ALASKA CONSTRUCTION SPENDING: 2019 FORECAST

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Anchorage
ECONOMIC IMPORTANCE OF THE CONSTRUCTION INDUSTRY

Direct Employment

- Official Count
- Self Employed
- Hidden in Other Industries

Muscle

- Wage
- Backward Linkages
- Statewide Presence

Investment
TOTAL CONSTRUCTION:
SPENDING CHANGE: MILLION $

<table>
<thead>
<tr>
<th>Year</th>
<th>Change (%)</th>
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<tbody>
<tr>
<td>2014-15</td>
<td>1%</td>
</tr>
<tr>
<td>2015-16</td>
<td>7% - 10%</td>
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<tr>
<td>2016-17</td>
<td>-13%</td>
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<tr>
<td>2017-18</td>
<td>3%</td>
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<tr>
<td>2018-19</td>
<td>-19%</td>
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2019 CONSTRUCTION SPENDING:
$7.22 BILLION

- OIL AND GAS: $2.73
- FEDERAL: $2.05
- STATE/LOCAL: $0.57
- OTHER PRIVATE: $1.32
- NON OIL BASIC: $0.36
ECONOMIC DRIVERS
PETROLEUM

$ 2,730

+13%
NS Petroleum: Project Inventory
Nanushuk in NPRA

8.7 Billion Barrels of Recoverable Oil!
FEDERAL CIVILIAN

Transportation / Health Care / Misc Grants / Procurement

$ 1,291

+4%
OTHER FEDERAL

ALASKA NATIVE VILLAGES

Recent Federal Assistance Exceeded $3 Billion, with Most Provided to Regional Nonprofits

$ 185 +3% EXCLUDES HOUSING GRANTS
CORPS OF ENGINEERS

Missile Defense / F35 Bed-down

$ 390
+18%
CORPS OF ENGINEERS
Environmental, Interagency, Civil Works

$ 320
+7%
MINING, TOURISM, SEAFOOD, TIMBER, AIR CARGO

$ 360
+8%
MAJOR MINES

- Red Dog Zn, Pb
- Ambler Cu ++
- Livengood Au
- Fort Knox, Au
- Pogo, Au
- Usibelli, coal
- Donlin Au
- Pebble Cu, Au ++
- Palmer Cu, Zn ++
- Kensington, Au
- Green’s Creek Ag-Au-Zn-Pb-Cu
- Bokan REE
SUPPORT SECTORS
Economic Forecast
UTILITIES

$ 459

+2%
HEALTH CARE

$283

+3%
$ 255

-4\%
RESIDENTIAL

$ 325
STATE GOVERNMENT
(Excluding Grants from Feds)

$ 317
+9%
Education

$ 248

+6%
Other State Government

$69

+25%
STATE AGENCIES

- Alaska Aerospace Corporation (AAC)
- Alaska Energy Authority (AEA)
- Alaska Gasline Development Corporation (AGDC)
- Alaska Housing Finance Corporation (AHFC)
- Alaska Industrial Development and Export Authority (AIDEA)
- Alaska Mental Health Trust Authority (AMHTA)
- Alaska Municipal Bond Bank Authority (AMBBA)
- Alaska Railroad Corporation (ARC)
- Alaska Seafood Marketing Institute (ASMI)
- Alaska Student Loan Corporation (ASLC)
LOCAL GOVERNMENT

$ 294

+3%
SPENDING GROWTH: MOSTLY FROM 5 SOURCES

- Oil and Gas: 46%
- Earthquake: 25%
- National Defense: 12%
- Mining: 6%
- Highways: 6%
- Other: 6%
HOW ARE WE DOING?

Consortium for Alaska Construction Industry Research (CACIR)

CONSTRUCTION EMPLOYMENT
(wage and salary workers)

- 2017
- 2018
- 2019 Est

January to December Employment Levels

University of Alaska Anchorage
Institute of Social and Economic Research (ISER)
Signs of Life?

ALASKA EMPLOYMENT: MONTHLY % CHANGE FROM PRIOR YEAR

-3.0% -2.5% -2.0% -1.5% -1.0% -0.5% 0.0% 0.5% 1.0% 1.5% 2.0% 2.5% 3.0%

Jan April July Oct Jan April July Oct Jan April July Oct Jan April July Oct

2015 2016 2017 2018
State Govt Capital Appropriation:
From Own Sources (Million 2018 $)

- GENERAL FUND
- OTHER
- GO BONDS

AVERAGE = $800 Million
What’s a Reasonable Capital Budget from State Funds?

✓ Federal Match
✓ Deferred Maintenance--Current
✓ Deferred Maintenance--Backlog
✓ K-12 Education
✓ Local Infrastructure Needs
✓ Economic Development
Questions?