

Economic Outlook & Development Opportunities for Port of Nome, Alaska

Presented by Joey Lima

City of Nome

January 23, 2024



What we'll discuss..

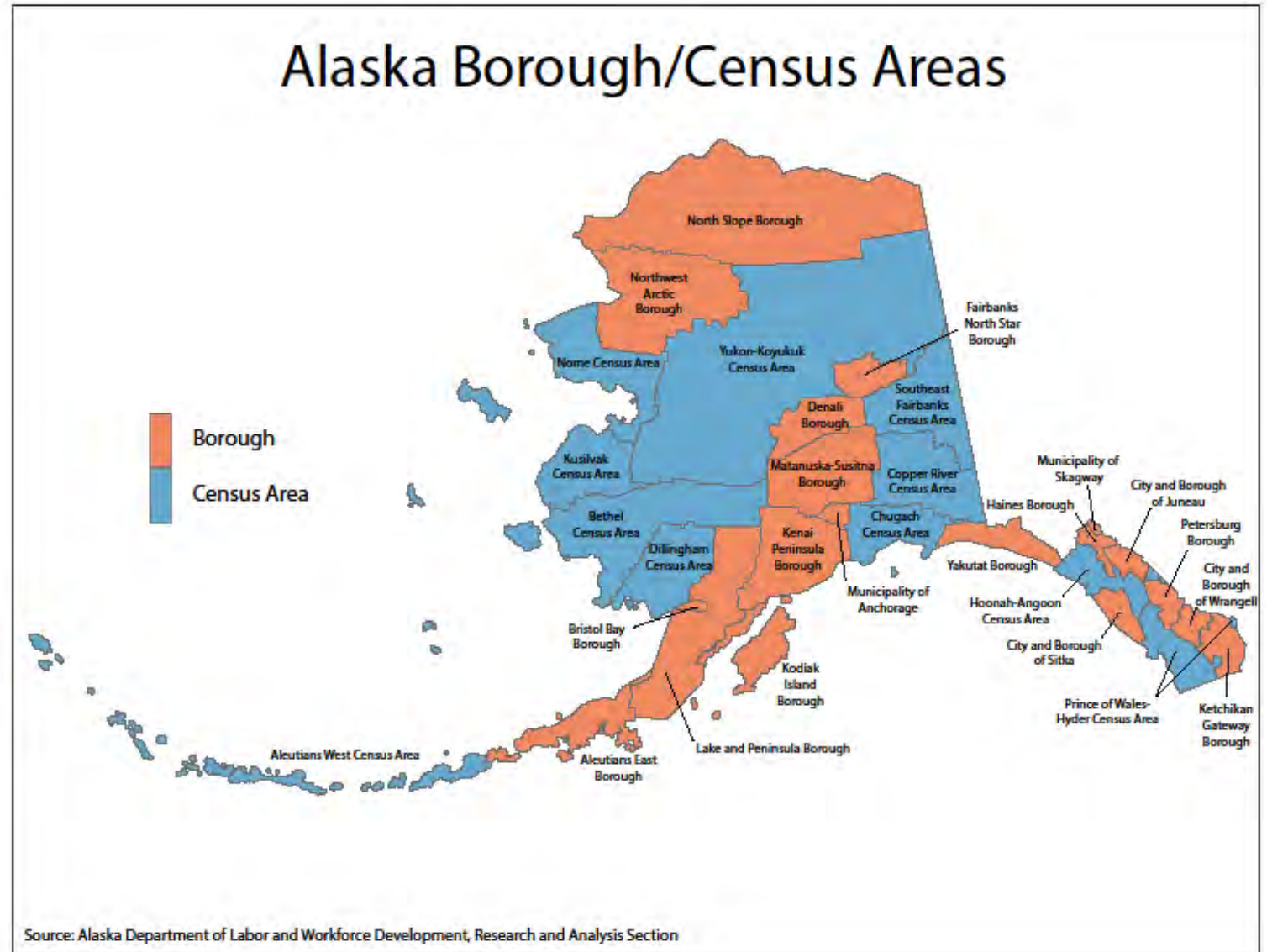
- Economic trends and conditions in Nome and surrounding areas
- Trends in maritime industries and opportunities for the Port of Nome
- Port of Nome Modification Project and Development Opportunities
 - Overview of project
 - Assessment of Current and Future Facilities
 - Insights from stakeholder interviews



Economic Trends and Conditions

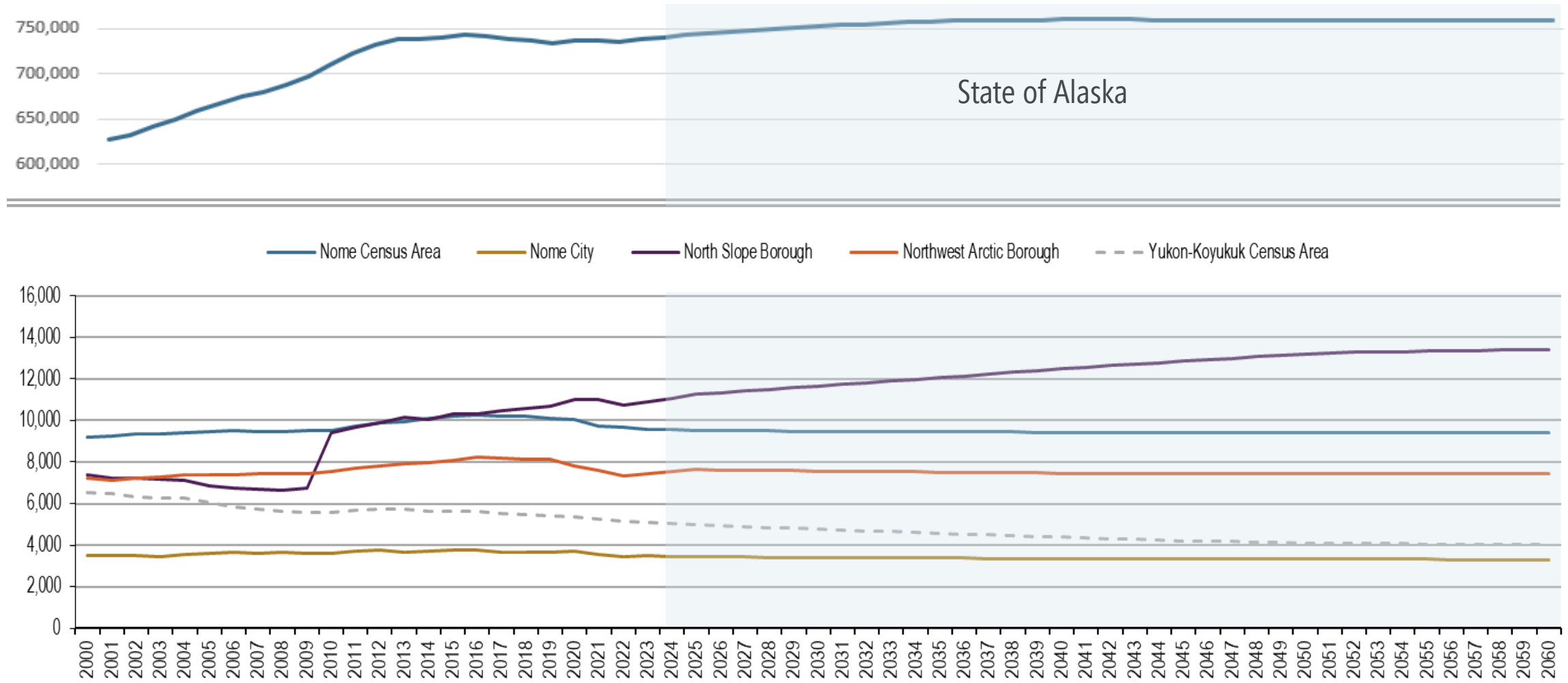
Port of Nome Regional Impact

- Shipments originating from the Port of Nome have been delivered to 60+ communities; we look at trends across the State of Alaska and four Alaska Boroughs/Census Areas
 - Nome Census Area
 - Northwest Arctic Borough
 - North Slope Borough
 - Yukon-Koyukuk Census Area
- Nome is connected to nearby communities, camps, and industrial sites by more than 230 miles of road
 - Population
 - GDP
 - Employment



Population Estimates 2000 to 2022 & Projections to 2060

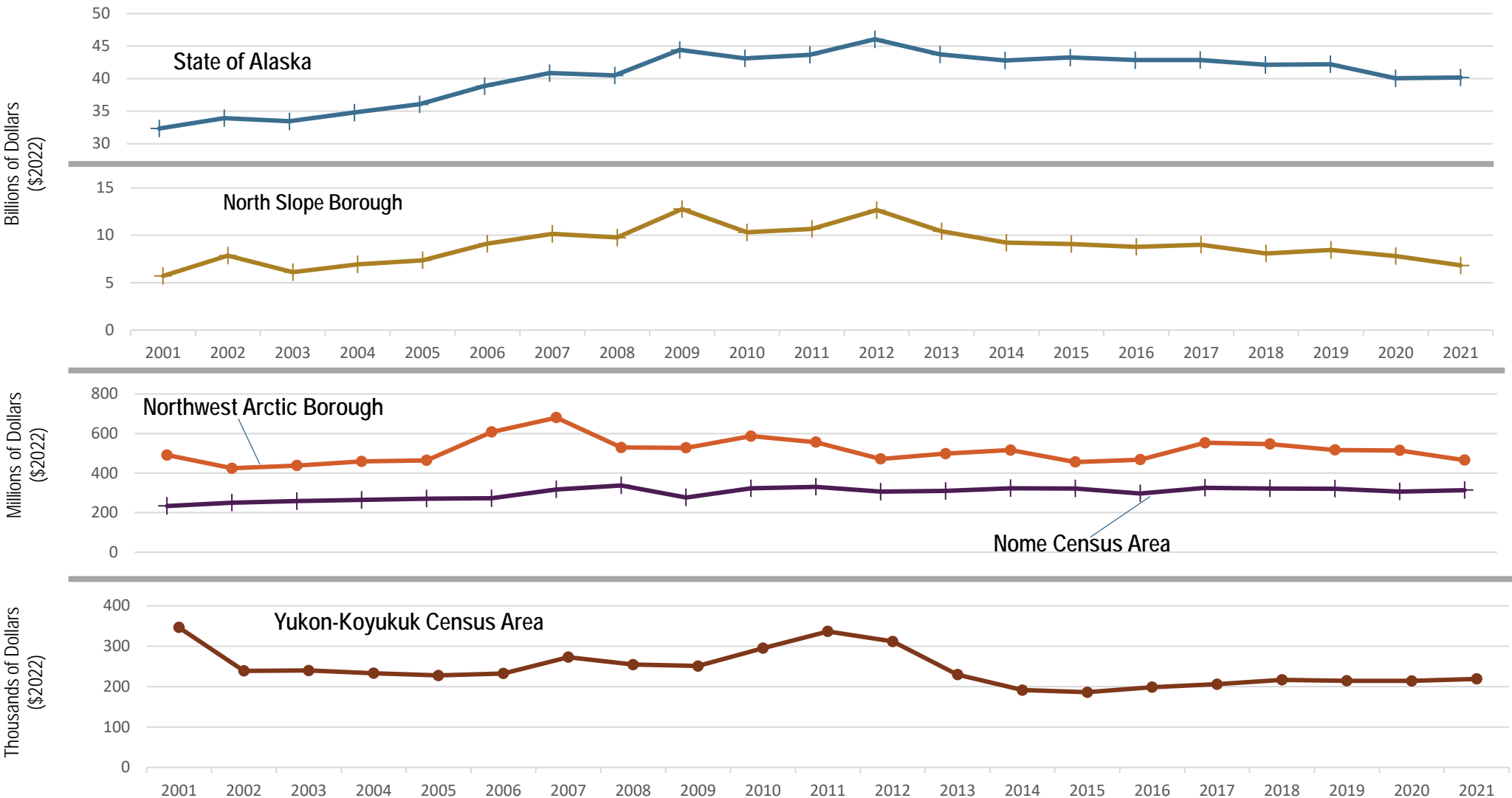
Data for 2000–2022 from ADOLWD; Projections from 2023–2060 developed by Northern Economics based on ADOLWD Population Projections.



*Northern Region includes Nome Census Area, North Slope Borough, and Northwest Arctic Borough

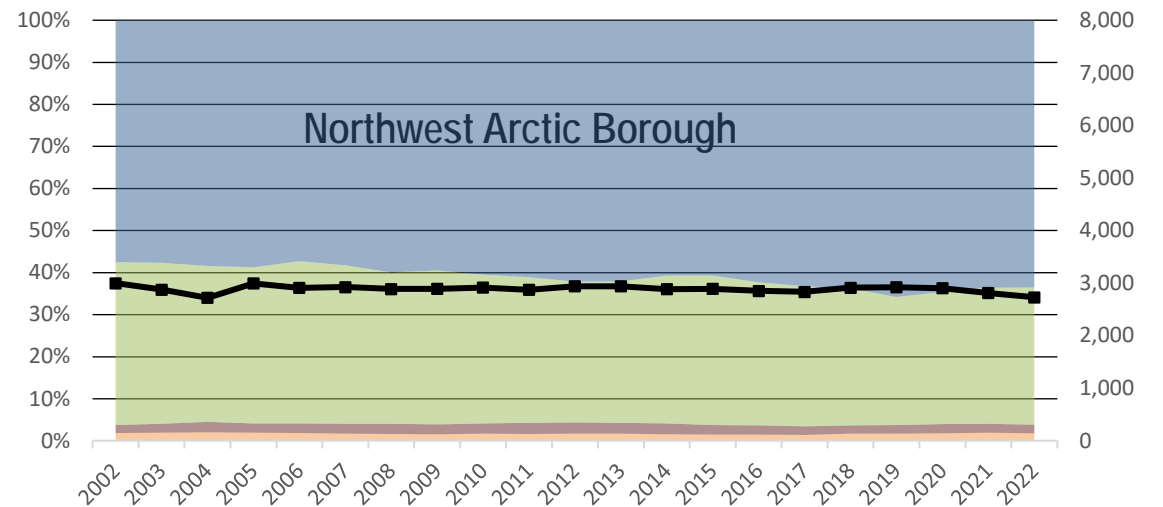
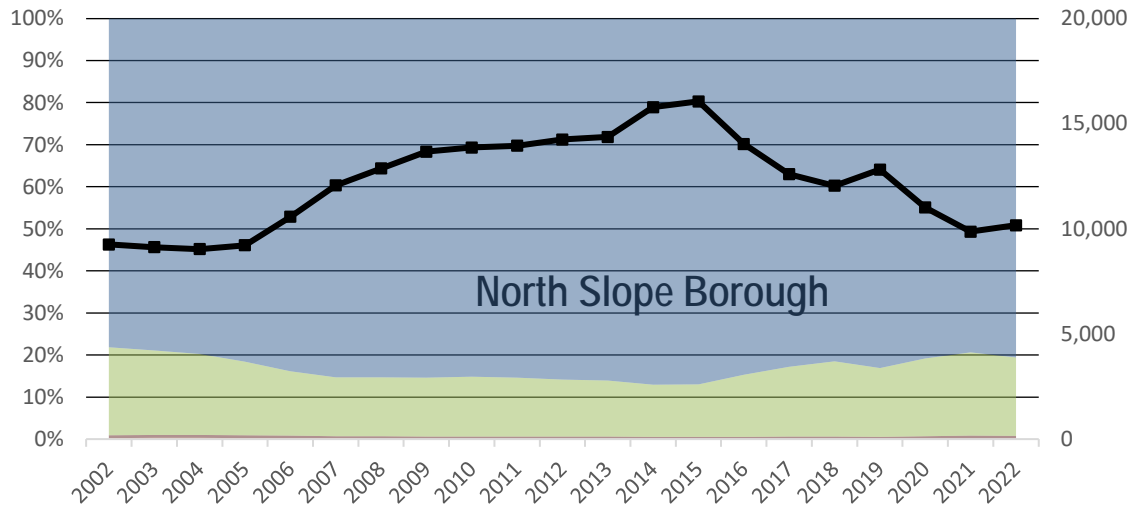
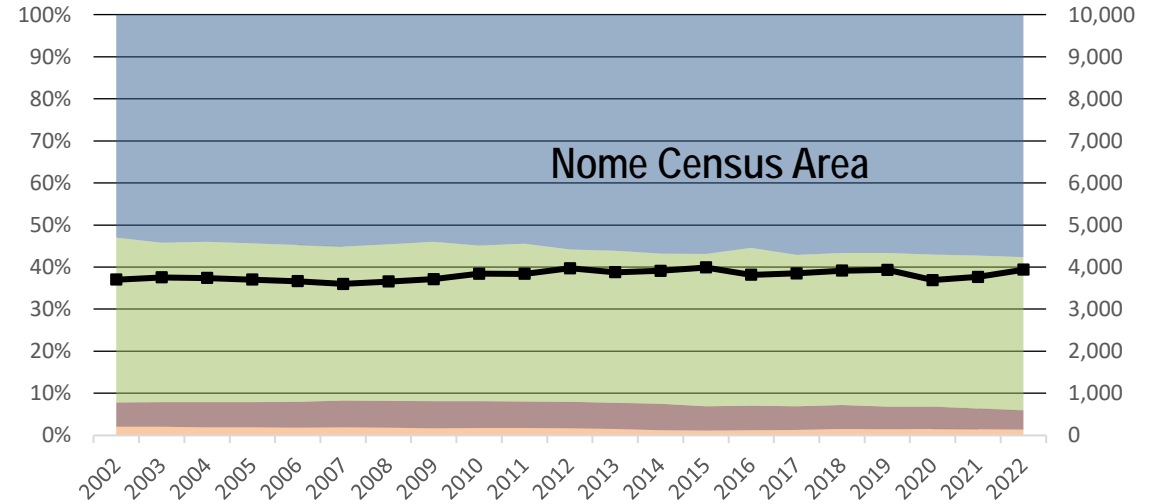
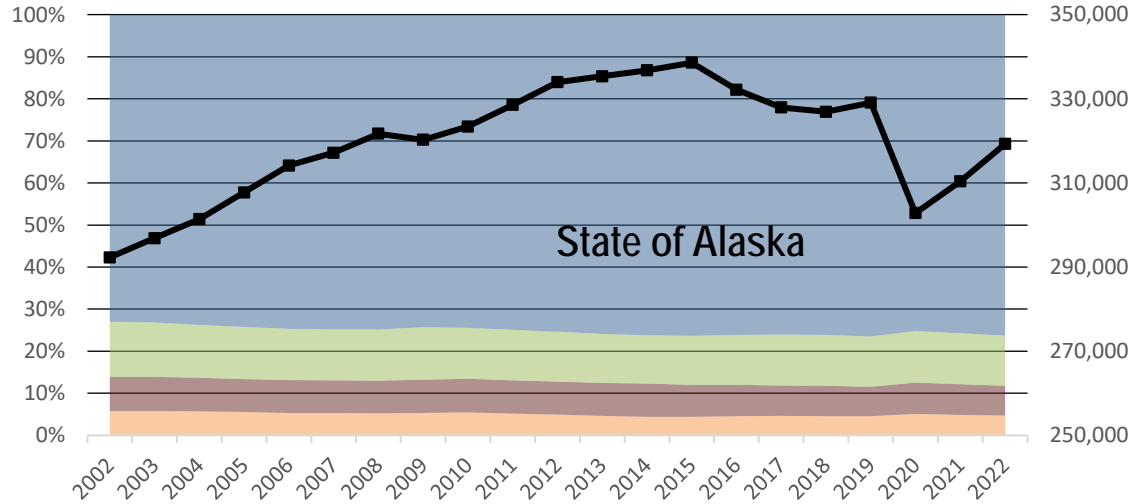
Adapted by Northern Economics based on data from ADOLWD.

Gross Domestic Product – adjusted for inflation to 2022 dollars



Charts developed by Northern Economics based on data from the U.S. Bureau of Economic Analysis.

Employment in the Nome Region



FEDERAL GOVERNMENT
 STATE GOVERNMENT
 LOCAL GOVERNMENT
 PRIVATE OWNERSHIP
 Total Employment (right axis)

Statewide Employment Forecast from ADOLWD for 2030

Sector	2019 Estimated Jobs	2020 Estimated Jobs	2030 Projected Jobs	Change from 2020	Change from 2019	Percent Change from 2020	Percent Change from 2019
Natural Resources and Mining	14,973	12,975	16,575	3,599	1,601	27.7%	10.7%
Construction	15,736	15,152	16,381	1,229	645	8.1%	4.1%
Manufacturing	13,391	12,147	13,802	1,655	412	13.6%	3.1%
Transportation and Warehousing	22,460	19,144	24,092	4,948	1,631	25.8%	7.3%
Retail and Wholesale Trade	41,766	39,477	41,769	2,292	3	5.8%	0.0%
Educational Services (Public and Private)	28,823	26,345	28,707	2,362	-116	9.0%	-0.4%
Health Care and Social Assistance (Public and Private)	49,547	48,344	55,203	6,859	5,656	14.2%	11.4%
Leisure and Hospitality	36,539	26,919	37,929	11,010	1,390	40.9%	3.8%
Government Services (excluding Education and Health Care)	46,819	47,053	47,862	809	1,043	1.7%	2.2%
All Other Services	56,664	55,209	60,507	5,298	1,545	9.6%	2.6%
Total Employment	329,092	302,822	342,955	40,132	13,862	13.3%	4.2%

Adapted by Northern Economics based on data from ADOLWD.

Activity at the Port of Nome

Current Port Activity

- Movement of fuel, freight, and gravel are the main sources of revenue and activity at the Port of Nome
- Cruise ship frequency and vessel sizes continue to increase
- Commercial fishing has seen year over year increases in both pounds landed and earnings
- Mining and offshore dredging operations drive growth in homeported vessels (Inner Harbor)

Port of Nome – Vessel Traffic

Total days docked for Transient Vessels increased 2% from 2013-2023, from 605 to 616.

During the same period, increases were observed in Gravel/Equipment (+95%), Bulk Cargo (9%), Pleasure-Cruise (175%) and Miscellaneous (733%)

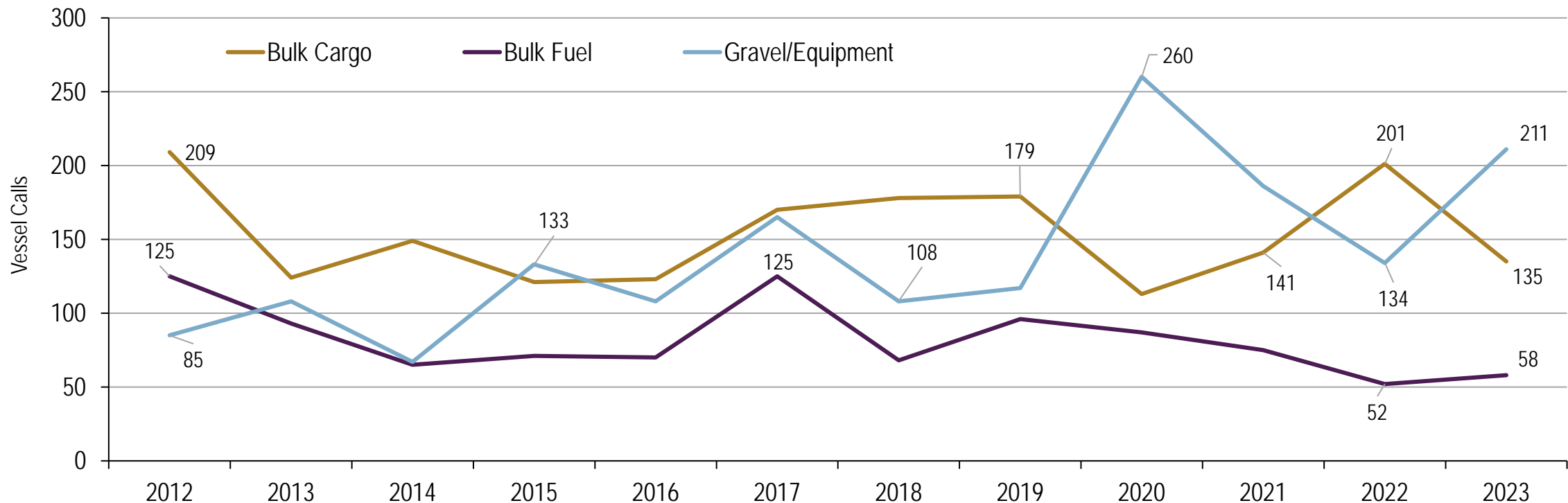
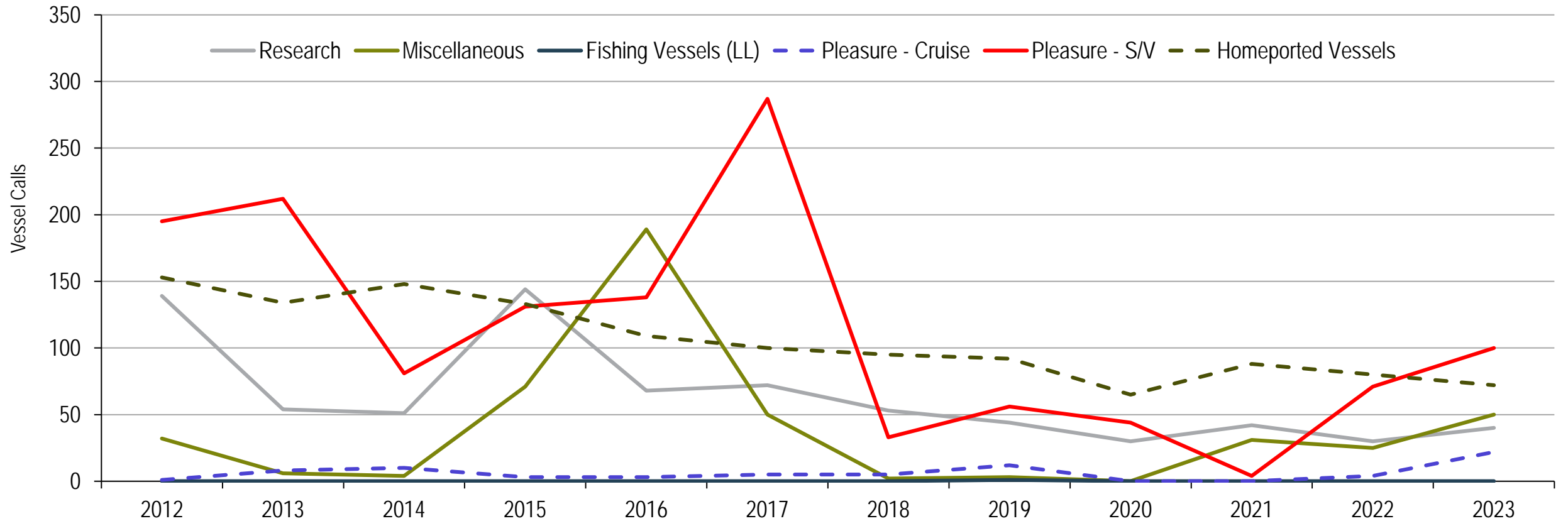


Chart by Northern Economics based on data from the Port of Nome.

Port of Nome – Vessel Traffic Continued

Other vessel traffic continues to increase since pandemic lows led by 3-year increases in Pleasure-Cruises, Pleasure-Sailing, and Research Vessels



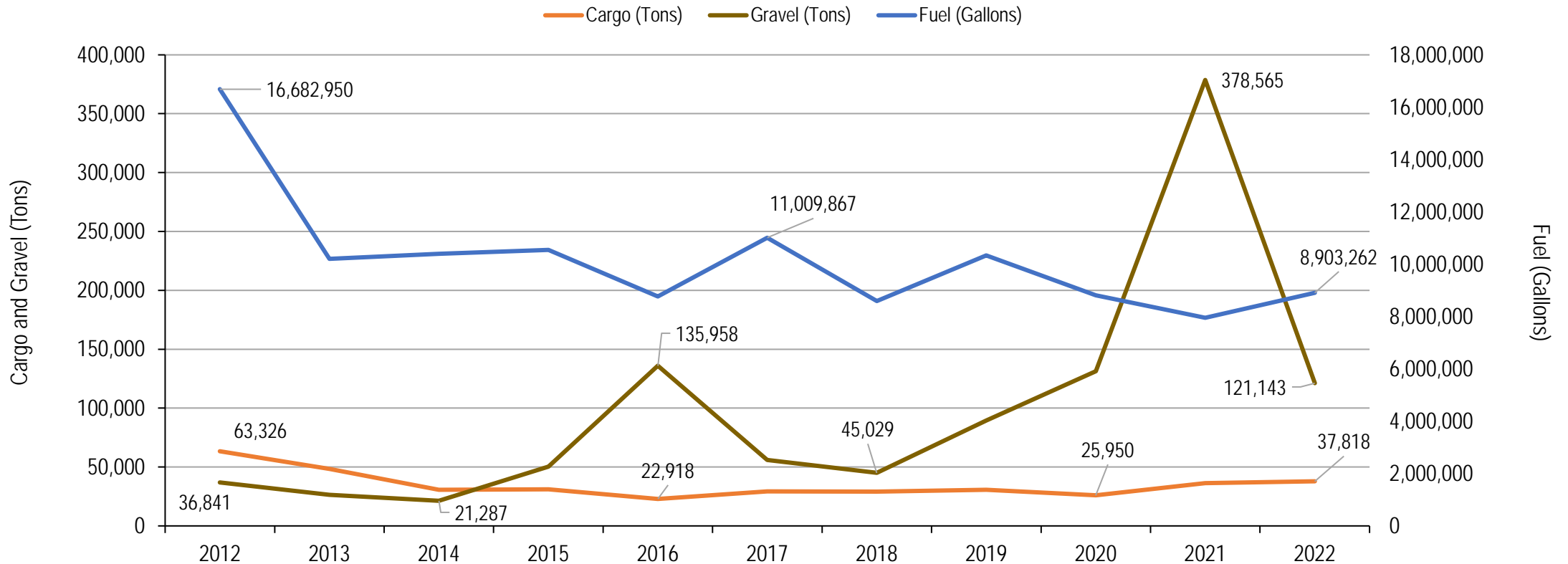
Port of Nome – Change in Vessel Calls

Every vessel type except bulk cargo saw a year over year increase from 2022

Vessel	% Change			
	1-year	3-Year	5-Year	10-Year
Bulk Cargo	-33%	19%	-24%	9%
Bulk Fuel	12%	-33%	-15%	-38%
Gravel/Equipment	57%	-19%	95%	95%
Research	33%	33%	-25%	-26%
Miscellaneous	100%	0%	2400%	733%
Fishing Vessels (LL)	0%	0%	-100%	0%
Pleasure - Cruise	450%	2200%	340%	175%
Pleasure - S/V	41%	127%	203%	-53%
Total	19%	15%	38%	2%

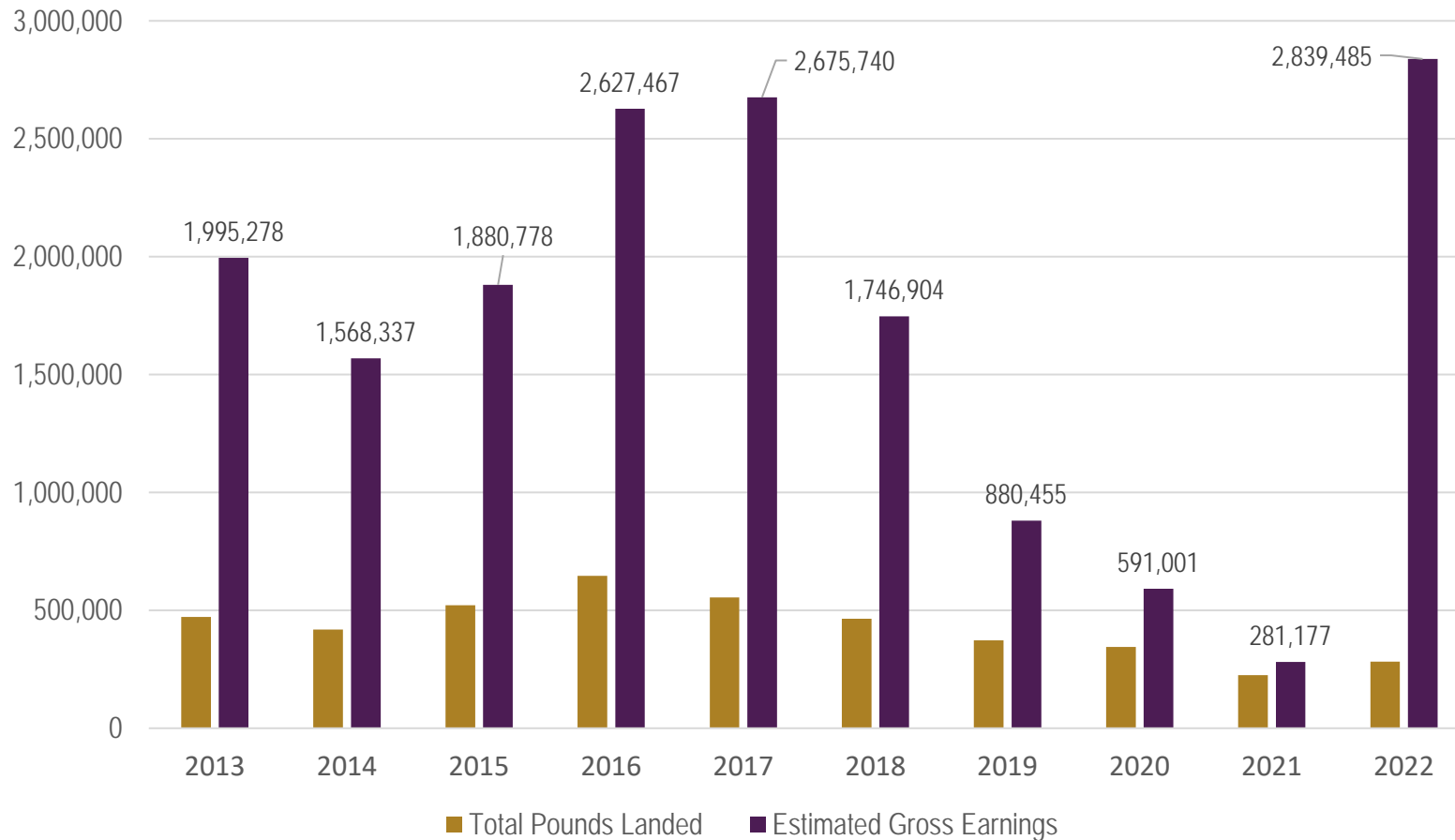
Compiled by Northern Economics based on data from the City of Nome.

Historical commodity movements (Fuel, Gravel, Cargo)



Commercial Fishing & Seafood

Permit and Fishing Activity by Year – Nome Census Area

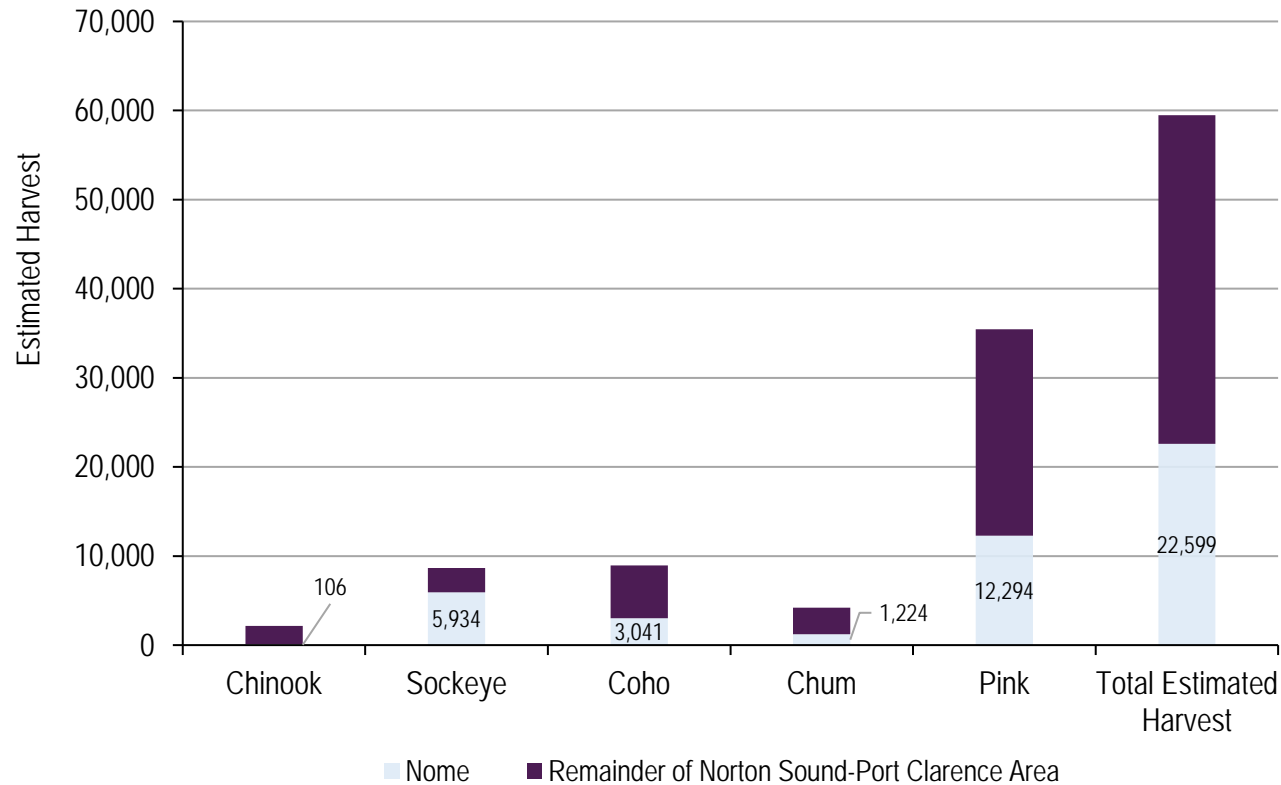


- The average ratio of estimated gross earnings to total pounds landed is approximately 3.96 dollars per pound over the 10-year period.
- Estimated gross earnings saw a 34.10% increase in the first 5-year period, a 62.54% increase in the second 5-year period, and overall, despite the significant downturn from 2018-2021, there was a 42.31% increase when comparing 2013 to 2022.

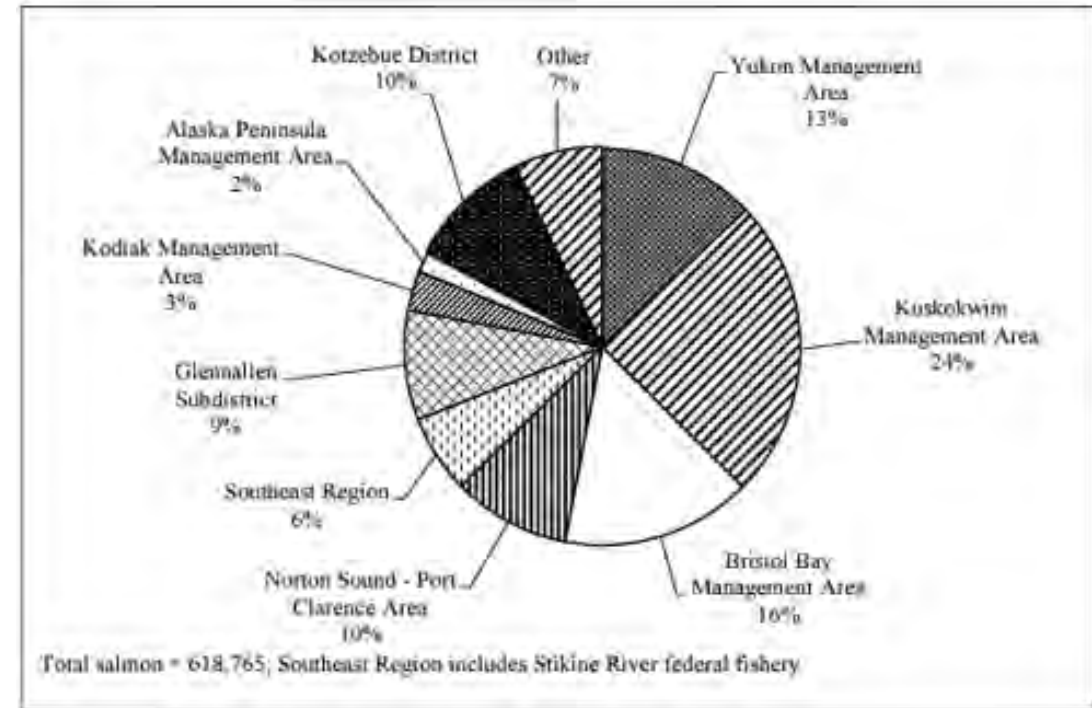
Subsistence Hunting and Fishing

Subsistence hunting and fishing are vital practices for residents of Nome, deeply rooted in the local culture and essential for food security. These activities are not only traditional ways of life but also critical for the sustenance and economy of the community.

Subsistence salmon harvests by community, Norton Sound-Port Clarence area, 2020



Alaska subsistence salmon harvests by area, 2020



Source: Alaska Subsistence and Personal Use Salmon Fisheries 2020 Annual Report, ADF&G Division of Subsistence Technical Paper No. 494, Anchorage

Recreation & Tourism

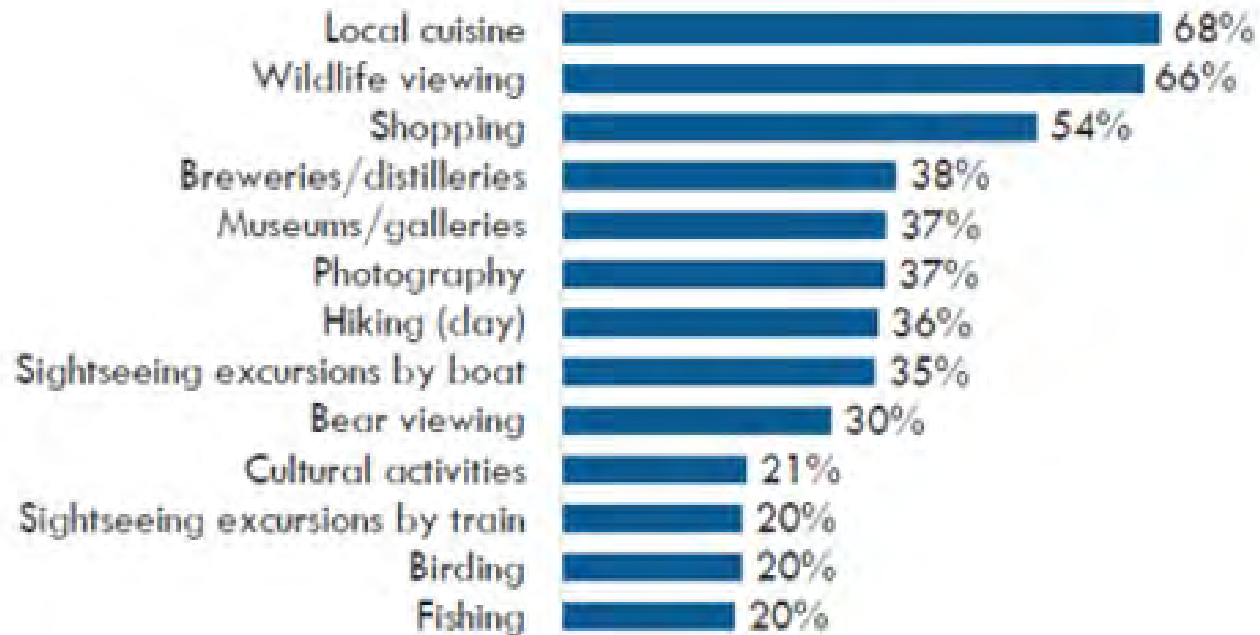
- 7% of visitors surveyed for the 2022-2023 ATIA Alaska Visitor Profile visited Southwest Alaska, with ~1% visiting Nome
- Passenger fees generated additional Port revenue in 2023
- Cruise ship traffic at the Port of Nome is predominantly expedition cruise size, with 150-300 passengers and associated crew members
- The Westerdam, a 2,500 passenger, 1000 crewmember cruise ship is expected during the 2024 season (passengers must lighter ashore)

Cruise Ship Traffic (2023)*	Capacity
Scenic Eclipse (cancelled)	228
Roald Amundson	530
Scenic Eclipse*	228
NG Resolution	183
Roald Amundson	530
Hanseatic Nature	230
Nansen	530
Silver Wind*	274
Seaborne Venture*	528
L'Austral	264
Sylvia Earle	132
Le Boreal	264
Le Commandant Charcot*	245
2023 Total	4,166

*Ship anchored, passengers to lighter ashore

Recreation & Tourism

Top tourism activities, selected (2022-2023 Visitor Profile Report)



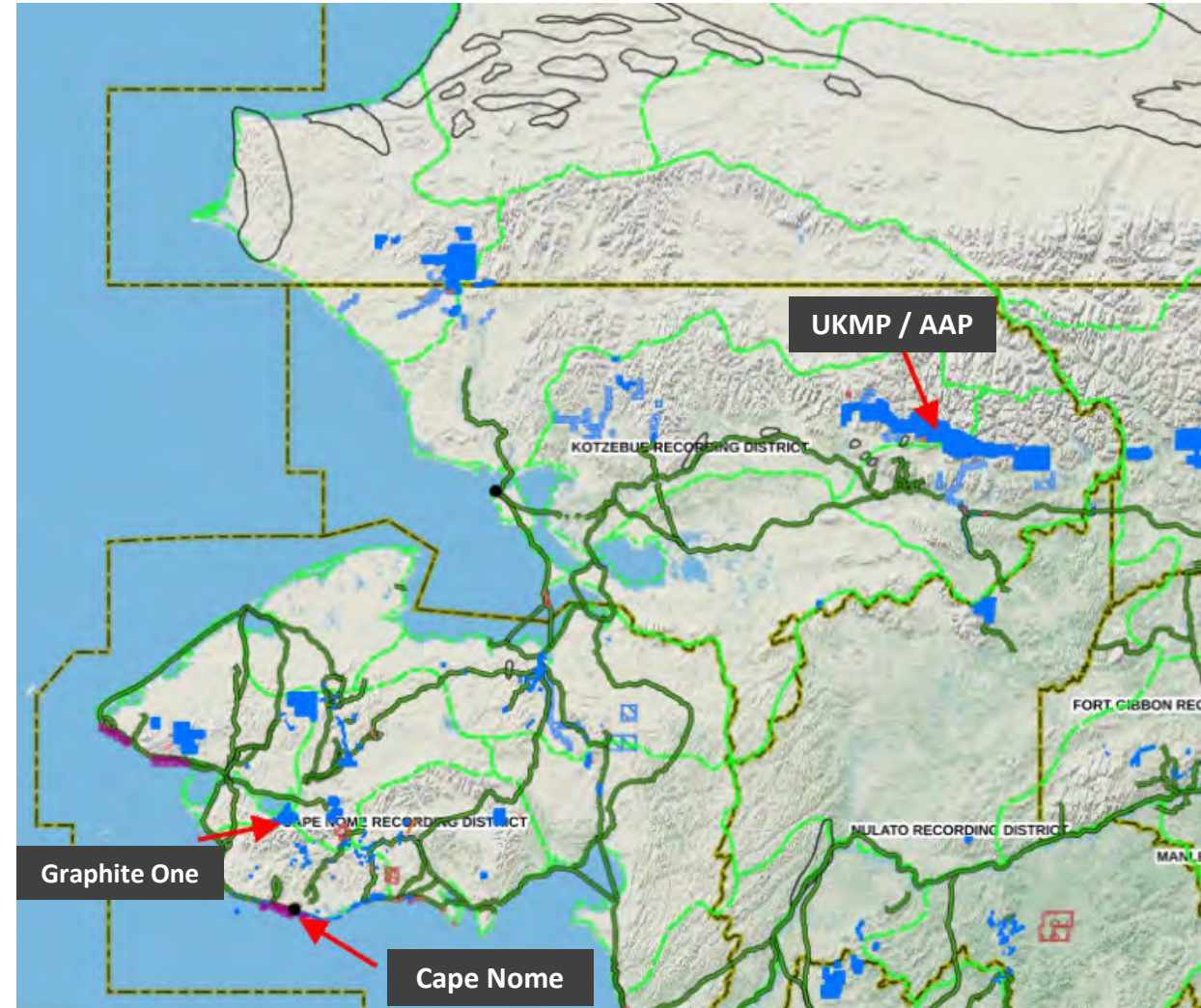
Source: Alaska Travel Industry Association, Alaska 2022-2023 Visitor Profile Report

- Nome and the surrounding area offers many opportunities targeting several of the top tourism activities in Alaska
- Birding is popular and a unique opportunity for birders visiting Nome
- Expedition/adventure cruise clientele should continue visit Nome
- Ensure sites of historical significance, natural history, and indigenous cultures are preserved
- Rich mining history

Resource Development

From commodity transport to providing support services and housing, resource development projects near Nome and surround regions present multi-faceted growth opportunities in Nome

- **Cape Nome Quarry** continues to produce quality rock for construction projects in surrounding areas
- **Graphite One Project:** Graphite production for electric vehicle batteries, promising substantial job creation and use of fuel, storage, and other commodities provided locally.
- **Upper Kobuk Mineral Projects:** Nome's port could become a pivotal supply chain node for zinc, lead, gold, silver, and copper exploration activities.
- **Ambler Access Project** is a proposed transit point for resources from the emerging Ambler Mining District. A connection to Nome would further boost economic activity.



Source: Created by Northern Economics, Inc. using <https://mapper.dnr.Alaska.gov/map>

National Security and Public Safety

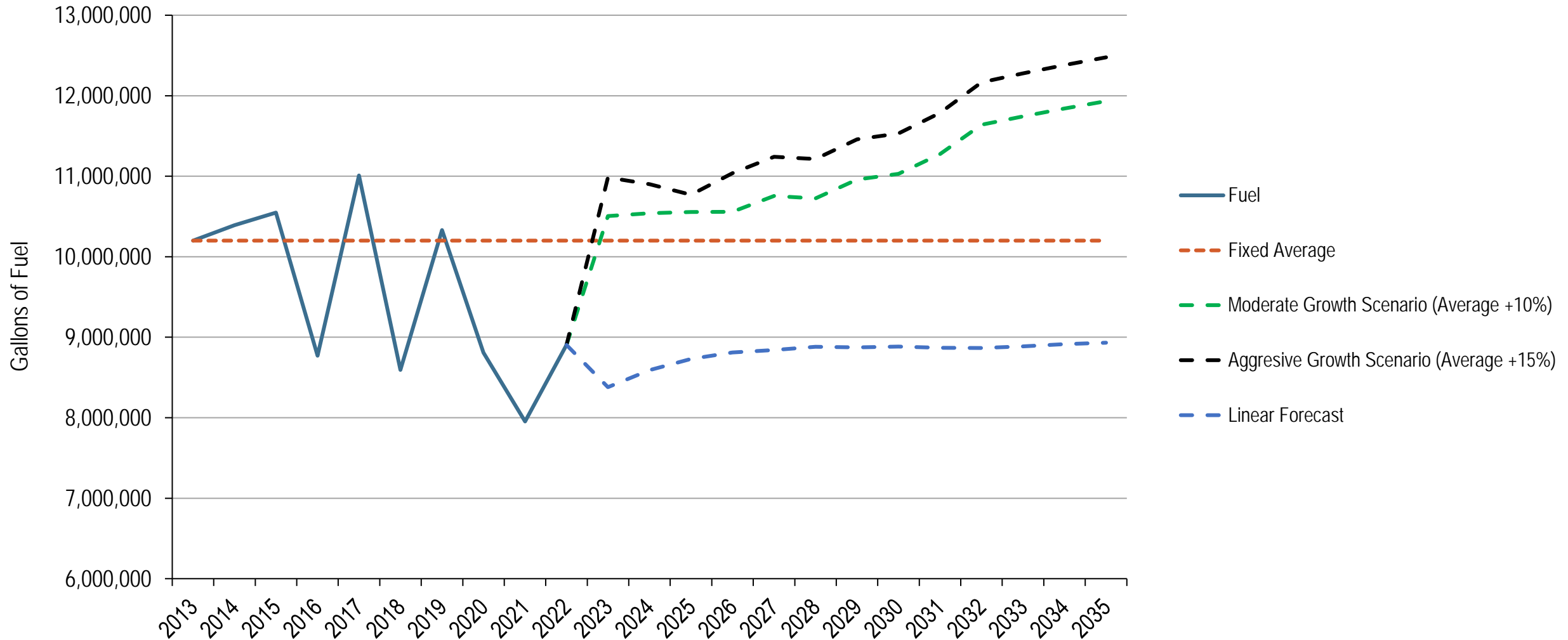
- Naval expansion and military build-up in Alaska
- Increased Coast Guard presence and proposed shipping lanes in the Bering Strait
 - More traffic and maritime activities increases risk of safety incidents and emergency disasters
- Expansion for deepwater port offers potential point for resupply missions, vessel mooring, and maritime operations
- Additional icebreakers
- Vessels engaged in dredging for gold off the coast of Nome are subject to Coast Guard vessel safety and environmental protection requirements.



Regional opportunities and impact on the Port of Nome

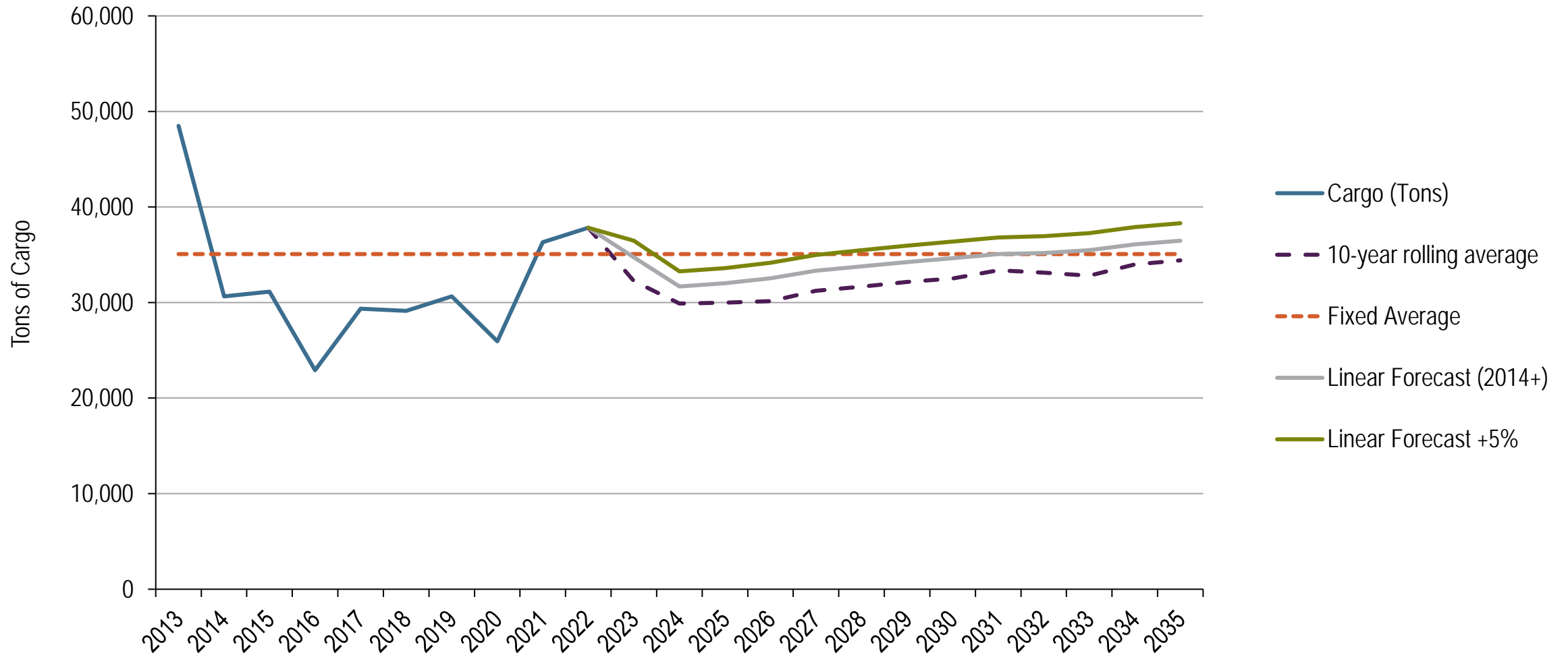
Scenario	Opportunity/Needs
More and larger cruise ships	Increase in visitors to Nome and surrounding areas for recreational activities
	Welcoming Docks, Waterfront, Shuttle/Transportation
Construction projects in the region	Construction projects drive fuel, quarrying, and transportation activities
Natural Resource Development (Fishing, Mining, Quarrying)	Additional storage and transport of graphite and other natural resources
	Gold mining and dredging
Increase in Arctic research activities	Provide facilities and attract vessels for refueling, waste removal, and resupply
Increased vessel traffic and potential incidents through Bering Strait	Increase in vessels inspections and emergency and disaster response

Port of Nome Commodity Volume – Fuel (2012-2035)



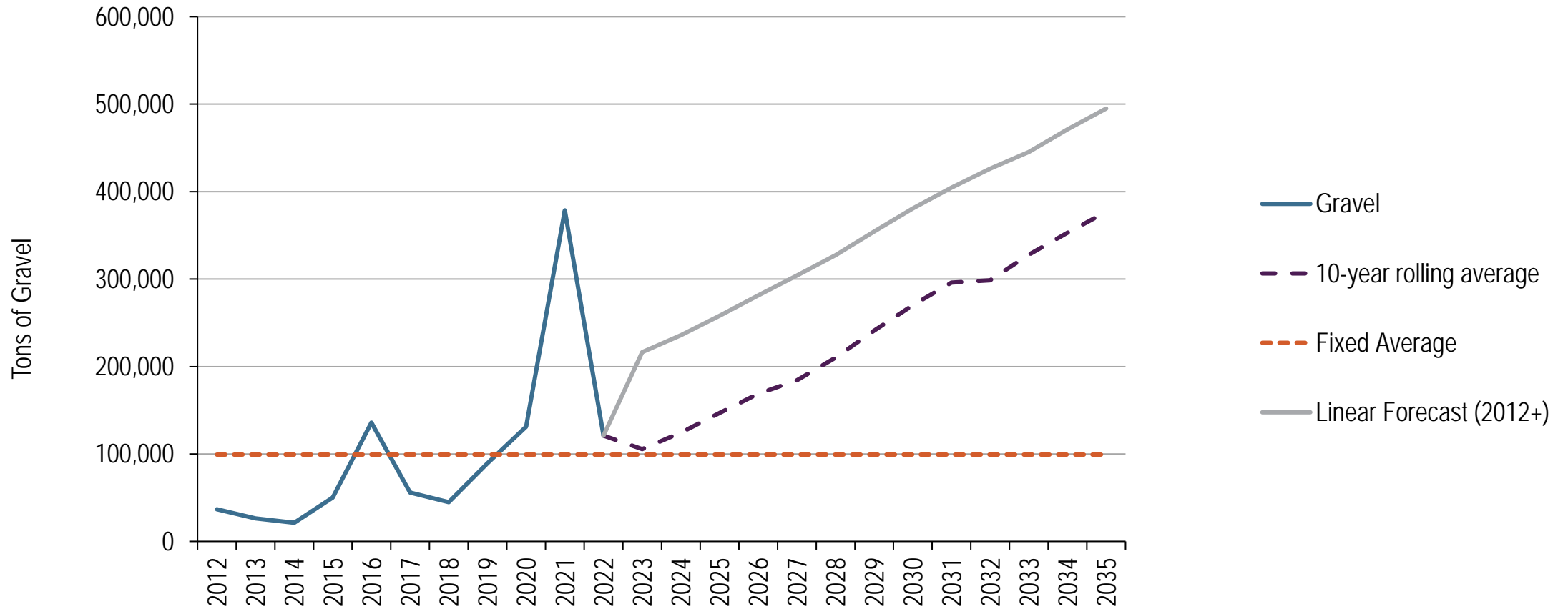
Charts developed by Northern Economics based on data from City of Nome.

Port of Nome Commodity Volume – Cargo



Charts developed by Northern Economics based on data from City of Nome.

Port of Nome Commodity Volume – Gravel



Charts developed by Northern Economics based on data from City of Nome.

Port Development – Interview Insights

Interview insights from port managers, vessel owners, commercial operators, and other users

Community & Environment:

- Build a Fishermen's Memorial at Middle Beach where the river meets the ocean.
- Create a dedicated landing and parking for subsistence hunting and fishing on Belmont Point's west side.
- Provide power across dock areas to facilitate maintenance and other dockside activities.
- Lease real estate strategically for temporary housing, considering local housing market impacts.
- Develop River Street / 1st Avenue for operations facilities.

Tourism:

- Surge in tourism is expected
- Upgrade dock surfaces to accommodate cruise passengers
- Ensure capacity for passenger transportation
- Improve restroom and shower facilities for community and visitors.
- Welcoming waterfront and activities

Interview insights from port managers, vessel owners, commercial operators, and other users

Operational Efficiencies:

- Install a Travel Lift and Haul-out for efficient vessel handling.
- Station a dedicated Assist Boat/Tug in Nome for summer operations to aid large vessel maneuvering.
- Assess real demand for maritime services like welding and machine shops.
- Support for planned inclusion of jetty
- Dedicate a docking area for mining fleet with shallow draft limitations.

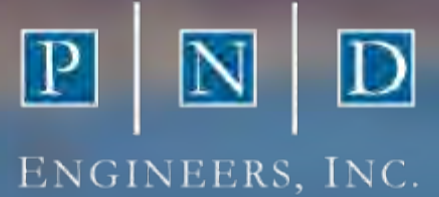
Other:

- Additional deepwater slips needed inside harbor.
- Plumb the new port with pipelines for fuel/water/sewage.
- Diesel and Turbine (Naval Vessels) pipelines may be required.
- Install waste pump-out stations for vessels.
- General concerns about funding for development projects.
- Year-round mining operations could warrant more laydown space

Wednesday January 24

10 am – 1 pm

Public Open Session



Port Commission Work Session

5:30 pm

Thursday January 25

10 am – 1 pm

Public Open Session

6:30 pm – 8:30 pm

Public Concept Session

For Questions \ Comments:

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Presentations Available at:

www.nomealaska.org/port-nome

