



**Section III:
SWOT Analysis**

SECTION III: SWOT ANALYSIS

Strengths, Weaknesses, Opportunities, and Threats

The economic, social, and civic evolution of the Prince William Sound region is marked by tremendous growth and opportunity as well as dramatic losses and challenges. While the region experiences a nominally high level of prosperity, the distribution of opportunity and growth potential varies significantly from community to community. PWSEDD champions the advancement of the region, its communities, and its citizens by prioritizing regional assets and opportunities, while advocating and supporting community-level developments.

Six Pillars™ Framework

After reviewing the region's recent past, economic trends, and long-standing circumstances, PWSEDD opted to use a slightly modified version of the Six Pillars™ Framework to focus its discussion of strengths, weaknesses, opportunities, and threats. SWOTs with regard to various economic sectors are noted in Section II: Regional Background. The Six Pillars™ Framework focuses on the foundations and underpinnings of future economic growth for the region.

The Six Pillars™ Framework was developed by the Florida Chamber Foundation. It is used on a statewide, regional, and local level in Florida. Other jurisdictions outside of Florida have also adopted the framework. It serves as an organizational model for strategic planning and harnesses diverse viewpoints into a common and consistent conversation about economic development and a desirable future economy.

Each of the Six Pillars™ is examined in the proceeding pages. The resulting SWOT Analysis is based on feedback provided by the PWSEDD Board of Directors, membership, other regional citizens, and responses provided in the 2015 Business Climate Survey.

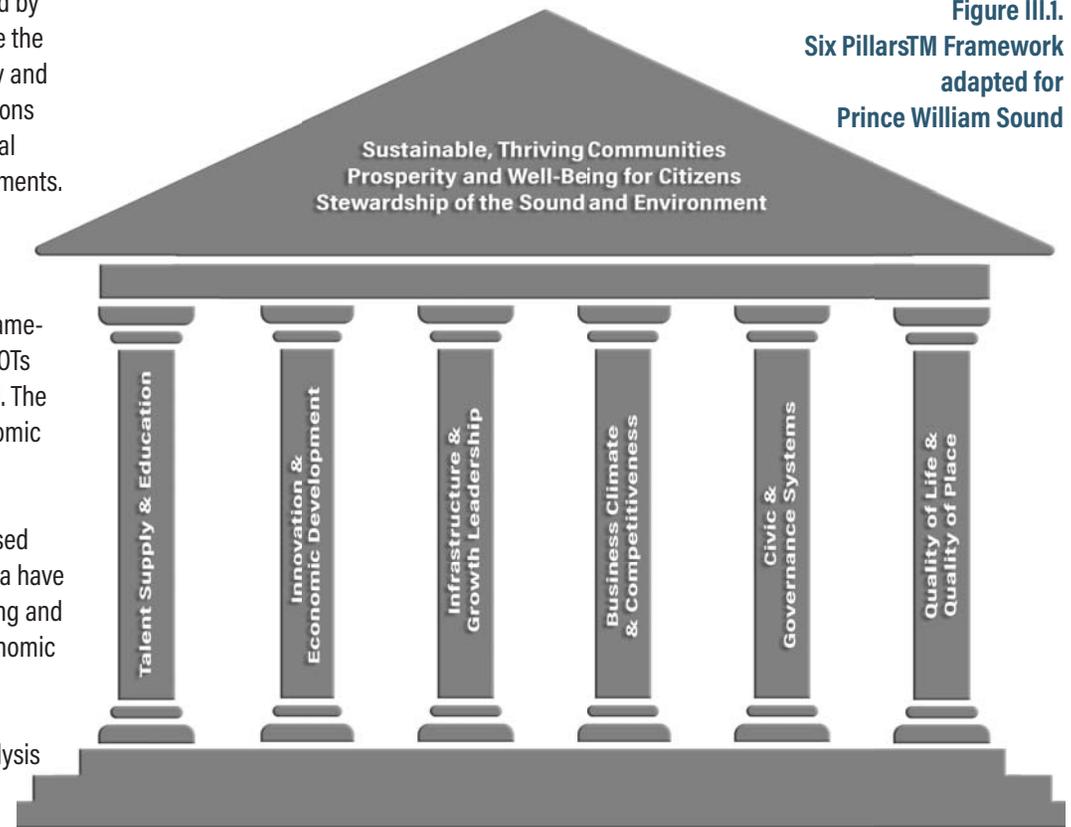


Figure III.1.
Six Pillars™ Framework
adapted for
Prince William Sound

Pillar	Strengths	Weaknesses	Opportunities	Threats
<p>Talent Supply and Education</p> <p><i>Systems and resources to educate and train the region's current and future workforce are in place and aligned with economic opportunities.</i></p>	<p>Pioneering spirit and legacy of persevering against great odds</p> <p>Strong K-12 schools with high attendance rates and blended graduation rate of 77%</p> <p>In-region community college with curriculum and associate's degree programs tailored to local employment opportunities and employer requirements</p> <p>Scholarship and continuing education funding available through ANCs</p>	<p>Small population base</p> <p>High relative costs per K-12 student</p> <p>No in-region 4-year degree programs (brick and mortar)</p> <p>Limited in-region resources for skilled trade apprenticeship</p> <p>Limited in-region resources for other postsecondary training</p> <p>75% of employers report recruiting difficulties and barriers to employment</p> <p>Employers cite pervasive deficiencies in workforce readiness and technical skills</p>	<p>Collaborate with ADOLWD and regional entities on Prince William Sound Job Center</p> <p>Adopt a 90% graduation rate goal for all school districts</p> <p>Create a strong Adult Basic Education network</p> <p>Work with other coastal regions and communities on maritime workforce development</p> <p>Work with districts to integrate ATIA's online tourism certificate program in CTE curricula</p> <p>Develop CTE and postsecondary training linkages and dual credit arrangements</p> <p>Integrate workforce readiness skills in high school grading rubrics</p> <p>Develop program to promote work maturity skills</p>	<p>Projected declines in population</p> <p>Aging population</p> <p>Loss of working age population</p> <p>Potential for closures of small schools</p> <p>Elimination of planned increases in the State of Alaska's base student allocation</p> <p>Wide-ranging budget cuts and program curtailment within the University of Alaska system.</p>

SOUND OPPORTUNITIES

Economic Growth for the Prince William Sound Region

Pillar	Strengths	Weaknesses	Opportunities	Threats
<p>Innovation and Economic Development</p> <p><i>Incentivize and support innovation, new business formation, and business retention.</i></p>	<p>Local chambers of commerce and visitor bureau in the three largest communities</p> <p>Strong increase in new business formation in recent years</p> <p>Legacy of innovation in fisheries and hatchery development</p> <p>Pioneered ecosystem monitoring and preservation</p> <p>Successful locally grown businesses that have expanded beyond the local market</p>	<p>Limited entrepreneurial and business support services with a physical presence in the region</p> <p>Weak state context and low level of innovation assets within the region</p> <p>Highest value activity in the ecosystem monitoring and preservation sector is not domesticated to the region</p> <p>Lack of venture capital sources within the region and limited VC resources in the state</p> <p>Small firms do not typically grow beyond market size limitations</p> <p>High percentage of home-based businesses</p>	<p>Partner with SBDC, PTAC, and local organizations to expand access to entrepreneurial and business support services</p> <p>Partner with DED, AIDEA, and SBA to increase use of public financing programs within the region</p> <p>Host/sponsor PWS business plan competition as an entry point for the statewide spring competition</p> <p>Map business permitting requirements with local government, USFS, and other major landowners and government agencies</p> <p>Explore options for co-working and incubation resources</p> <p>Establish a business mentor network within the region or with complimentary regions.</p>	<p>Restricted access to public lands and resources</p> <p>Reductions in state-funded marketing programs for tourism and seafood</p> <p>Low business survival rate</p> <p>Global weaknesses in oil and gas threaten oil distribution and marine transportation sectors</p> <p>Increases in business permitting and regulations at all levels of government</p>

Pillar	Strengths	Weaknesses	Opportunities	Threats
<p>Infrastructure & Growth Leadership</p> <p><i>Energy, transportation, housing, communication and public safety systems to ensure a vibrant region.</i></p>	<p>Year-round ice free ports</p> <p>Expansion of Valdez Small Boat Harbor</p> <p>Marine lifts in three largest communities</p> <p>Exporter of power and telecom to other areas of the Valdez-Cordova Census Area</p> <p>Exporting public safety coverage to communities outside of the region</p> <p>Increased sources of alternative/renewable energy</p> <p>High level of satisfaction with available telecommunication services</p> <p>Recently completed PWS Regional Energy Plan identifies additional opportunities to expanded alternative and renewable energy sources as well as energy efficiency and conservation opportunities</p>	<p>Lack of affordable broadband connectivity in some communities/ areas</p> <p>Aging or limited harbor infrastructure in some communities</p> <p>Continuing reliance on diesel for power and space heating</p> <p>Aging housing stock and limited development of new inventory</p> <p>Vulnerability of isolated, stand-alone systems</p> <p>Limited emergent and specialty healthcare available</p>	<p>Participate in statewide dialogue on restructuring a sustainable ferry system</p> <p>Research viability of a regional ferry authority</p> <p>Increase alternative energy sources; particularly hydroelectric</p> <p>Increased coordination between communities on emergency response planning</p> <p>Organize a regional effort to increase energy efficiency and conservation in residential, commercial, and public buildings</p> <p>Promote the PWS Regional Energy Plan and encourage local adoption and action</p>	<p>Calls to privatize ferry service in PWS</p> <p>Calls to reduce or eliminate the Power Cost Equalization could dramatically impact energy costs in most communities</p> <p>Reductions and possible elimination of state revenue sharing with municipalities</p> <p>Reductions in the state capital budget will impact maintenance of existing infrastructure and buildings as well as the potential for new projects</p>

SOUND OPPORTUNITIES

Economic Growth for the Prince William Sound Region

Pillar	Strengths	Weaknesses	Opportunities	Threats
<p>Business Climate & Competitiveness</p> <p><i>Fair and equitable legal, regulatory, and tax policies that encourage and support business formation and continuity.</i></p>	<p>55-60% of owners rate business climate excellent or above average</p> <p>Strong trend in new business formation</p> <p>Majority (54%) of businesses report increased sales in the past three years</p>	<p>High energy costs</p> <p>High transportation costs</p> <p>Small local market</p> <p>Low business survival rate</p> <p>Three-quarters of regional businesses do not have plans or insurance coverage to ensure business continuity</p> <p>Low or limited business formation in three communities</p>	<p>Increased engagement and partnership with state and federal agencies on resource and land planning</p> <p>Promote emergency preparedness and business continuity planning</p> <p>Sponsor data security awareness and training</p> <p>Increase awareness and utilization of state product preference and place of origin programs</p>	<p>State's fiscal status</p> <p>World oil market</p> <p>Declining throughput in TAPS</p> <p>Producers selection of Nikiski as a terminus for the AK-LNG project</p> <p>Implementation of broad-based state taxes</p> <p>Implementation of new industry specific taxes</p> <p>More than three-quarters of businesses cite deficient or nonexistent data security practices</p>

Pillar	Strengths	Weaknesses	Opportunities	Threats
<p>Civic and Governance Systems</p> <p><i>Engaged citizenry, effective local governance, ethical and just society</i></p>	<p>Local governments and state governments are accessible to citizens</p> <p>Multiple levels of volunteer opportunities available in all communities (municipal, tribal, village, regional, extra-regional)</p> <p>Multiple levels of local governance (municipal, tribal, village, regional, extra-regional)</p> <p>Strong cooperatives with local governance to deliver basic services</p> <p>Current state administration has strong ties to the PWS region</p>	<p>Various regional schemes make regional cohesion more challenging</p> <p>Diffuse political connections create challenges in garnering attention and priorities for PWS</p> <p>Voter turnout of less than 40 percent on average in recent elections</p> <p>Multiple levels of local governance (municipal, tribal, village, regional, extra-regional)</p> <p>Rural nature of the region and rugged individualist nature of citizens contributes to anti-government attitudes</p>	<p>PFD voter initiative to increase voter registration</p> <p>Promote increased civic engagement through online and mobile access to local and tribal governments, regional boards and commissions, and other volunteer opportunities</p> <p>Create and support regional models that advance education and public services</p> <p>Increase engagement with finalization of USFS Chugach National Forest Plan</p> <p>Participate in update of state land management plan for PWS region</p> <p>Increase regional cohesion and participation in economic development planning and implementation</p>	<p>Continuing or increased voter apathy and citizen disenfranchisement due to polarizing national election cycle</p> <p>High burn-out rate of tribal and municipal administrators makes it difficult to maintain momentum</p> <p>High burn-out rate of volunteer leadership</p> <p>ARDOR program reauthorized but not funded in the SFY2017 budget. Future funding remains uncertain.</p>

SOUND OPPORTUNITIES

Economic Growth for the Prince William Sound Region

Pillar	Strengths	Weaknesses	Opportunities	Threats
<p>Quality of Life and Quality Places</p> <p><i>Sustainable communities, healthy lifestyles, and unique places</i></p>	<p>Beauty and scenic values of the Sound and surrounding landscape</p> <p>Abundant natural resources</p> <p>Desirable maritime, rural and subsistence lifestyles</p> <p>Rich diversity in the Eyak, Alutiiq, and Den'aina cultures and ongoing cultural assets, programs, and preservation efforts.</p> <p>Vibrant community arts, events, and entertainment</p> <p>Poverty rate lower than state or national rates</p>	<p>Limited individual private property ownership</p> <p>Lack of local food production</p> <p>Deteriorating historic buildings</p> <p>High cost of living</p> <p>35% of school enrollment qualifies for free and reduced lunch program</p> <p>Regional poverty rate is lower than state or national levels, but increasing in recent years</p> <p>Limited connections to serve as the basis for regional collaboration and cohesion</p>	<p>Develop an Alumni and/or Lone Eagles strategy to attract high-earning individuals with specific lifestyle motivations</p> <p>Continued efforts to preserve and showcase indigenous cultures</p> <p>Create quality of life index to quantify health and well-being of regional residents and communities</p> <p>Develop regional strategy to integrate Alaska Food Policy Council recommendations including a Community Food Emergency and Resilience Plan</p> <p>Inventory threatened historic structures and identify resources to preserve or redevelop these structures</p>	<p>Climate change</p> <p>Seismically active region and history of major natural disasters</p> <p>Extreme weather events</p> <p>Impact of remoteness and isolation on the cost of living, quality of life, and regional cohesion</p> <p>3 - 5 day food supply in the advent of a disruption of the food supply</p> <p>Lack of long-term state fiscal plan</p>