



ALASKA

NORTH TO OPPORTUNITY

Fiscal Year 2017 Annual Report

Alaska Regional Development Organizations



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State of Alaska

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Department of Commerce, Community,
and Economic Development

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Division of Economic Development

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ALASKA

NORTH TO OPPORTUNITY

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The Alaska Regional Economic Assistance Program was established in 1988 under AS 44.33.895 to encourage the formation of regional development organizations in locations across the state. These Alaska Regional Development Organizations (ARDOR) prepare and implement regional development strategies that incorporate local knowledge. Qualified ARDORs have historically received annual base project funding from the Alaska Department of Commerce, Community, and Economic Development (DCCED) that may be leveraged for funding from federal, local, and private programs. All ARDORs were required to provide matching funding equal to a minimum of 33.33 percent of the grant amount; in practice, many ARDORs matched at far greater levels.

ARDORs are the primary economic development agencies providing support services for their regions, communities, and businesses. ARDORs throughout the state have similar challenges and scopes of work, but the form and function of each ARDOR is customized to each region. As partners of the State of Alaska, ARDORs encourage economic development and growth in their regions and are strengthened by their connections to other regions through the statewide program.

ARDORs are directed at the local level by elected or appointed boards of directors that reflect the economic diversity and the character of the region. Some ARDORs have achieved additional federal designations, which enable the organizations to qualify for additional federal funding. ARDORs have also developed business, municipal, and private memberships that reflect the distinct needs of each region.

The ten currently designated ARDORs represent areas that range in size from the Municipality of Anchorage to the sparsely populated and sprawling Southeast, Southwest and Western regions of Alaska. Several rural regions like the Arctic Slope and large expanses of the Interior do not currently have designated ARDORs. Three ARDORs - Yukon-Kuskokwim Economic Development Council, Northwest Arctic Borough Economic Development Council, and the Bering Strait Development Council - did not respond to this year's annual report request and are not included in this publication. Their ARDOR status is being reviewed.

Acting upon, maintaining and updating a region's Comprehensive Economic Development Strategy (CEDS), is an ongoing responsibility for the organizations and a requirement for many federal funding programs. A CEDS provides a clear understanding of a region's current economic situation and potential strategies forward that encourage economic growth. In FY17, Anchorage Economic Development Corporation began work on a new CEDS, and will finalize it in FY18, while the other ARDORs continued work on their existing CEDS.

Several coastal ARDORs continue to partner on the Alaska Marine Highway System Reform Initiative, led by Southeast Conference.

In FY17, the Kenai Peninsula Economic Development District began a resiliency-focused Business Retention and Expansion (BRE) survey to gather data and assess the health of its business community.

The ARDOR program was reauthorized for five years in 2016 by the Alaska Legislature, though funding for the annual ARDOR grants was removed from the FY17 budget. The ARDOR program and network is still active, though some are struggling financially and the cooperation and shared identity the program once facilitated has lessened.



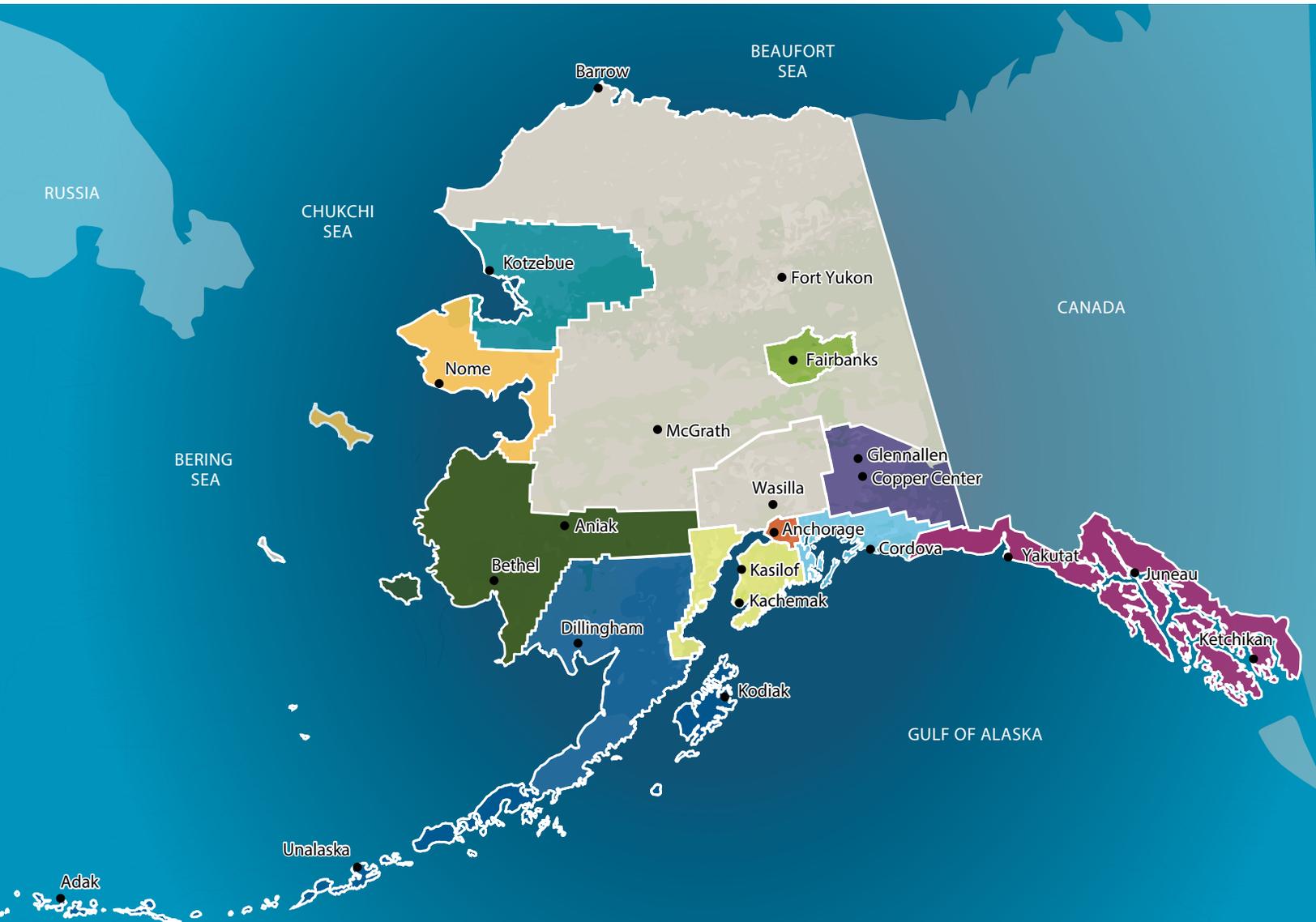
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Petersburg

Alaska Regional Development Organizations

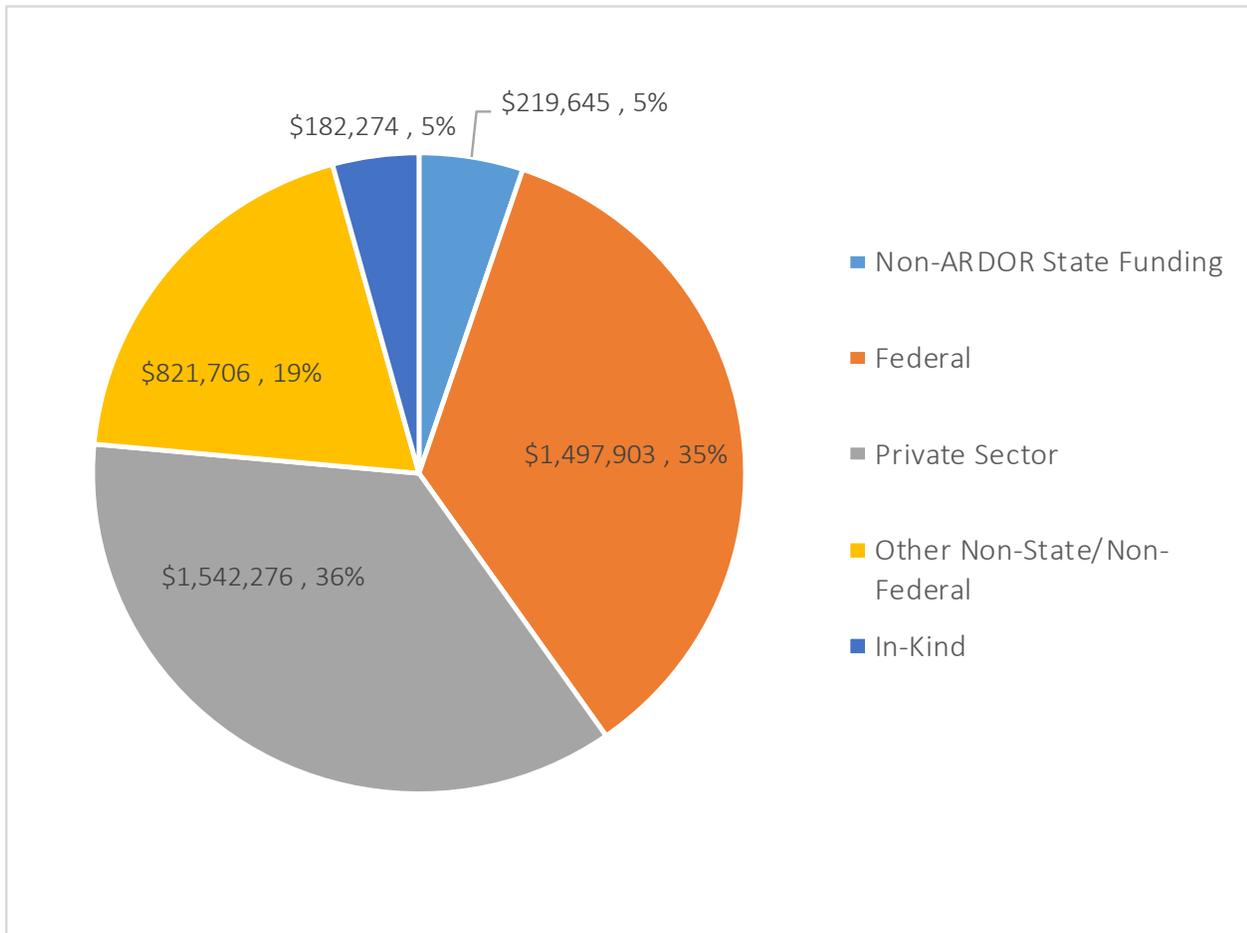
- Anchorage Economic Development Corporation (AEDC)
- Bering Strait Development Council (BSDC)
- Copper Valley Development Association (CVDA)
- Fairbanks North Star Borough Economic Development Commission (FNSBEDC)
- Kenai Peninsula Economic Development District (KPEDD)
- Northwest Arctic Borough Economic Development Commission (NWABEDC)
- Prince William Sound Economic Development District (PWSEDD)
- Southeast Conference (SEC)
- Southwest Alaska Municipal Conference (SWAMC)
- Yukon-Kuskokwim Economic Development Council (YKEDC)
- Region without designated ARDOR



In FY17, the State of Alaska did not allocate funding toward the ARDOR program. In the absence of this state funding, private sector funds accounted for the largest percentage of all ARDOR funding support at 36 percent, while federal funding accounted for 35 percent.* Nineteen percent of the ARDORs' combined revenue portfolio came from other non-state/non-federal funds; five percent came from in-kind donations; and five percent was from non-ARDOR state funding.

*Note: Three of the ARDORs did not report this year and are not included in this analysis (Northwest Arctic Borough Economic Development Commission, Yukon-Kuskokwim Economic Development Council, and the Bering Strait Development Council).

FY2017 Total ARDOR Program Funding (By source - dollars)





Anchorage Economic Development Corporation

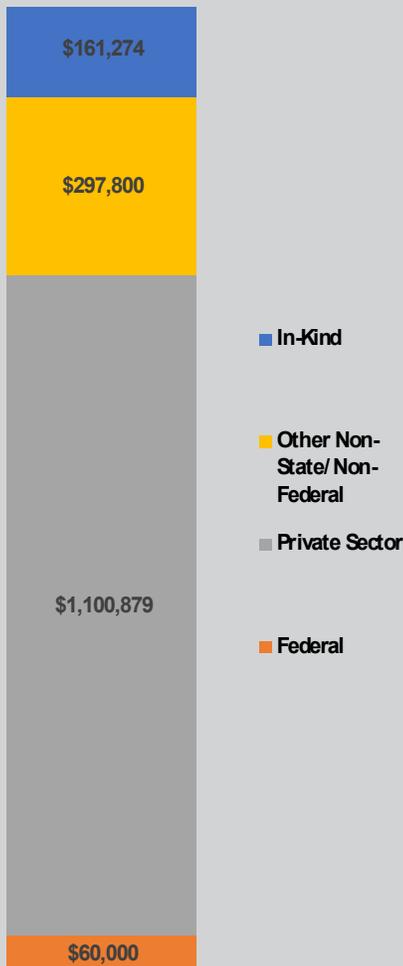


Mission: To grow a prosperous, sustainable and diverse economy.

Board of Directors

Chair: Marilyn Romano
 Vice-Chair: Raquel Edelen
 Sec/Treasurer: Dave Karp
 James Hasle
 William Dann
 Grace Greene
 Rick Pollock
 Dale Wade

Funding Summary



The Anchorage Economic Development Corporation (AEDC) is a private, non-profit corporation, in operation since 1987. It exists to encourage growth and diversity in the Anchorage economy, promote a favorable business climate and improve the standard of living of Anchorage residents. AEDC provides industry expertise and economic resources to both large corporations and growing companies interested in locating or expanding their business in Anchorage. AEDC produces trusted employment data and economic research that provide a clear snapshot of the municipality’s economy. Funding sources for the corporation are a combination of private contributions, municipal and state grants and contracts.

Economic Development Challenges in the Region

AEDC has identified several economic development needs for its region including the development of nascent technology industries, implementation of a backhaul strategy to make Anchorage based manufacturing feasible outside of the Alaska market, the revitalization of Anchorage’s urban centers, expansion of housing options, infrastructure improvement and modernization, and the integration of University programs with the local business community. AEDC is also pursuing a variety of policy initiatives and partnerships to leverage its economic development capabilities and strengths with those of sister organizations. Persistent challenges to growth and development include: lack of a qualified workforce, lack of workforce affordable housing, and high cost of living, among many others.

Current Activities

AEDC completed two drafts of the Comprehensive Economic Development Strategy (CEDS), holding two public comment periods and receiving feedback from a steering committee made of more than 20 community leaders. The draft will be finalized and submitted to the Anchorage Mayor’s office in spring 2018. The CEDS will be maintained and updated annually through 2023.

AEDC continues to work on the Live. Work. Play. (LWP) Initiative’s goal of making Anchorage the number one city to live, work, and play in by 2025. LWP includes different areas of focus, the results of which are listed below.

Airport Business Development is a multi-year effort focused on attracting investment to Anchorage related to the Anchorage Ted Stevens International Airport’s international air cargo advantages. Following extensive research on Anchorage’s most competitive opportunities, AEDC efforts have focused on warehouse and distribution activities in four key sectors: clinical trials/pharmaceuticals, automotive electronics, contract manufacturers-electronics, and third-party logistics firms. In addition to outreach to company decision-makers, a significant piece of FY17 work has been the building and delivery of complete business propositions that address the workforce, real estate, and logistics needs of these target industries.

Activities and Results in FY17

- AEDC assisted 56 in-state and 5 out of state businesses seeking help with information and connections to resources or contacts in the business community. Out of state

companies assisted included Tesla, Graphite One, and the Irwin Development Group. In addition, AEDC assisted in-state companies that included several real estate companies, community housing developers, Native corporations, and many others.

- AEDC hosted three “Job Skills Boot Camp” programs, which are half-day sessions led by local business leaders to provide soft skills and professionalism training to job seekers in low-income and high-unemployment areas.
- This year, the Trails Initiative of LWP raised \$200,000 in sponsorships towards the new Trails Wayfinding project, to build and install maps and signs along the Anchorage trail system that help residents and visitors get around safely.
- The LWP Housing Area of Focus successfully advocated for the initiation of a feasibility study for a Storm Water Utility (SWU). A SWU would be a unified entity that manages storm run-off and drainage for the entire city, connecting the existing patchwork system of drainage that creates significant issues of flooding and environmental impact in streams and lakes and presents major infrastructure obstacles for housing developers.
- The LWP Community Safety Area of Focus continued to promote the Anchorage Cares campaign to discourage giving to panhandlers. In December, Anchorage Cares aired its first video on social media, to help educate residents about the risks of panhandling and encourage them to give directly to homeless service agencies instead.

Board Activities and Meetings Summary

The AEDC board met five times in FY17. The board discusses board reorganization, the CEDS process, the LWP Initiative, and AEDC’s 2018 vision navigation .

Continuing and Future Projects

AEDC will continue to attract new businesses and industries to Alaska through the organization’s outreach programs including site selection engagement, industry profiles, supporting incentives on the state and municipal level that would attract new companies and other initiatives.

In FY2018, AEDC will further develop and implement the LWP Initiative. AEDC will create and strengthen ties to interested sister organizations as well as community activists to find creative ways to improve the 31-quantifiable metrics used to rank the 50 most populous cities in each state plus the District of Columbia.



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Bill Popp has spent more than 40 years in both the Alaska private and public sectors. As President and CEO of AEDC, he sets the strategic direction in marketing Anchorage and Alaska to companies and global industries considering Anchorage as a place in which to do business and assists local businesses looking to expand both within Anchorage and Alaska as well as Lower 48 and international markets. Popp is a past elected and appointed municipal government official for the Kenai Peninsula Borough and is a board member of the Anchorage Chamber of Commerce, Visit Anchorage, Anchorage Downtown Partnership, the Alaska Partnership for Economic Development and Anchorage Concert Association. He also serves on the UAA College of Business and Public Policy Advisory Board; Chairman of the Governor’s Broadband Task Force and is a member of the Alaska Film Group, Municipality of Anchorage Energy Policy Task Force and membership development committee of the International Economic Development Council.

STAFF

Will Kyzer
 Moira Gallagher
 Darleen Fernandez
 Sean Carpenter
 Emma Kelly
 Allison Meyers
 Connor Keesecker
 Samantha Luban



Copper Valley Development Association

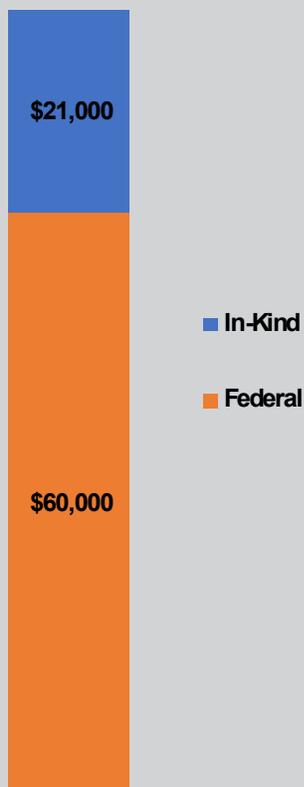


Mission: Facilitating public-private partnerships to improve quality of life through promoting economic development while fostering cultural and natural resource development through education and good stewardship.

Board of Directors

Gary Hay
Pat Anderson
Theresa Absher
Ben Siefert
Eric Lutz
Tom Huddleston
Mercedes Knighten
Kate Forrester
Shelia Hay

Funding Summary



The Copper Valley Development Association (CVDA) serves the Copper River Valley, an area of approximately 20,649 square miles and a population of 2,997. CVDA functions as a public and private partnership to address natural resource and economic development opportunities. CVDA does this through information gathering and dissemination and by acting as liaison between government and the private sector, with the goal of creating self-sufficiency throughout the region through development and wise use of sustainable resources.

Economic Development Challenges in the Region

Energy costs continue to be the biggest challenge for economic development in the region. Electricity and heating oil costs inhibit growth, business retention and expansion, large scale business entry, and success of year-round businesses. While efforts have been made to alleviate some of these costs, the operations and overhead costs, especially in winter, make financial success difficult. Additionally, costs for gasoline to commute for employment, deliver goods and services, and access business can hinder development.

Costs to transport goods and services continue to remain high in the region even though it is connected to the road system. Delivery from main points of distribution such as Anchorage, Valdez, or Fairbanks, increase the costs of good to businesses and consumers.

Workforce development continue to be a challenge in the region. With continued out-migration of residents to urban areas for cheaper energy, goods and services, and employment opportunities significantly diminishes the workforce availability in the region. With less individuals available to work, coupled with high costs of commuting, adequate workforce numbers continue to plague development. Moreover, with the loss of Prince William Sound Community College and other local training programs, developing a well trained workforce for specific jobs is harder.

Current Activities

CVDA provides local businesses and organizations with business planning, project management, pro-forma budgeting, and other start-up support services. CVDA connects businesses, community and tribal organizations to state and federal programs and funding opportunities. CVDA is working with small businesses and Copper Valley Telecommunications to increase high-speed Internet connectivity and computer literacy, with the goal of increasing the number of visitors to the region. CVDA also offers office space to federal and state government officials visiting the region.

Activities and Results in FY17

- CVDA has been a strong proponent of energy efficiency and use of renewable resources where feasible by small businesses. It continues to assist small businesses and organizations in attaining funds or adopting practices to decrease energy costs.

- CVDA is currently working on energy planning for many of the small, outlying villages in the region in hopes of reducing energy costs in the long term and spurring additional business development. This is being conducted on a contract basis with Ahtna and the U.S. Department of Energy.
- CVDA currently supports the regional job fair with the Alaska Department of Labor and Workforce Development Job Center. Additionally, CVDA provides a network to connect businesses with other businesses and services.
- CVDA continues to foster agriculture in the region. The region continues to see growth in this industry with small steps toward increased production and additional farming operations. Locally grown produce and meat are more readily available with farmers markets (initiated by CVDA in previous grant programs), Farm to School programs (fostered by CVDA), and Controlled Environment Agriculture (also initiated here and statewide by CVDA programs).
- CVDA has seen an increase in cottage industries, value-added production of agricultural goods and other handmade crafts. With the increase in broadband speeds and reliability these cottage industries can access more markets and consumers.

Board Activities and Meetings Summary

The board met seven times during FY17. Two members joined the board last year. With funding cut from the state budget, lack of local funding, and no main sponsor, it is uncertain for how long CVDA will remain open and in service to the public and region .

Continuing and Future Projects

Energy Planning is continuing for CVDA. It is currently contracted with Ahtna and the U.S. Department of Energy for energy plans for outlying villages in the region. This is a continuance and update to the Alaska Energy Authority's Phase 1-3 energy plans that CVDA has already completed.

The Road Belt Inter-Tie (RBIT) project has been identified as the number one need in the regional CEDS and regional energy plan. It has also been identified as a goal of the statewide energy plan, and is hailed as the number one goal of the tribal energy plan currently being done with Ahtna. CVDA has taken an active role and is the tip of the spear for this project by facilitating all stakeholders to come to accord, work towards funding and planning. So far, the project has the support of three Alaska Native Corporations, 17 tribal governments, 17 communities, three utilities, and the Alaska Power Association. Additionally, many more entities are in process of lending resolutions of support.

CVDA is planning to partner with Alaska Small Business Development Center for a USDA Rural Business Development Grant to assist in writing business plans and feasibility studies for potential small business startups. This would be done in a theoretical manner to illustrate the potentiality for business development with the advent of cheaper electricity. Illustrating the potentials of small business in the region will assist in attaining the Road Belt Inter-Tie.



Jason Hoke arrived in Copper Valley in 1996 as a teacher and administrator in Chistochina for the Copper River School District. Jason later served as tribal administrator for Cheesh'na Tribal Council. He has a bachelor of arts in sociology/criminology, masters of science in special education/behaviorism, and graduate work in behavioral psychology. Jason has experience working with federal, state, municipal, tribal, and private entities throughout the United States, in a multitude of professional capacities. He is on the boards of directors for Copper Valley Telecom and Local Emergency Planning Committee, and volunteers with various other organizations. Jason was named executive director of the CVDA in 2010. Jason has had several businesses in Alaska and New York, and currently owns the Triple H Ranch near Copper Center. His band Piglet once opened for Slayer.

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Fairbanks North Star Borough Economic Development Commission

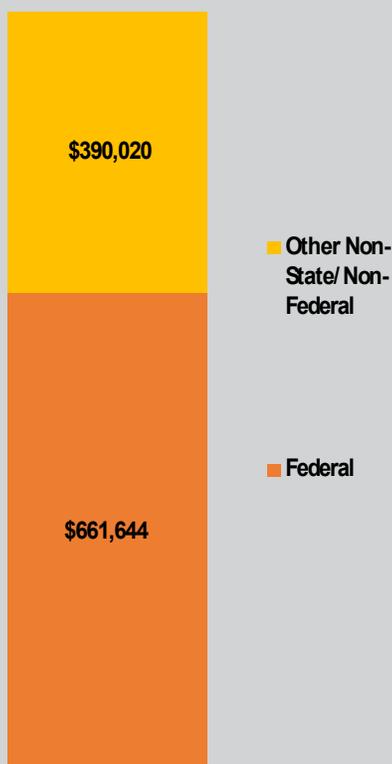


Purpose: To actively promote, foster and coordinate public and private initiatives that create capital, diversify the economy and utilize economic capacity in ways that improve standard of living, quality of life and sustainability of urban and rural lifestyles.

Board of Directors

- Karl Kassel
- John Eberhart
- Bryce Ward
- Kelly L. Brooks
- Van Lawrence
- Christopher Quist
- Paul Robinson
- Fred Schlutt
- Russel Talvi

Funding Summary



The Fairbanks North Star Borough (FNSB) was incorporated in 1964 and the Economic Development Division was founded in 1980. The Fairbanks North Star Borough Economic Development Commission (FNSBEDC), located in the Borough Mayor’s Office, is comprised of the Mayor and eight commissioners appointed by the Borough Assembly. FNSBEDC is focused on growing, diversifying and defending the region’s economic base, and coordinating economic development initiatives that increase employment opportunities and improve residents’ standard of living and quality of life.

Economic Development Challenges in the Region

The region’s legacy challenges are obtaining access to clean, affordable and sustainable energy, and diversifying the economy.

Current Activities

FNSBEDC is pursuing economic development opportunities afforded by recently-announced military construction projects in the region, including the selection of Eielson Air Force Base in Fairbanks as the location of a new F-35 squadron. The FNSBEDC also continues to support its top CEDS objective of lowering and stabilizing FNSB energy costs by expanding the energy portfolio with a focus on local resources.

Activities and Results in FY17

- The borough applied for and received a grant from the Department of Defense Office of Economic Adjustment to complete a Regional Growth Plan related to the arrival of two new squadrons of F-35 aircraft at Eielson Air Force Base.
- A pilot biomass project is moving towards construction after award of grant funding



Fairbanks Pipeline Training Center - Photo courtesy of Lance Parrish and Fairbanks Pipeline Training Center

through Alaska Energy Authority's Emerging Energy Technology Fund and USDA Forest Service's Wood Innovations Grant. This project will install a 40 kilowatt electric biomass gasification combined heat and power system at a Borough facility to demonstrate the technology in Alaska for the first time.

- U.S. Economic Development Administration funding was used to procure contractual services to automate existing FNSB energy benchmarking analysis. This analysis turns raw utility billing data into a standard report that quantifies trends in energy costs and usage and allows facility operators to evaluate the impacts of operational and equipment changes. The code to perform the analysis is under an open source license and has been shared with the community through a public presentation at the Fairbanks Economic Development Corporation (FEDC).
- The Borough's Energy Management Engineer worked with the local nonprofits to submit an application to U.S. Department of Energy's Solar in Your Community Challenge. The organizations were awarded a \$10,000 technical assistance voucher to investigate large scale solar deployment on public and non-profit buildings throughout the community.

Board Activities and Meetings Summary

The FNSBEDC Commission met seven times in FY17. Topics of discussion included: the Eielson Air Force Base Growth Management Plan; CEDS goals, objectives, and implementation strategies; the FNSB Comprehensive Plan; and the role of the FNSBEDC in Arctic economic development.

Continuing and Future Projects

FNSBEDC will continue to work on implementation of the CEDS, supporting community priorities. The Commission has created a formal process for modifying the CEDS, which is planned for 2018. This process will identify achievable goals for CEDS development and implementation. Identified steps include prioritizing strategic projects, creating a working group of regional business and economic development representatives, and working with other offices within the FNSB to monitor and report on performance measures. The draft Regional Growth Plan, funded by a Department of Defense grant, will be released in 2018. The grant is helping the borough identify and understand the service and infrastructure gaps that exist in the region relating to the beddown of two new squadrons of F-35 aircraft at Eielson Air Force Base. Eielson Air Force Base serves as a significant economic engine for the Interior and increased affiliated personnel will have significant impact on the region's economy. The final report will include recommendations for addressing identified gaps/impacts, along with an implementation plan containing action steps, monitoring strategies and an estimated budget for related implementation costs and potential funding sources.



Jeff Stepp became the ARDOR Program Director for the Fairbanks North Star Borough in December 2015. Jeff worked in Juneau during six sessions of the Alaska State Legislature, including two years as the aide to the Senate Labor & Commerce Committee and two years as the co-aide to the Senate Resources Committee. He has also worked at the University of Alaska Fairbanks (UAF) in student affairs, where he served as president of the UAF Staff Council and chair of the UA Staff Alliance. Jeff enjoys volunteering in the community and has served on the boards of directors of the Yukon Quest, Fairbanks Folk Fest and Interior Alaska Center for Non-Violent Living.

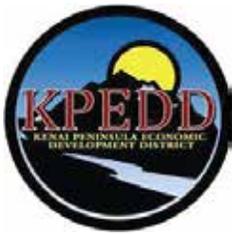
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Kenai Peninsula Economic Development District

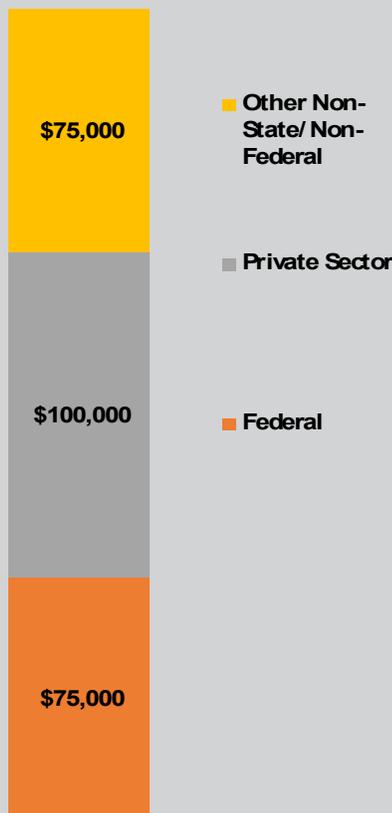


Mission: To serve Kenai Peninsula Borough residents by enhancing their quality of life through responsible and sustainable regional economic and workforce development.

Board of Directors

- Brendyn Shiflea
- Todd Smith
- Rachel O'Brien
- Stephanie Queen
- Dale Butts
- Rick Koch
- Dale Bagley
- Brandii Holmdahl
- Bryan Zak
- Stan Mishin
- Julie Woodworth
- Chris Hough

Funding Summary



The Kenai Peninsula Economic Development District (KPEDD) became an ARDOR in 1989. Throughout the past 27 years, KPEDD has worked to broaden the economic development of the Kenai Peninsula Borough in southcentral Alaska. Over the organization's history, KPEDD has been involved in a variety of projects promoting economic development in the region, including public works projects, shellfish industry development, international trade, promoting a natural gas pipeline from the North Slope to Cook Inlet and employee recruitment.

Economic Development Challenges in the Region

The demographics on the Peninsula present some challenges to economic growth. The population is aging, there is low in-migration, and public school enrollment is shrinking. The region is home to a large natural resource extraction sector, however there is relatively low public-sector employment with no military bases and few state employees. In addition, the loss of state ARDOR funding resulted in the immediate elimination of a full-time staff position. The state ARDOR grant had been used previously used for direct business outreach.

Current Activities

KPEDD continued in its landlord function for a business incubation center attached to its offices. The center provides office, warehouse, and land space to new or struggling businesses at a discounted rate. Tenants also receive assistance with business needs such as licensing, capital and advocacy.

A disaster planning business retention survey is currently underway and will be disbursed to each community to assist each business with resiliency planning. This questionnaire will work to develop a structure in the event of natural and man-made catastrophes to reduce business closures and unemployment.



A new building at the Kenai River Brewing Co., a successful brewery in the region

Activities and Results in FY17

- KPEDD has been working with communities and partners to implement its Comprehensive Economic Development Strategy (CEDS) and map economic development and resiliency strategies. One activity is a disaster planning business retention survey to assist Peninsula businesses with resiliency planning.
- KPEDD continues to publish the Situations and Prospects report and disseminate relevant data to assist in business and community decision making. This report includes information on education, housing, cost of living, transportation, regional, business and personal prosperity, industry spotlights, and borough and city profiles.
- KPEDD is working with the Kenai Peninsula Borough to assist in the assessment of a potential airport authority. An airport authority would be a necessity if the state were to transfer ownership of all airports/airstrips to the Borough.
- KPEDD hosted the Industry Outlook Forum in January 2017, providing attendees with information and updates from the various economic sectors of the region. Featured speakers include the State of Alaska staff, industry leaders, economists, Alaska Native tribal leaders, non-profits, and entrepreneurs discussing 5-year business projection, trends, opportunities and weaknesses. In recent years, this event has opened the lines of communication between industries and workforce, and between government and business. It has also served as a platform for discussion regarding progress and project updates.

Board Activities and Meetings Summary

The KPEDD board met six times in FY17. The board received updates on the local CEDS process, the statewide CEDS, the Industry Outlook Forum, the Situation and Prospects report and financials of the organization.

Continuing and Future Projects

KPEDD will continue to work with a recently developed workforce panel to reduce redundant programs, identify workforce needs and gaps, and retain students by engaging them with employers and identifying opportunities. The workforce panel includes KPEDD, the Alaska Department of Labor and Workforce Development, AVTEC, Kenai Peninsula College, the Kenai Peninsula Borough School District and the Kenai Peninsula Construction Academy. Through this partnership, KPEDD can develop the local labor pool by identifying needs and opportunities.



After serving on the KPEDD Board of Directors for more than seven years, Tim Dillon was appointed as KPEDD's Executive Director in August 2016. Previously, he was the City Manager for the City of Seldovia where he brought in more than thirty million dollars in federal, state, borough, and private grants. Tim holds a Master's degree from Eastern Kentucky University that is a combination of law, accounting, and marketing.

STAFF

Caitlin Coreson
Programs Manager

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Fishing near Kasilof - Photo by Elizabeth Earl, Peninsula Clarion



Prince William Sound Economic Development District

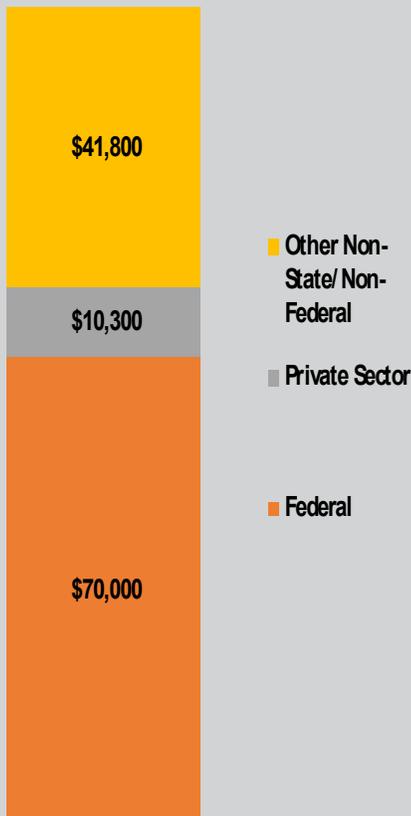


Mission: To serve as a forum for the discussion of regional economic issues and to foster economic growth and job creation through strategic planning and infrastructure development.

Board of Directors

- Dave Dengel
- Lloyd Komkoff
- Dan Blair
- Patience Andersen Faulkner
- David Totemoff
- Mark Lynch
- Mike Hicks
- Ruth Knight
- Larry Evanoff

Funding Summary



Prince William Sound Economic Development District (PWSEDD) was established in 1991 to address the need for a coordinated region-wide planning authority, receiving designation as an ARDOR at that time. In 2001 the agency received designation as a federal Economic Development District. PWSEDD serves the communities of Chenega Bay, Cordova, Tatitlek, Valdez and Whittier with a combined population of 6,700. The Chugach National Forest surrounds the region's coastal communities. Economic activity is focused on oil distribution and support services; the maritime sector, including seafood harvesting and production; and the visitor industry and outdoor recreation.

Economic Development Challenges in the Region

High transportation and energy costs, limited private property ownership, small market size, and limited workforce availability and readiness contribute to a higher cost of doing business and living in the region. Structurally, the region's five communities are dissimilar in terms of economic base and disconnected in terms of common infrastructure or other shared assets. The absence of a long-term state fiscal plan, the potential for increased local and state taxes, and burdensome regulations are top concerns for investors considering business formation or expansion in the region.

Activities and Results in FY17

- PWSEDD completed a revision of the regional Comprehensive Economic Development Strategy (CEDS) entitled Sound Opportunities: Economic Growth for the Prince William Sound Region. It includes four targeted traded clusters: oil and gas distribution; seafood harvesting, production, and processing, marine transportation and support services, and tourism and outdoor recreation. The CEDS includes cluster specific SWOT analyses, a regional SWOT analyses based on the Six Pillars Framework, and a risk and resiliency analysis.
- Completed the PWS regional energy plan in conjunction with the Alaska Energy Authority. The plan highlights advances in renewable energy sources in the region. It also illustrates the need for energy usage assessments across the region.



Billings Glacier in Whittier

- Signed on as a sponsor of the Alaska Marine Highway Reform Initiative and conducted outreach efforts in the region to gather and encourage comment on the role the ferry system plays in the region and its impact on businesses and residents.

Board Activities and Meetings Summary

The board met 15 times in FY17; there were no changes to board members. Wanetta Ayers joined PWSEDD as executive director. Topics discussed at meetings included regional economic development planning, sustainable regional and statewide AMHS service, business retention and expansion, infrastructure development, workforce development, expansion of maritime and visitor industries, and regional partnerships and cohesion.

Continuing and Future Projects

- Conduct an updated to the PWS Business Climate Survey and ongoing business retention, expansion, and resilience outreach.
- Assess the potential for a standalone ferry system in the region as an adjunct or alternative to the AMHS Reform Initiative.
- Inventory marine trades and services in the region and promote the capacity of regional ports and harbors.
- Initiate efforts to define and promote regional marine trails, state marine parks, and other assets to increase independent travel and outdoor recreation in the region.



Wanetta Ayers is a lifelong Alaskan who has worked for three decades as an economic development practitioner with a focus on coastal communities, place marketing, and expanding opportunities in the tourism and maritime sectors. Her experience includes business finance, workforce development, destination marketing and management, and small business development. Ayers has an MBA from the University of Washington Seattle and graduate certificates in economic development and social media marketing.

CONTACT

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www.pwsedd.org



Southeast Conference

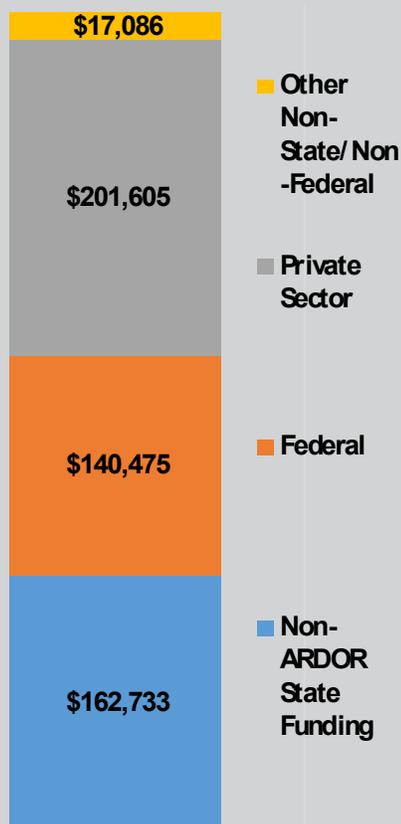


Mission: Undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska.

Board of Directors

Jan Hill
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Funding Summary



Southeast Conference (SEC) was established in 1958 to advocate for the marine transportation needs of Southeast communities. In 1989, SEC became an ARDOR and a federal Economic Development District. The region extends 500 miles along the southeastern Alaska coast from Metlakatla to Yakutat, encompassing more than 1,000 islands. SEC combines state and federal support with private-sector investment to serve as Southeast Alaska's economic development planning engine, providing a forum for community leaders to gather, decide upon regional priorities and implement strategies to improve social and economic well-being.

Economic Development Challenges in the Region

Challenges for the region include the high cost of energy and transportation; lack of local land ownership; high dependence on government, which provides around 35 percent of all workforce earnings in the region; fluctuating seafood and timber harvests; and changing visitor industry numbers.

Current Activities

SEC identified eight priority objectives in its 2020 CEDS that it is currently working on:

Transportation: Minimize impact of budget cuts to the Alaska Marine Highway System (AMHS) and develop sustainable, long-term operational model for AMHS.

Energy: Create long-term energy security, by supporting energy infrastructure development, and promoting efficient use of existing energy-related resources within Southeast Alaska and provide support for the energy committee.

Maritime industrial support: Implement the Alaska Maritime Workforce Development Plan and create a maritime industrial support sector talent pipeline.

Seafood industry: Support mariculture development in the region and full resource utilization and ocean product development.

Visitor industry: Increase visitor-related opportunities; enhance Southeast Alaska as a destination for visitors; and capitalize on the attributes of the region. Work to develop and support a visitor industry committee.

Timber industry: Increase the timber industry workforce, increase economic timber supply levels and infrastructure and provide support for the timber committee.

Activities and Results in FY17

- Phase I of the AMHS Reform Initiative was completed in December 2016. The report articulated the Initiative's mission goals and governance recommendations. Phase II began in March 2017 with a goal of creating a Twenty-five Year Ferry System Strategic Business and Operations Plan. This statewide effort continues to be led by a 12-member steering committee supplemented with support from 4 sub-committees who meet monthly. The Phase 2 report is available on the website and will undergo its final writing as that project winds down.
- The Southeast Conference Comprehensive Economic Development Strategy (CEDS) was featured by the National Association of Development Organizations in their CEDS Spotlight

Series, which showcases best practices from across the country. Only five other CEDS documents from around the country received this recognition.

- More than 250 people attended the 3-day annual membership conference, which was held this year in Haines in September with an agenda that mirrored the CEDS. In March, more than 100 people attended the annual mid-session summit, which was opened by the Governor and included presentations on regional topics of interest.
- In an effort to keep the region updated on the most current economic trends and conditions, Southeast Conference updates the Summary Background of the CEDS every year as a public-facing document called "Southeast Alaska by the Numbers." This publication "Southeast Alaska by the Numbers 2017," was released in September and 500 copies were printed and distributed, as well as being made available online. This year the document garnered national attention when it was featured in two Associated Press articles.

Board Activities and Meetings Summary

The SEC board met 13 times in FY17, receiving regular financial updates on the organization and discussing SEC's primary areas of focus for FY17: the Alaska Marine Highway System Reform Project; efficient and renewable energy; and the regional CEDS. Other topics of discussion included SEC's support of the timber industry and how the transition to young growth harvesting will impact the industry, strategies to increase membership in SEC and fundraising.

Continuing and Future Projects

SEC is pleased to bring to the region the first Alaska USDA Rural Development (RD) grant to promote and conduct energy audits in Southeast Alaska for the business community. This USDA-RD Energy Audit & Renewable Energy Development Assistance grant program funding has enabled Southeast Conference to reach out to commercial enterprises and other businesses to increase their awareness of energy usage and understand energy efficiency measures that can be implemented to use energy more efficiently to improve their bottom line. This greatly assists rural businesses to lower the cost of doing business, increases profitability, can lead to increased employment and lower costs to consumers. Feasibility and pre-feasibility studies for biomass heating systems are underway or completed this year in the communities of Hoonah, Kake, Klukwan, and Gustavus. Planned studies are considered for Juneau at Bartlett Hospital as well as in the communities of Ketchikan and Kasaan. A pre-feasibility study is currently underway at the state's Lemon Creek Correctional facility in Juneau that proposes to use urban biomass waste and potentially lower the operational costs.



Robert Venables Executive Director: Robert Venables was named as the Southeast Conference Executive Director in 2017. Robert's involvement with Southeast Conference began in 2001 as a member of the SEC Board of Directors, including a term as president. In 2008 he took the role of SEC Energy Coordinator. Robert was previously employed by the Haines Borough for nearly 8 years, the first half as Economic Development Director and the last half as Borough Manager. Robert is a member of the state's Marine Transportation Advisory Board.

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Oysters



Southwest Alaska Municipal Conference



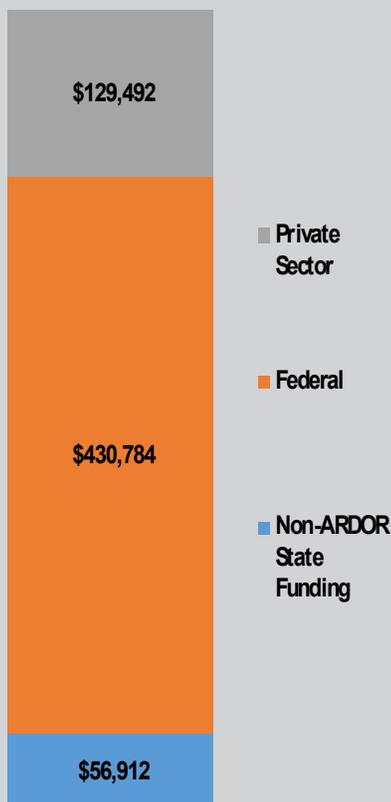
Mission: Advancing the collective interests of Southwest Alaska people, businesses, and communities, promoting economic opportunities to improve quality of life, and influencing long-term responsible development.

Southwest Alaska Municipal Conference (SWAMC) is a non-profit, regional economic development organization for Southwest Alaska comprised of the Alaskan Peninsula, Aleutian/Pribilof Islands, Bristol Bay and Kodiak. Since 1989, SWAMC has been the designated ARDOR and federal Economic Development District entity tasked to pursue public-private partnerships based on sound strategic planning efforts. SWAMC is a liaison between state government and regional leaders, hosting summits, communicating priorities and opportunities, implementing initiatives and acting as a unified voice for the region. SWAMC was originally founded to advocate for rural community needs and the responsible development of the region's commercial seafood industry; it remains committed to issues associated with commercial fishing, as well as telecommunications and energy infrastructure in the region.

Board of Directors

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Funding Summary



Economic Development Challenges in the Region

Southwest Alaska regional isolation and wide dispersion of communities causes higher transportation and energy expenses, increasing the cost of living and conducting business. The region is not accessible by road to mainland Alaska and receives limited service from the Alaska Marine Highway System. Slow and unreliable Internet service in the Alaska Peninsula/Aleutians/Pribilof part of the region is an ongoing challenge and an overall lack of infrastructure and aging facilities are a problem throughout the region. Economic activity and employment is seasonal, particularly in Bristol Bay and other areas dependent on sockeye salmon runs. Stagnant workforce growth and small local populations can lead to challenges finding adequate human resources during peak fishing periods.

Current Activities

SWAMC is completing its second year as the designee of the Manufacturing Extension Partnership for the State of Alaska (MAKE), working with the National Institute of Standards and Technology to support Alaskan manufacturers. SWAMC continued to concentrate on energy planning and technical assistance through the administration of a Department of Energy, Office of Indian Energy grant focused on capacity building and project implementation for energy efficiency and renewable energy projects in SWAMC communities. SWAMC worked with the Aleutian East Borough, the Aleut Corporation, Aleutian Pribilof Islands Association, Aleutian Pribilof Islands Community Development Association (CDQ), the Aleutian Housing Authority, Eastern Aleutian Tribes, and City of Sand Point on an application for an EDA grant to promote and organize an effort to bring broadband service to the 18 communities on the Alaska Peninsula and Aleutian/Pribilof Islands. SWAMC organized an annual Economic Summit and Membership Meeting and held the conference on March 2-3, 2017.

Activities and Results in FY17

- In 2017, MAKE implemented eight contracts with organizations and contractors to deliver programs and services that train manufacturers in best practices, brought experts and

resources to the field, and supported projects that grow manufacturing activities in Alaska. The largest sub-awardee to the grant is the Sea Grant Marine Advisory Program, primarily delivering regulatory, quality, testing, and consulting services to seafood processors utilizing the Kodiak Fish Technical Center. MAKE has delivered services to 50 plus established manufacturing businesses since inception in 2016.

- SWAMC received approval for its EDA Economic Adjustment Assistance grant for the Aleutian Broadband on June 7, 2017. The grant was for \$136,667 with SWAMC's six partners (listed above) providing \$63,333 in match. SWAMC will receive a small indirect management fee for administering the grant.
- Under the DOE Office of Indian Energy Grant, SWAMC worked with the Kodiak Area Native Association, Aleutian Pribilof Islands Association, and the Bristol Bay Native Association to assist the roughly 50 communities in the SWAMC region with energy planning, energy project technical assistance, and data collection. SWAMC held an Energy Workshop with assistance from the Alaska Energy Authority on February 28, 2017.
- SWAMC staff worked with the Southeast Conference on the Alaska Marine Highway System Reform Initiative with SWAMC Board member John Whiddon serving on the Steering Committee.

Board Activities and Meetings Summary

The SWAMC board met twelve times in FY 17, receiving updates on the organization's financials and staffing. Other discussions included passage of an FY18 budget, operational and policy decisions regarding the MAKE Partnership, approval of grant applications for the EDA Aleutian Broadband grant, participation in the DOE grant program, consideration of strategies to replace the loss of State ARDOR funds, and passage of board resolutions and approval of member resolutions to take before the members at the March 3, 2017 membership meeting.

Continuing and Future Projects

SWAMC will continue to grow the MAKE program so that all the Federal funding for the program, \$500,000 per year, can be used.

SWAMC will continue to reach out to the State to integrate the MAKE manufacturing assistance program with value added efforts of the State.

The DOE energy grant continues into its second of three years. SWAMC will explore other grant opportunities for energy efficiency and energy production to leverage resources and further the impact of the existing grant.

SWAMC will promote extension of broadband service to the Alaska Peninsula and Aleutians/Pribilofs through its administration of the \$200,000 EDA/EAA grant. SWAMC will monitor new developments in this arena with potential broadband service to the unserved area from Phase 2 of the Quintillion project (Nome to Northern Japan), GCI's TERRA Aleutian project, and low-earth orbiting service provided by OneWeb.



CONTACT

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Doug moved to Alaska with his parents, teachers with the Bureau of Indian Affairs, in 1964. He graduated from high school in Sitka and has lived in nine different communities in his 50 years in Alaska. Doug is a graduate of American University in Washington, D.C. with a bachelor's in political science and a master's in public administration. While attaining his degrees he worked in the office of Alaska Senator Mike Gravel. Doug has abundant experience over his 36-year career working in management and policy positions for the State of Alaska and various cities. He has worked for the Department of Community and Regional Affairs, the City of Valdez, the Alaska Alcoholic Beverage Control Board, the City of St. Mary's, and the City of Palmer. He has worked extensively with the Alaska Legislature in each career position and is knowledgeable about state and local government, economic development, and issues confronting rural Alaska. Doug has lived in Anchorage for 19 years with his wife Barbara and has a grown daughter, son-in-law, son, and three young granddaughters that also reside in Anchorage.

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