

Wrangell's Recovering Economy

Fishing, tourism, forestry all part of revitalization

BY PAULA DOBBYN

When Carol Rushmore moved to Wrangell in 1993, the Southeast Alaska community was buzzing with business activity. Although historically dependent on natural resources—fur, gold, timber and fish—and prone to boom and bust cycles, Wrangell was vibrant at the time Rushmore was unpacking boxes.

Rushmore remembers settling into a picturesque Panhandle town of about 2,400 residents when the community's primary economic engine was churning—a sawmill that employed nearly 250 workers at its peak. Surrounded by the lush Tongass National Forest, the mill was a good place to work. It paid average wages more than 50 percent higher than most other jobs in town, according to the Alaska Department of Labor.

"When I got here, things were hopping. You couldn't get a post office box. You had to do general delivery. The housing market was unbelievably tight. Houses would sell overnight. It was a very busy place," says Rushmore, Wrangell's economic development director.

With an annual payroll in excess of \$10 million, the Alaska Pulp Co. sawmill in downtown Wrangell provided about 30 percent of Wrangell's wages. Besides loggers and sawmill work-

ers, the company indirectly employed many other people, including dozens of longshoremen.

But a year after Rushmore took up residence the mill closed, sending shockwaves into Wrangell's economy. "We lost about hundreds of people practically overnight. Our unemployment rate shot up to over 20 percent. It was a dramatic loss and downturn for our community," she says.

Wrangell's unemployment rate in 2011 was down to 8.6 percent, and the preliminary September 2012 figures are even lower—6.9 percent. But the recovery has been slow and painful as the remote island town, about 155 miles south of Juneau, attempts to redefine itself and diversify. Still, there are many signs of life in Wrangell and indications that the economy is on the rise.

"We're heading in the right direction. Our fishing industry is strong. We've made a lot of improvements to our community infrastructure that is going to attract more visitors. We've seen nothing but opportunity for growth in our marine services sector," says Jeremy Maxand, a member of Wrangell's economic development committee and a former mayor.

There's also some hope for what's left of Wrangell's timber industry. Last fall,

the U.S. Forest Service awarded three small-scale, or "micro," timber sales in the area to a small group of specialty wood-products producers in the area. In addition, there's talk of turning the former Silver Bay sawmill site, about five miles south of town, into a niche wood-projects plant.

"If we begin a real specialty wood products program here, Wrangell could be the center of it for all of Southeast Alaska," says Ron Franz, owner of Whale Bay Woods. Based in Quilcene, Wash., on the Olympic Peninsula, Franz recently opened a facility in Wrangell that turns Tongass wood into components for guitars, cellos and other musical instruments. He would like to expand his offerings and is looking for a larger space from which to operate.

"We have requests for \$150,000 to \$200,000 worth of wood that we can't supply right now," Franz says.

Besides music wood, Franz wants to sell Tongass lumber for boat building and archery products.

"Boat building is going through something of a Renaissance right now. There's strong demand for high-quality wood," he says.

As part of its transition from large-scale old-growth production to smaller

Zimovia Strait seen from
Wrangell Island.

Photo by Jeremy Maxand.

timber sales that include habitat restoration work, the Forest Service is currently putting together a Wrangell-area timber sale in collaboration with the community. It's called the Wrangell Island Project, and a draft environmental impact statement should be out by next spring, says Tim Piazza, a planning forester for the Forest Service. It could offer as much as 91 million board feet of timber, he says.

Because of the potential for job creation and the expansion of a specialty wood-products industry in Wrangell, the city has fostered dialogue among residents, the Forest Service, conservationists, wood buyers, mill owners and others to figure out how best to tailor the Wrangell Island timber sale to suit the community's best interests.

"We're putting our heads together to deal with the most sensitive and controversial topic, which is the future of the timber industry on Wrangell Island. But we're having those conversations and they've been very constructive," Piazza says.

Revitalization Under Way

The signs of Wrangell's transformation from a one-company sawmill town to more of a fishing and tourism community with some forest-products manufacture are visible almost everywhere. For example, at the site of the former downtown sawmill now stands an all-purpose marine service center where boats can be hauled out, repaired and maintained. The center includes upland storage for more than 85 boats and houses an array of marine-related businesses to service vessels. Demand has been so high that the marine service center expanded for the 2012 season.

The town also upgraded its existing harbor and built a new boat basin, Heritage Harbor, in 2006. It filled up almost as soon as it was finished, Rushmore and Maxand both say. Because of Wrangell's marine-infrastructure investments, more commercial fishing vessels as well as yachts and other pleasure boats are using Wrangell as a base of operations, they say.

"It's been a real success story," Rushmore says.

Trident Seafoods has also made expansions and improvements to its processing plant in Wrangell. Last sum-



Wrangell's newest boat basin, Heritage Harbor, constructed in 2006.

Photo courtesy of the City and Borough of Wrangell

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Two views of downtown Wrangell.

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mer, it started manufacturing fish-oil capsules, Maxand says.

Trident Seafoods spokesman, Randy Eronimos, declined to comment.

The James and Elsie Nolan Center—a state-of-the-art visitor and convention center built in 2004 that houses the Wrangell Museum—has also served to breathe life into Wrangell's tourism industry.

Meanwhile, the local federally recognized tribe, the Wrangell Cooperative Association, is nearing completion of a \$1 million clan house restoration project with a ribbon-cutting ceremony planned for May 2013.

Near the site of the new clan house, another big construction project is also under way. The tribe has acquired funding to build a new carving facility to train tribal members in the traditional art of wood carving. It's also a \$1 million project, says Tis Peterman, project development director for the Wrangell Cooperative Association.

"It's really brought the tribe together. There's been a real cultural reawakening happening here," Peterman says.

Until now, Wrangell has lacked a venue to teach young people to carve and it's been expensive to fly in master carvers, she says. The new carving facility will be a learning center, and with the newly restored clan house, will serve to boost the tribe's tourism ventures.

"We view these projects as economic development tools for the tribe," she says.

Last summer, Wrangell also completed what amounts to a community facelift.

"We revitalized the downtown core," says Rushmore. "We basically ripped up Front Street and put in new sidewalks, new plumbing."

Dilapidated buildings were torn down. Hanging baskets and flower boxes were installed to spruce up the town's

look. Crimson-colored glass chips were placed into parts of the new sidewalks to emulate local garnets that children collect and sell to tourists, Maxand says.

"Everybody loves what's happened with downtown. Even the people who said, 'We don't need flower boxes,' they support what's been done," he says.

Changing Roles

Beyond the array of tangible signs that economic activity is returning to Wrangell, personal stories tell the larger tale of the town's transition.

Maxand, the former mayor and a current member of the economic development committee, is a case in point.

Born and raised in Wrangell, Maxand, 39, is the son of a longshoreman who serviced log ships that transported Tongass old-growth timber to and from the former sawmill. Several of his family members worked directly for the mill.

Maxand attended college in the Lower 48 on a scholarship provided by the Alaska Pulp Co. He has a master's degree in history from Boise State University where he teaches online classes in sociology as adjunct faculty. After spending 16 years living in Idaho, Maxand returned home to Wrangell in 2007. The following year he won a seat on the Wrangell Borough Assembly where he served for two years. In 2010, he ran successfully for mayor and last October he completed his two-year term.

Known as a driving force behind Wrangell's economic recovery and a consensus builder, Maxand wears multiple hats.

The owner of a coffee roasting business, Maxand is also on the staff of the Juneau-based Southeast Alaska Conservation Council, a nonprofit group that was instrumental in reforming

Forest Service timber policies in the Tongass. He is employed by SEACC as a community organizer in Wrangell. Maxand took the job one month after becoming Wrangell's mayor.

"Once I took the job with SEACC, I figured there was a pretty good chance I'd be recalled. But in fact, it's never really been an issue. I've had two years of really great work as mayor trying to support the small mill guys in town and trying to engage the Forest Service at a level we've never done in the past," Maxand says.

That a SEACC community organizer could be mayor of blue-collar Wrangell is nothing short of extraordinary and shows how far the town has come in moving beyond its past, many observers say. For years, as Wrangell's timber industry shrank and finally collapsed, and as families were forced to move away to find work, the tone of public discourse in Wrangell tended to be bitter, especially toward anyone with environmental leanings.

"I couldn't imagine anyone associated with SEACC living here in the 1990s, much less being mayor. You had death threats being leveled against anyone speaking out on behalf of fish and wildlife conservation," Maxand says.

But having grown up in Wrangell in a family that was directly tied to the timber industry gave Maxand some street credibility. That, combined with his measured approach to resource issues and his commitment to fostering jobs and supporting existing and new industries, served him well in his role as mayor.

"He's changed the tone of the conversation. Instead of an us-versus-them approach, which often takes place when you talk about conservation and natural resource issues, he comes at it from the perspective of, 'What's good for the

community in the long term?" says Stephen Todd, a Wrangell resident and fisheries technician with the Alaska Department of Fish and Game.

Maxand has been working to create dialogue between the Forest Service, small mill owners, wood buyers and others so that when future timber sales are offered nearby, local residents and wood-product entrepreneurs who want to work in Wrangell can benefit.

Karen Hardigg, who works for the Forest Service as a liaison with conservation groups, is encouraged by what she sees happening in Wrangell.

"Wrangell has an exciting alignment of people working together to try to do some new and innovative things for the local economy. It's not everyday that you get environmental organizers working side by side with Forest Service officials, forest products people and tourism business owners to make economic change happen," Hardigg says.

Logger to Tourism Entrepreneur

Jim Leslie is another Wrangell resident whose career has paralleled the town's transformation.

For many years, Leslie owned a logging company that operated remote camps throughout the Tongass National Forest. Leslie Cutting Inc. employed roughly 75 people and harvested up to 220 million board feet of old-growth timber per year.

Times were good for Leslie and his employees until market conditions, legal cut-backs in logging and other factors forced Southeast Alaska's two pulp mills and several sawmills, including the one in downtown Wrangell, to cease operation. Leslie, a former board member of the Alaska Forest Association, the state's largest timber industry trade group, was resentful when the business he had built from the ground up was forced to close in 1992.

"I had a chip on my shoulder," Leslie recalls.

The worst part was having to lay off men with families to support.

But Leslie found a new career. He opened Alaska Waters Inc., an adventure-based tourism company that offers a variety of options, including jet boat tours of the Stikine River, glacier and bear viewing, rainforest walks and cultural excursions.

Although the recession took a bite out of his business, as it did for most tourism operators in Southeast Alaska and beyond, Leslie said recently that Alaska Waters Inc. is doing well.

While big life changes are never easy, Leslie said he has no regrets about his move from timber to tourism. In his view, you have to get on with life and find new ways to create opportunities.

"I don't look back," Leslie says.

One of Wrangell's strong points is its resilience, Todd says. The town has an uncanny ability to come together and find solutions, he says.

"There's a real sense of community here. That's one of the things that drew me to it when I moved here in 1999. Even though it was still in a kind of hangover from the post-sawmill era, there was a real energy to the place," Todd says. "Even though Wrangell has been known for being polarized, when the town needs help, they circle the wagons. They take care of their own." ☀

Freelance journalist Paula Dobbyn lives in Anchorage.



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