure 33. Whittier Harbor Waitlist by Time on Waitlist and Region of Owner

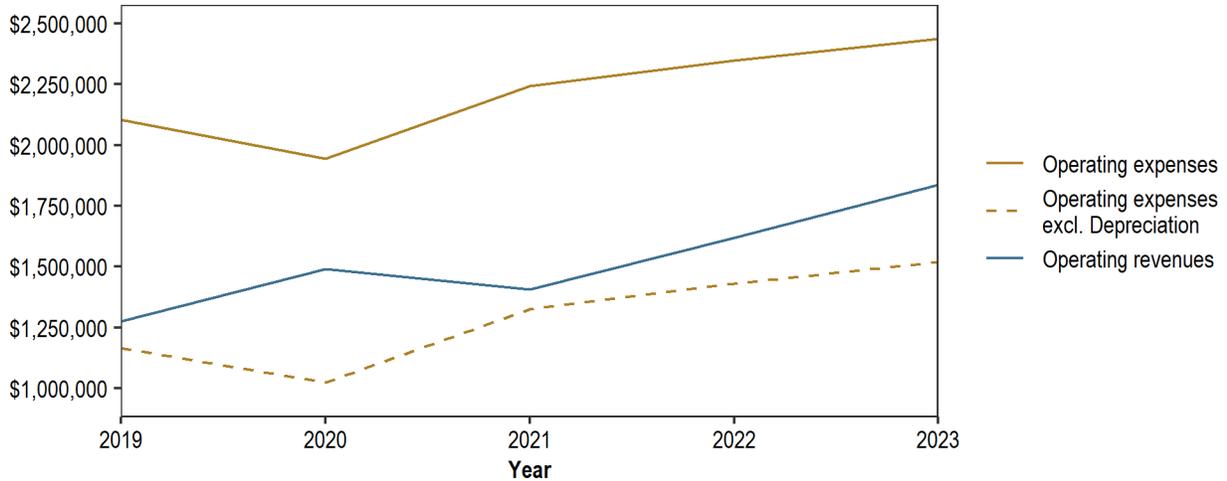


Source: City of Whittier (2024e) and Northern Economics, Inc. analysis

Whittier Harbor has operated at a financial loss for the last five years. Depreciation was \$917,392 in 2023, exceeding the overall \$599,178 loss from operations. While the harbor would ideally generate enough revenue to cover deferred maintenance, depreciation, and contributions to a replacement

fund, it does generate enough revenue to cover its operating expenses excluding depreciation. Figure 34 shows the harbor’s revenues and expenses for 2019–2023.

Figure 34. Operating Revenues and Expenses for Small Boat Harbor, 2019–2023



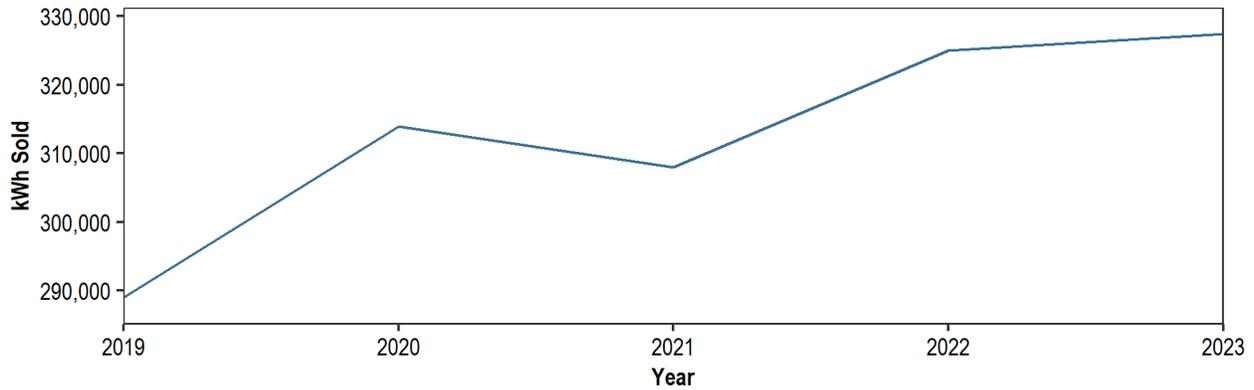
Source: City of Whittier (2020, 2021, 2022, 2023b, 2024a)

Wharfage and dockage revenues have been variable over the years. Wharfage exceeded \$200,000 in 2022 and 2023 and dockage was just over \$10,000 in 2023. Permits and storage fees (see the *Storage* section) make up a minor portion of port and harbor revenue (City of Whittier 2024c).

Beginning January 2025, the city is implementing a new water-borne passenger fee of \$8 per customer (see Ordinance 2024-004). This revenue source is to be dedicated in the future to repair and replacement of major harbor infrastructure and capital assets, reducing the drain on operating funds from the harbor and improving its future financial condition.

The harbor has sold a growing amount of electricity over the last five years, exceeding 325,000 kWh sold in 2023 as shown in Figure 35. Electricity is charged at the Chugach Electric rate, with a service charge added to cover power pedestal maintenance. The city will increase the rates by 4.8% in 2025 and another 4.6% in 2026.

Figure 35. Power Sold in the Small Boat Harbor, kWh, 2019–2023

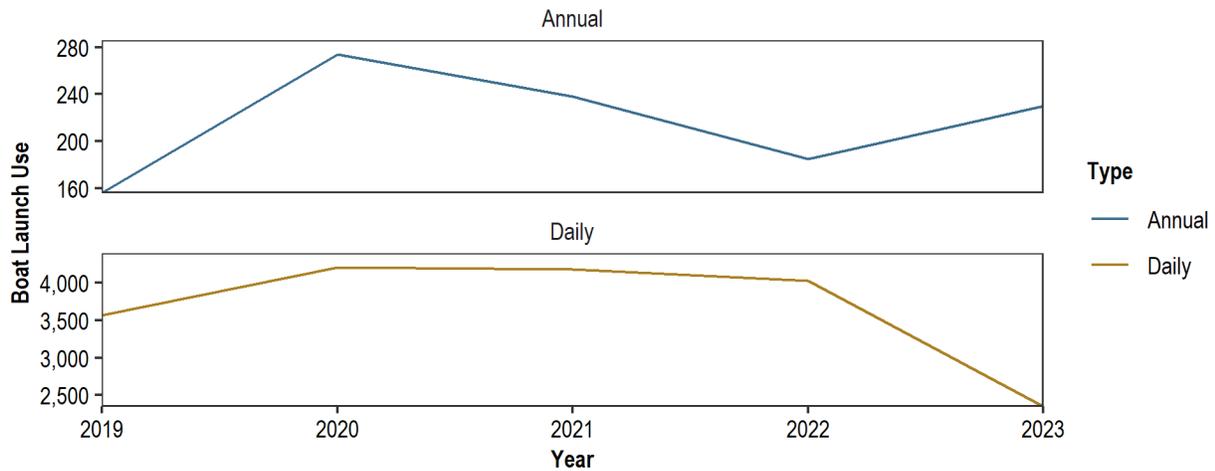


Source: City of Whittier (2024c) and Northern Economics, Inc. analysis

Launch Ramp

Whittier has sold an average of about 200 annual boat launch permits over the last 5 years and had collected over 3,000 daily launch fees over the period before dropping to about 2,500 in 2023 (Figure 36).

Figure 36. Boat Launch Use, Daily and Annual Permits, 2019–2023



Source: City of Whittier (2024c) and Northern Economics, Inc. analysis

Storage

The city receives revenue from dry storage during the winter, though the amount is a very small part of its waterfront revenues. Over the last five years, storage has generated less than \$10,000 of revenue, more than half of which was earned in 2023 (City of Whittier 2024c).

Other Facilities

Four notable waterfront facilities—cruise ship terminal, AMHS ferry terminal, ARRC terminal and railyard, and Cliffside Marina & Yacht Club—round out the offerings in Whittier. In addition to these facilities, which are described briefly below, the city has several planned waterfront improvements, as discussed in the *Port and Harbor Operations* section.

Cruise Ship Terminal

A new cruise ship terminal was recently constructed in Whittier that features a double-berth dock. In addition to boosting cruise ship capacity and anticipated traffic (see the *Cruise Ship Visitors* section) in 2025, it will also provide an indoor space for community events. The terminal was built through a collaboration of the City of Whittier, Huna Totem Corporation, Norwegian Cruise Lines and Alaska Railroad Corporation (Mancl 2024).

The city generates annual lease revenues from the two cruise facilities of approximately \$80,000 for the Holland America & Princess (HAP) cruise ship facilities and \$200,000 for the Huna-Totem cruise ship facilities, with Consumer Price Index escalator provisions which are capped at 2.0% and 2.5%, respectively. The HAP lease increases each year, while the Huna-Totem lease increases every five years.

AMHS Ferry Terminal

As noted in the *Ferry Passengers* section above, Whittier sends and receives about 20,000 passengers and 10,000 vehicles on the ferry each year. The ferry uses the AMHS-owned Whittier Port & Terminal.

ARRC Terminal and Railyard

As noted in the *Cargo and Transportation* section above, the Alaska Railroad Corporation transports cargo and passengers to and from the ARRC-owned terminal in Whittier. ARRC is responsible for all of the waterborne cargo arriving in Whittier and also transports passengers, though no ridership information is available.

Cliffside Marina & Yacht Club

In addition to Whittier Harbor, the privately-owned Cliffside Marina & Yacht Club offers 99 slips, including slips eligible for ownership ranging from 40 to 100 feet and rental slips from 40 to 65 feet. The marina offers metered electrical power to all slips and has a pump-out station. The marina also hosts Phillips Cruises and its 26 Glacier Cruise (Cliffside Marina 2011). See the *Harbor Moorage Rates* section for information about the average stall rates. When users become tenants of Cliffside Marina & Yacht Club, they are renting a condo and pay property tax on their condominiums as well as personal property tax on their vessels.

Opportunities, Challenges, and Trends

This final section looks at opportunities, challenges, and trends that Whittier faces as it developed its waterfront and economy.

Opportunities

Whittier has a number of opportunities to develop activity around its waterfront and boost the local economy. Some of those opportunities and advantages include:

- Whittier has road, rail, and direct ocean access, one of only three communities in Alaska with all three. The other two are Seward and Anchorage. This provides an opportunity to serve more cruise passengers, move more cargo (as ARRC plans), and provide other logistical support if supporting facilities are developed.
- Whittier has proximity to the MOA and MSB population centers to the north, connected by road and rail, and it offers recreational boaters the fastest access to Prince William Sound from the north, cutting the road distance by about 66 miles compared to Seward and providing more protected waters for access to Prince William Sound. New facilities and increased capacity could capture additional boaters, cargo activity, and services from that population base because of that relative convenience.
- Whittier has several organizations contributing to its waterfront offerings, providing diversification of funding sources and a greater shared capacity for investing in waterfront improvements.
- Development of the Head of Bay will provide additional moorage, parking, and land. This infrastructure will expand Whittier's cruise-handling capacity, add moorage space to address the large waitlist of boats wanting a stall at the harbor, and provide additional land for maritime-related economic development and additional storage.
- Increasing upland lease rates comparable to typical market rates, could provide additional revenue to the city without cost of investment.
- Increasing small boat harbor stall rental rates commensurate with demand could provide additional revenue to the city without additional investment.
- The City of Whittier boundary covers the shores of Shotgun Cove and extends to Blackstone Bay. While undeveloped for commercial and industrial use, and encapsulating a number of recreational areas, there is a considerable amount of waterfront within the city limits that could eventually be developed to serve maritime needs.

- The U.S. Forest Service is interested in developing day-use cabins to the east of Shotgun Cove. If developed, Whittier’s businesses would have the opportunity to serve those users if they offered the right mix of services (e.g., food, general store needs, tie-ins with other activities during the trip, and potentially lodging before and after a stay in a cabin). Depending on the nature of the access to the cabins, it’s possible they could be available year-round.

Challenges

Whittier does face a number of challenges, which it must address or overcome to take full advantage of its opportunities:

- Whittier has a low community participation in the waterfront, as measured by use of the city’s harbor by residents. The vast majority of harbor users—approximately 95%—do not reside in Whittier, which results in competing interests between users and residents. The city has a need to generate additional revenue, yet non-residents have a louder voice than residents when there are discussions about rates.
- The city generates insufficient revenue at DeLong Dock to cover operating expenses. A new dock will address operational issues, but the rates will likely need to increase for it not to be a financial loss to the city.
- Given the predominant use of the harbor by non-local users, the city and its residents are in effect subsidizing people who do not live in the community. Some of these non-local users operate businesses and make other expenditures that yield a net benefit for the city, though this is not the case for most users. This results in a financial loss for the city.
- Whittier is constrained by the limited amount of land available for development, both commercial and residential. A lack of housing and land are constraints on economic development, both for the businesses themselves but also for the workforce to run them.
- Undercharging for the lease of city lands and/or allowing scarce and commercially valuable land to remain undeveloped could be placing a burden on the city from both financial and economic development perspective.
- While critical for access to Whittier, the tunnel does create a constraint for passenger and cargo operations due to its schedule. Some businesses perceive the tunnel fee as a barrier to Whittier’s competitiveness to Seward, though it likely costs visitors less than the additional travel time and cost of driving to Seward.
- The drop in daily launch ramp fees in 2023 raises questions about the amount of use the ramp sees versus the amount of fees collected for it. This phenomenon has been observed in other waterfront communities in Alaska and it has been addressed with better monitoring of ramps

with video surveillance, which not only increases enforcement of fees but also improves overall security. Left unaddressed, unpaid ramp use could be a drag on revenues to the extent that the ramp is being used without payment, though the magnitude of the lost revenue cannot be determined.

- Maritime-support businesses are limited in Whittier, with only a few businesses providing boat repair services, based on a review of business licenses (ADCCED 2024). The lack of such services means that harbor users need to travel to other communities to have work done on their boats. The causes of this are unknown but could include lack of land, lack of housing for support business owners, the ease of bringing in tradespeople and parts from outside the community (approximately an hour away from Anchorage and Seward), and lack of a local user base (to the extent that non-resident users trailer their vessels and can have work done or buy parts in their home town).

Trends

Related to items discussed above, Northern Economics noted the following trends:

- Whittier's population has been gradually increasing since 2000.
- Cargo movements through Whittier have been on a gradual increase.
- Whittier residents' use of Whittier Harbor has been decreasing.

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