

# Alaska Regional Development Organizations



# Fiscal Year 2022 Annual Report

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# INTRODUCTION

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 <u>Alaska Regional</u> <u>Development Organizations</u> (ARDORs) prepare and implement regional development strategies that incorporate local knowledge to foster responsible and sustainable economic growth.

ARDORs are the primary economic development agencies providing support services for their regions, communities, and businesses. ARDORs throughout the state have similar challenges and implement similar scopes of work; however, the form and function of each ARDOR is customized to each specific region. ARDORs encourage economic development and growth in their regions and are strengthened by their connections to the State of Alaska and 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 that enable the organizations to qualify for increased federal funding. Some ARDORs have also developed business, municipal, and private memberships that reflect the distinct needs of each region.

The ARDOR program was reauthorized for ten years in the 2021 legislative session. Qualified ARDORs historically received annual base project funding from the <u>Alaska Department of Commerce, Community, and</u> <u>Economic Development</u> (DCCED) that could be leveraged for funding from federal, local, and private programs. In FY2022, some ARDORs received funding through DCCED to assist with the development of the 2022-2027 <u>Statewide Comprehensive Economic Development Strategy</u>.

The nine designated ARDORs represent areas that range in size from the urban 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 presently have designated ARDORs.

#### About the data in this report:

In September 2022, DCCED sent a survey instrument to the nine designated ARDORs. This instrument was designed to directly address the reporting requirements of *AS* 44.33.896(e) relating to the activities of the ARDORs. All ARDORs responded to the survey instrument.

All data in this report is derived from information provided by the ARDORs. Due to significant differences in how each respondent organized and formatted their replies, what appears in this report may differ from the verbatim survey response.



# Anchorage Economic Development Corporation



510 L St, Suite 603 Anchorage, AK 99501 (907) 258-3700 https://www.aedcweb.com/

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

The Anchorage Economic Development Corporation (AEDC) is a private nonprofit corporation under IRS code 501(c)(6), operating since 1987. It was created by the Municipality of Anchorage and spun off in 1989 to be an independent partner of the Municipality focused on economic development for Anchorage.

#### **Funding Reported:**

In FY 2022, AEDC reported the following sources of revenue:

- \$ 149,165.00 ----- U.S. Department of Commerce, Economic Development Administration
- \$ 424,500.00 ----- Membership fees
- \$ 282,500.00 ----- Sponsorships

#### Status of Projects Funded by State or Federal Grants:

**CARES Act (ARPA):** ARPA funds were provided via pass-through funding from the <u>Municipality of Anchorage</u> to establish the <u>AnchorageJobFinder.com</u> website. This site provides a comprehensive listing of all jobs posted by employers in Anchorage and the State of Alaska, simplifying the job search process for workers and expanding the reach of employer's job postings at no cost to workers or employers. The site is fully online and active, serving jobseekers and employers. A second project, Destination Development Partners Community Assessment, was partially completed at the end of FY2022 and will be finalized in FY2023.

<u>U.S. Department of Commerce, Economic Development Administration (EDA)</u>: EDA funds have gone toward an Anchorage-related industry and workforce research project. This project was 60 percent complete at the end of FY2022 and will be completed in FY2023.

#### **Meeting Summary:**

AEDC held nine board meetings between July 2021 and June 2022. Key meeting topics included:

**September 1, 2021:** This meeting focused on local ARPA funded projects, namely the <u>anchoragejobfinder.com</u> website and the Community Assessment project; initial strategic planning discussion; updates on the EDA industry and workforce cluster research project application; board of directors vacancies; and AEDC financials review.

**October 6, 2021:** Board and Investors Council meeting. Topics included passage of a resolution supporting the efforts of Anchorage Downtown Partnership to address negative trends in Downtown Anchorage; AEDC's membership drive; the EDA research grant application progress report; ARPA-funded projects progress reports; a strategic planning discussion; and AEDC financials review.

**November 10, 2021:** This meeting included discussion of business incentives project recommendations; a membership drive update; announcement of a new grant award by EDA for an industry and workforce research project; updates on ARPA-funded projects progress; discussion of a proposed municipal funding cut for AEDC; and AEDC financials review.



# Meeting Summary (Cont.):

**December 8, 2021:** AEDC annual meeting. Topics included the passage of resolutions to set the 2022 board meeting calendar and membership of 2022 AEDC investors council; approval of the 2022 AEDC budget; approval of resolutions to elect 2022 officers and executive committee members and the election of four board members; updates from the *adhoc* state fiscal policy committee and the *adhoc* incentives committee; and a review of AEDC financials.

**February 2, 2022:** This meeting included updates from the *ad-hoc* fiscal policy and incentives committees; a new membership drive update; election of new board member; passage of a resolution establishing an *ad-hoc* steering committee for the EDA funded industry and workforce research project; an update on the ARPA-funded Roger Brooks community assessment project; an update on the new <u>Alaska Pacific Air-to-Sea Service (Alaska PASS)</u> project in partnership with Anchorage International Airport to research, refine, and market an intermodal freight transportation system centered in Anchorage to service the continental United States; and an AEDC financials review.

**March 2, 2022:** AEDC Board and Investors Council meeting. This meeting featured updates from the state fiscal policy and business incentives committees; approval of an updated state fiscal policy advocacy letter to the legislature and governor; a recap of the discussion from the <u>AEDC Forecast Luncheon</u> results, which attracted 1,200 attendees; an <u>Alaska PASS</u> project update; a <u>Statewide Comprehensive Economic Development Strategy (CEDS)</u> project update; an AEDC marketing strategies review; an EDA-funded industry and workforce research project update; and an AEDC financials review.

**April 6, 2022:** This meeting featured the review and approval of AEDC's position statement urging a no vote on the November ballot question for holding of a constitutional convention; a review of financial results of the <u>AEDC Forecast</u> <u>Luncheon</u> held in March; a review of AEDC 2022 Economic Forecast video series for public release; an <u>Alaska PASS</u> project update; and a review of AEDC financials.

**May 4, 2022:** This meeting featured final approval of a Board Resolution urging a no vote on the November ballot question to hold a Constitutional Convention; an ARPA-funded project update for the community assessment project; an update for the EDA-funded industry and workforce research project, noting that both will be featured in the program for the <u>AEDC Outlook Luncheon</u> in August 2022; an <u>Alaska PASS</u> project update noting an impending test shipment to validate research model; and an AEDC financials review.

June 8, 2022: AEDC Board and Investors Council meeting. Topics included a mid-year review of AEDC activities and project status; a new member recruitment update; an <u>Alaska PASS</u> project update; an Economic Forecast video series progress report; staff hiring updates; a Board and Investors council roundtable discussion about current industry trends, business conditions, opportunities and challenges in the economy, and general discussion about member businesses; and an AEDC financials review.

#### Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs:

At this time, AEDC is maintaining existing programming focused on providing critical research and reports to the community for use by business, government, and the community. These reports will help local business leaders make decisions on investments, hiring, and strategies.

With the lingering effects of the COVID-19 pandemic still creating instabilities in the marketplace, the Board of Directors at AEDC has directed that current research will be focused upon reassessing goals, objectives, and strategies to meet the needs of the local economy going forward.



#### **Current Economic Development Initiatives:**

<u>AnchorageJobFinder.com</u>: A free to the public job posting search tool that aggregates all job postings for Anchorage and Alaska to make an Alaskan job search process simple. <u>AnchorageJobFinder.com</u> captures over 99 percent of all area job postings. This project has been completed and funding fully expended.

Assistance to Businesses and Investors: Assistance to existing and new businesses with issues and needs related to government processes, market research needs, connections to key community resources, and general business intelligence support. Additional partnerships are being built in the business community and local government to act on and advocate for needed policy solutions, program developments, and infrastructure investments.

Anchorage Pacific Air-to-Sea Service (Alaska PASS): Alaska PASS is a new logistics product that provides a third shipping lane for confidential buyers of products to bring goods to their warehouses, retail locations, and manufacturing points in the Lower 48 states. Through Alaska PASS, product is shipped by air to Anchorage, where it is containerized and shipped via barge to Tacoma, where the containers are ultimately shipped by truck or rail to their final destinations.

- Research facilitated by AEDC demonstrated a savings of up to 35 percent compared to shipping purely by traditional air cargo, and a delivery time of 20 days or less compared to the months required by ocean shipping.
- Alaska PASS has a maximum weekly capacity equal to an additional 150 Boeing 747 air freight shipments per week at full capacity.

Initial test shipment results have been favorable. Further demonstration shipments will take place in the coming months. Marketing of the Alaska PASS model will move forward aggressively in FY2023 to engage larger volumes of cargo from Asian vendors.

**Market Research:** There are two critical research projects advanced during FY2022 that will come to completion in 2023. This first is the ARPA-funded community assessment. Destination Development Partners is performing a "secret shopper" assessment of Anchorage from the perspective of a visitor, a worker considering moving to Anchorage for work, and from a new investor considering an investment in Anchorage. Following the January 2022 assessment, final outputs will include recommendations for change and recommendations for improvement initiatives.

The second is the EDA-funded industry and workforce research project to assess the current state of Anchorage's industry clusters and workforce cluster. This research will allow AEDC to better understand the damage caused by four years of recession and the COVID-19 pandemic. This research will identify which damage is permanent, what can be repaired, what opportunities have developed for new industry and job growth, and what challenges the Anchorage economy faces going forward. The final deliverable will be a strategic action plan to act on the results of the research.

#### **Future Economic Development Initiatives:**

AEDC will continue developing the <u>Alaska PASS</u> multi-modal cargo delivery project and has plans to push for revitalization of the Port of Alaska.

Additional projects will be identified upon completion of its current research projects, with a focus on labor force development, attraction, and retention.

#### **Anticipated Challenges to Regional Economic Development:**

AEDC indicates that workforce shortages in the <u>Municipality of Anchorage</u> have persisted. Supply chain issues are also key. More challenges will be identified through AEDC's ongoing research during FY2023.



# Bering Strait Development Council



P.O. Box 948 Nome, AK 99762 907-443-5231 https://kawerak.org/

**Mission:** 

# To serve the people, communities, and businesses of the Bering Strait Region of Alaska by promoting economic opportunities that improve the economic, social, and environmental quality of life. The Council is composed to represent the diverse social, economic, environmental, and political interests of the region.

The Bering Strait Development Council (BSDC) serves as the region's Comprehensive Economic Development Strategy Committee.

#### **Funding Reported:**

- \$
   7,500.00 ----- <u>Alaska Department of Commerce, Community, and Economic Development,</u> Statewide Comprehensive Economic Development Strategy (CEDS) Development Grant
- \$ 210,000.00 ----- U.S. Department of Commerce, Economic Development Administration, Partnership Planning
- Undisclosed direct and in-kind support from <u>Nome Chamber of Commerce</u>, <u>Norton Sound Economic Development</u> <u>Corporation</u>, <u>University of Alaska Fairbanks - Northwest Campus</u>, and unlisted private sector collaborators

## Status of Projects Funded by State or Federal Grants:

<u>Comprehensive Economic Development Strategy (CEDS) Development Grant</u>: BSDC staff attended all meetings as a member of the Statewide CEDS Strategy Committee. BSDC also participated in facilitated sessions with <u>University of</u> <u>Alaska - Center for Economic Development</u> staff while reviewing the statewide CEDS, providing comments and edits that pertain to the Bering Strait region and other rural Alaskan communities. Draft copies were distributed for comment to persons on BSDC's business databases and via all BSDC social media sites.

<u>U.S. Department of Commerce, Economic Development Administration (EDA), Partnership Planning</u>: BSDC staff compiled the EDA grant application for a continuing three-year planning grant. Staff continue to work on updating community Local Economic Development Plans (LEDP). Solomon completed their LEDP. Assistance in updating LEDPs has been offered to Wales, Savoonga, and Stebbins. In addition, BSDC is working with <u>Nome Eskimo Community</u> on its strategic planning. BSDC staff have also worked with King Island, facilitating a meeting to update its LEDP. Completed LEDP updates are available on the <u>Kawerak.org</u> website.



#### **Meeting Summary:**

**July 16, 2021 (at Kawerak):** BSDC general quarterly meeting, discussion, and reporting. Topics included an overview, comment period, and suggested initial edits to the 2021 Annual Update of the Comprehensive Economic Development Strategy (CEDS). Six new Council Seats were approved by unanimous vote.

Economic Development Specialist (EDS) Barb Nickels provided an overview of the following ARDOR activities:

- Successful ARDOR reauthorization
- Economic Developer Response Team
- Weekly State of Alaska/ARDOR meetings regarding CARES Act and ARPA funding
- COVID Technical Assistance Support Bering Strait regional businesses received a total of \$1.5 million in assistance grants through direct or indirect assistance from BSDC's Community Planning and Development (CPD) staff
- Business impact/artist surveys
- Moore Foundation funding
- Business Directory & Resource Center
- EDA planning grant
- Presentation by Barb Nickels to the Senate Labor and Commerce Committee
- Newly awarded COVID Safe grant to BSDC/CPD in the amount of \$581,750, awarded near the end of FY2021

**October 20, 2021 (via Zoom):** BSDC general quarterly meeting, discussion, and reporting. Topics included the latest draft of the 2021 Annual CEDS Update and a review of public comments received. The resiliency component, background/narrative updates, and action plan and evaluation framework were all included as part of this review. The goal in developing a standalone Resiliency Plan will be to collaboratively lay out a framework that defines resiliency within the context of Native Alaskan communities across the Bering Straits region.

Key themes of the discussion included:

- Resilient essential services and critical infrastructure
- Broadband and communication infrastructure
- Advancing technology literacy
- Climate change impacts
- Supply chain and food security issues
- Workforce and business development

Once defined, the scope of work will be in the annual Goals and Action Plan update of the CEDS, and will include the following:

- Short-term and long-term economic development planning and coordination to develop or update a disaster recovery and resiliency economic development plan which focuses on pandemic recovery and resiliency, consistent with the existing CEDS.
- Funding for one or more Regional Disaster Economic Recovery Coordinators for a two-year period.
- Technical assistance and capacity building for member organizations, local businesses, and other local stakeholders impacted by the coronavirus pandemic.
- Organizational capacity support for coronavirus response, including technology costs and personnel costs, for staff members directly working on or supporting the work of the organization's coronavirus-related economic development response. This includes additional hiring, as needed.



## Meeting Summary (cont.):

**April 19, 2022 (via ZOOM):** BSDC general quarterly meeting, discussions, and reporting. Economic Development Specialist (EDS) Barb Nickels and other BSDC lead staff provided an overview of the following ARDOR activities:

- BSDC lead staff were invited to serve on the <u>State of Alaska CEDS Strategy Committee</u> to ensure rural Alaskan, and specifically Bering Strait region, priorities were addressed.
- BSDC developed and provided information needed to complete the ARDOR annual report for the State of Alaska, as required by statute.
- On behalf of the BSDC, the EDS attended portions of the <u>Alaska Municipal League</u> Annual Conference and an inperson statewide ARDOR meeting in Anchorage.
  - Presenters included Garret Boyle (Co-chair, <u>Denali Commission</u>), Erik O'Brien (<u>Denali Commission</u>), Shirley Kelly (<u>EDA</u>), Jon Bittner (<u>Alaska Small Business Development Center</u>), Dr. Alyssa Rodrigues (Director, <u>Alaska MEP</u>), and Nolan Klouda (Executive Director, <u>University of Alaska Center for Economic Development</u>).
  - $\circ$   $\;$  John Springsteen, State of Alaska, spoke to upcoming CEDS efforts and prospective timelines.
- <u>EDA</u> three-year Planning Grant Award approved. The EDA investment will be used to support long-term economic development planning efforts, including implementation and annual updates to BSDC's CEDS. This is designed to bring together the public and private sectors in the creation of an economic development roadmap to diversify and strengthen the designated area economy. The scope of work will include the following work elements:
  - o Comprehensive Economic Development Strategy
  - o Partnership, Coordination, and Building Staff Capacity
  - o Management Skills
  - o Technical Assistance
  - o Other Activities
- A Notice of Intent to Apply was submitted to <u>U.S. Treasury for the State Small Business Credit Initiative</u> (SSBCI) on behalf of all of BSDC's regional tribes. The EDS worked with <u>Alaska Small Business Development Center</u> (AKSBDC) and the <u>Alaska Federation of Natives</u> (AFN) to assist Bering Strait regional tribes in becoming part of a Tribal consortium application to be submitted by AKSBDC. All tribes provided a resolution stating their desire to be included.

<u>University of Alaska - Center for Economic Development</u> staff members Nolan Klouda and Margo Fliss facilitated an overview of the <u>Statewide CEDS</u> process and provided slides of the many economic buckets with comments. BSDC members had some suggested edits/additions to the new 5-year Statewide CEDS.



BSDC has created an extensive list of goals and objectives:

Goal 1: Improve community services to increase resiliency and quality of life.

Objective 1: Increase housing availability and accessibility.

#### Activities and Strategies:

- Research barriers to financing new construction and land ownership in rural Alaska.
- Advocate for increased <u>Native American Housing Assistance and Self Determination Act</u> and <u>Bureau of Indian</u> <u>Affairs Housing Improvement Program</u> funding.
- Explore establishing a self-help housing program in Nome.
- Develop case studies of regional individuals that have financed and/or built their own homes.
- Examine the viability of increasing the amount of transient housing.
- Explore the possibility of working with non-profit groups, such as <u>Habitat for Humanity</u>, to increase housing capacity.

*Objective 2: Improve public safety and community resiliency.* 

#### Activities and Strategies:

- Review and update Hazard Mitigation Plans (HMP), Emergency Operation Plans (EOP), and Small Community Emergency Response Plans (SCERP).
- Support communities in actively developing plans through research and advocacy.
- Assist grant writers across the region to pursue funding for public safety projects.
- Document and track "outside of Nome" Emergency Management Services (EMS) provided within the region.
- Develop MOAs between Nome EMS and village entities.
- Support the development of community adaptation plans.
- Inform communities about the power of forming a public safety commission.
- Attend the Local Emergency Planning Committee (LEPC) meetings bi-monthly.

#### **Objective 3: Implement Bering Strait Resiliency Planning.**

#### Activities and Strategies:

- Develop a resiliency plan for COVID-19 recovery and integrate with the CEDS.
- Provide technical assistance and capacity building for member organizations, local businesses, and other local stakeholders impacted by COVID-19.



**Goal 2:** Strengthen the economy in ways that preserve and enhance regional quality of life while ensuring the environment is not harmed.

Objective 1: Educate and train residents for employment in growing industries.

#### Activities and Strategies:

- Provide region-wide and village-based training opportunities.
- Assist residents of the region who have documented disabilities to improve their job-related skills.
- Explore and promote collaboration on apprenticeship and technical-level type programs for priority industries, including:
  - o Environmental
  - Business and Tribal governance
  - Early childhood education
  - Healthcare (*e.g.*, health aides, nurses)
  - Project management
  - $\circ$  Aviation
  - Construction and trades (*e.g.*, electrician, carpenter, plumber)
  - o Mechanical and environmental engineering
  - Diesel engine mechanics
  - $\circ \quad \text{Utility management and operation} \\$
  - o Maritime
  - $\circ$  Heavy equipment operation
  - $\circ$  Fisheries
  - o Scientific research
- Coordinate among entities to provide scholarships for regional residents.
- Pursue zero waste initiatives (recycling, backhaul, etc.).

*Objective 2: Support entrepreneurship and the arts. Provide business planning and research assistance.* 

#### Activities and Strategies:

- Promote tuition assistance to individuals interested in creating new or expanding existing businesses.
- Seek new partners and funding to conduct and promote general business startup workshops covering areas such as business planning, marketing, and accounting principles.
- Promote an environment in which small businesses will succeed by creating networks of resources and business owners.
- Promote e-commerce by supporting training workshops and educating individuals and tribes on the use of the internet as a business and marketing tool. Continue to seek out funding to promote e-commerce.
- Promote <u>Norton Sound Economic Development Corporation</u> small business seed money competitions and provide technical assistance.



Objective 3: Capitalize on natural resources in environmentally responsible ways.

#### Activities and Strategies:

- Work with the <u>Nome Chamber of Commerce</u> to incorporate village concerns and needs into regional tourism planning.
- Provide technical assistance to villages that have identified tourism as a priority.
- Work with <u>Norton Sounds Economic Development Corporation</u> to explore the feasibility of salmon enhancement programs and new salmon enhancement technology.
- Explore the feasibility of seismic work toward finding enough natural gas to run a power plant and for residential use.
- Identify and provide support services for the gold mining industry.
- Support research activities in a way that practices self-determination and is collaborative with Tribal entities and communities.

**Goal 3:** Promote economic stability by creating, maintaining, and upgrading infrastructure and regional collaboration to adequately meet the region's current and anticipated needs.

Objective 1: Improve and increase access to utility infrastructure.

#### Activities and Strategies:

- Complete local water and sewer plans for Bering Strait communities, including assessments of the current systems.
- Provide training on how to perform maintenance.
- Support utilities and municipalities with pricing and management.
- Create utility Operations and Maintenance plans and follow through.
- Review current technology relating to microgrids and self-contained toilets to see whether they could practically be implemented within the region.
- Improve Best Practices scores with <u>ANTHC</u> and <u>Norton Sound Health Corporation's Village Health Services</u> to reach the minimum standard to obtain funding and technical assistance for water and sewer infrastructure.

#### *Objective 2: Increase internet speeds and decrease costs.*

#### Activities and Strategies:

- Follow the state and national broadband task forces and advocate for Bering Strait community interests.
- Explore the possibility of a Tribal government negotiating government rates with telecom companies.
- Work with state and federal legislators and local providers.
- Be involved in Tribal consultation as broadband policies are being developed.
- Document the costs of broadband in rural communities.
- Look at the feasibility of a Tribal-owned communication system.

*Objective 3: Explore the feasibility of a regional governance model to capture the benefits of resource development projects.* 

#### Activities and Strategies:

- Explore the economic feasibility of forming a borough government.
- Explore the economic feasibility of forming a port authority.



#### **Current Economic Development Initiatives:**

BSDC staff consistently communicate with federal and state funding agencies to discuss prospective projects and to get advice on how these projects could be presented to maximize the odds for receiving funding. In turn, federal and state funding agencies reciprocate by keeping BDSC apprised of any upcoming opportunities. This has led to a great working relationship between BSDC staff and its governmental funding partners. BSDC also has relationships with foundation and local funders who notify BSDC when funding opportunities arise that would assist in advancing a regional project.

<u>Kawerak</u> has made it a strategic priority to focus on small business development to address the chronic unemployment and high poverty levels found in the Bering Strait region, which were exacerbated by the COVID-19 pandemic. Artists, in particular, have been identified as vital contributors to their community's existing economic landscapes. When artists are linked to additional business resources, access to markets, and places to make art, positive community economic development opportunities often occur. BSDC staff maintains partnerships with <u>First Peoples Fund</u> and other organizations to collect input and feedback from artists in the Bering Strait region regarding the importance of the economic, cultural, and social roles of the arts in their lives.

BSDC also assisted in the creation, distribution, and collection of Local Economic Development Plan (LEDP) surveys to update the plans of the <u>Native Village of Solomon</u>, Wales, and <u>Nome Eskimo Community</u>. BSDC provided assistance to Gambell with a <u>Norton Sound Economic Development Council</u> housing renovation grant and Savoonga with a reindeer business grant, both of which were LEDP priorities.

#### **Future Economic Development Initiatives:**

BDSC has identified access to high quality broadband internet as being key to regional resiliency stemming from the effects of COVID-19 and from additional threats and vulnerabilities. Internet costs in the region remain extremely high for unreliable, low-quality service. In the digital age, quality, affordable broadband internet is necessary for doing business, running public education systems, and conducting workforce training and education programs. Lack of quality internet access during the COVID-19 pandemic made remote work and learning extremely challenging and will continue to do so until addressed.





#### **Anticipated Challenges to Regional Economic Development:**

Economic Development challenges identified by the Council include:

**Housing:** As in most of rural Alaska, housing in the Nome Census Area is expensive and the supply is limited. More than a quarter of homes in the region meet the HUD definition of overcrowding. In the villages, overcrowding rates are even higher. The high cost of construction increases the difficulty of building more homes.

**Energy:** Villages in the region pay as much as \$0.50 per kWh for electricity, compared to less than \$0.20 in Southcentral Alaska. Heating oil often exceeds \$5.00 per gallon, generating a heavy burden on cash-constrained households. High energy costs also make it difficult for residents to start businesses.

**High Rates of Unemployment:** Like other rural parts of Alaska, unemployment in the Nome Census Area is persistently higher than the state and national averages. In December 2018, the Nome Census Area had an unemployment rate of over ten percent, compared to a statewide level of 6.4 percent. The rural villages almost always have even higher rates than Nome. Limited employment opportunities translate into lower incomes for households and high rates of outmigration.

**Skills Shortages:** A shortage of trained locals often means that jobs in mining, health care, education, and other fields are often held by non-locals who relocate to the region. Employers often struggle to find qualified applicants, even as unemployment remains stubbornly high.

**Geography and Distance:** The Bering Straits region depends on air and seasonal barge transportation for the movement of people and goods. The region's isolation from other parts of Alaska and the Lower 48 raises the costs of basic supplies like groceries, consumer goods, energy, and building materials. This also increases the difficulty of doing business in the region.





## **Copper Valley Development Association**



Mile 111 Richardson Highway P.O. Box 9 Glennallen, AK 99588 (907) 822-5001

# Mission:

# Facilitating partnerships to improve the quality of life in Alaska's Copper Valley through economic development, while fostering cultural and natural resource development through education and good stewardship.

The Copper Valley Development Association (CVDA) serves the Copper River Valley, an area of approximately 20,649 square miles and a population of 2,586. 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 a liaison between government and the private sector, with the goal of creating self-sufficiency throughout the region through the development and wise use of sustainable resources.

#### **Funding Reported:**

- \$ 55,000.00 ----- <u>U.S. Department of Commerce, Economic Development Administration</u>
- \$ 25,000.00 ----- <u>Denali Commission</u> match toward EDA funding
- \$ 7,500.00 ----- <u>Alaska Department of Commerce, Development Community, and Economic (DCCED)</u>

#### Status of Projects Funded by State or Federal Grants:

<u>Alaska Department of Commerce, Community, and Economic Development:</u> CVDA has completed its participation in DCCED's statewide Comprehensive Economic Development Strategy.

Denali Commission: CVDA continues to work on revising its own Comprehensive Economic Development Strategy.

<u>U.S. Department of Commerce, Economic Development Administration:</u> CVDA continues to work on revising its own Comprehensive Economic Development Strategy.

#### **Meeting Summary:**

July 13, 2021 (Zoom): Topics included an Executive Director report; updates on the Gulkana airport, economic development plan, <u>Road Belt Inter-Tie</u>, Safe Travels Grant, <u>U.S. Small Business Administration's</u> Community Navigator Grant, and office space; resignation of the Executive Director; Financial Report; discussion regarding whether to accept <u>DCCED's CEDS grant</u>; HUB BoD/CVDA Insurance; posting to hire a new Executive Director; reviewing CPA Swalling & Associates' 990 filing for 2021; and reviewing a letter to <u>Ahtna Intertribal Resources Commission</u>.

**December 13, 2021 (Zoom):** Topics included a financial review, an update on the Executive Director search, <u>ARDORs</u>, the <u>EDA</u> grant, the <u>CEDS grant</u>, the future of CVDA, and the Board of Directors' election of officers.

**December 29, 2021 (Zoom):** Topics included the Board of Directors' election of officers, a financial review, discussion regarding the new Executive Director search, DCCED's <u>ARDOR</u> Report, and planning discussions for future projects.

**February 20, 2022 (Zoom):** Topics included a financial report, a <u>Denali Commission</u> grant match request, staffing discussion and updates, approval of a <u>Denali Commission</u> grant, CVDA's CEDS, and the <u>statewide CEDS</u>.



## Meeting Summary (cont.):

May 25, 2022 (Old Copper Center Inn/Zoom): Topics included a financial report; introducing the new Executive Director; and updates on the Land Managers meeting, the statewide CEDS Committee meeting, CVDA's CEDS, the Alaska Economic Developers meeting, Copper Valley Chamber of Commerce meeting, and CVDA's bank account.

**June 27, 2022 (Old Copper Center Inn/Zoom):** Topics included a financial report and updates on the <u>statewide CEDS</u>, an Alaska Development Corporation Grant, CVDA's bank account, and the formation of a Regional Transportation Planning Organization (RTPO) for the Copper Valley.

#### Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs:

CVDA has identified four areas of emphasis to address regional economic development needs.

#### **Goals and Objectives:**

- 1. Continue to work with the <u>Copper Valley Chamber of Commerce</u>, state agencies, and federal agencies to rebuild and reinvent existing businesses as well as develop new businesses.
- 2. Support the <u>Road Belt Inter-Tie</u> infrastructure project, which will assist regional economic and natural resource development through the advent of cheaper and more abundant electricity.
- 3. Continue to work on the CEDS goals, objectives, and strategies to address regional economic development needs.
- 4. Support the newly formed Regional Planning Organization (RPO) and the <u>Alaska Department of Transportation and</u> <u>Public Facilities</u> (DOT&PF) to work together on transportation priorities within the Copper River Census Area, and to increase communication and cooperation in this effort. CVDA will work to ensure regional and local input from the Copper Valley Census Area to identify local transportation needs and to allow for better planning, prioritization, and decision making to feed into DOT&PF's capital project development to provide the greatest benefit to the region.

#### **Current Economic Development Initiatives:**

<u>Statewide CEDS</u>: Collaborated and provided input, sat in on Statewide CEDS Strategy Meeting, and conducted outreach for the 2022 Statewide CEDS.

#### U.S. Department of Commerce, Economic Development Administration (EDA) - Comprehensive Economic

**Development Strategy (CEDS):** Funding was granted by the EDA in August 2022 to create a strategic economic plan for the Copper Valley Region, a newly formed Census Area, and Unorganized Borough with no Municipalities. This project would provide a new CEDS from the outdated 2012 CEDS, with information from the Copper Valley Census Area. Input and vetting from all facets of the communities and economic sectors will be included.

**Pilot Regional Planning Organization (RPO):** <u>DOT&PF</u> with CVDA have formed the first RPO in the state of Alaska. The purpose is to establish a structure for local and regional input and information exchange on transportation planning and prioritization for the Copper Valley Census Area.

**Regional Liaison:** CVDA partnered with state and federal agencies who work in the unorganized borough to promote business retention, development, and all-encompassing growth for the Copper Valley.



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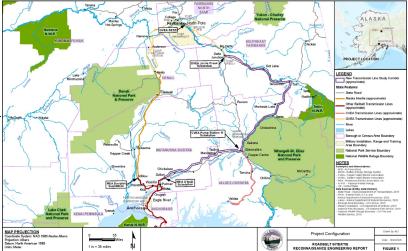
# **Current Economic Development Initiatives (cont.):**

**Gulkana Airport:** Through the RPO, <u>DOT&PF</u> and the CVDA collaborate on updates of mutual interest concerning the Gulkana Airport. An MOA allows the CVDA to participate and conduct its own planning processes concerning the economic development of the airport, to be shared and reviewed by <u>DOT&PF</u>. In addition, the CVDA with the RPO and <u>DOT&PF</u> will undertake a brief update to sections of the 2000 Gulkana Airport Master Plan. The Copper River Valley requires sustainable economic development for its communities to develop and grow. The Gulkana Airport provides a unique opportunity and vehicle to achieve strategic and economic goals and objectives for the region. The RPO provides an opportunity for public and private sectors to come together and thrive, to create a stable economy through the many revenue streams and business opportunities the airport can provide.

#### **Future Economic Development Initiatives:**

**Road Belt Inter-Tie (RBIT):** The Final Road Belt Inter-Tie Report, completed in November 2020, is a highlevel technical feasibility study conducted to develop a project cost estimate. This proposed energy infrastructure project would bring cheaper electrical energy and greater generation capacity to the Copper Valley. Access to plentiful, low-cost electricity has been identified as a necessity to develop the Copper Valley region. The final Report is available on the Denali Commission's Roadbelt Intertie Information page.

Currently, <u>U.S. Department of Energy</u> is seeking public feedback on the <u>Bipartisan Infrastructure</u>



Law's Grid Resilience Innovation Programs. The RFI seeks information from states, Tribes, communities, utilities, project developers, and other key stakeholders to help refine the funding opportunity announcement that will be made later this year and to guide the implementation of the Bipartisan Infrastructure Law's funding over five years. CVDA and supporters of the RBIT will provide comment to the state that its number one priority is RBIT and the funding opportunity should be tailored to include projects like this.

CDVA has also targeted upgrades to Gulkana Airport (as described under *Current Initiatives*) and the <u>Alaska Department</u> <u>of Transportation and Public Facilities</u>' Long-Range Transportation Plan and Freight Plan (LRTP/FP) as two of its most significant future economic development initiatives.

## **Anticipated Challenges to Regional Economic Development:**

CVDA's Board of Directors identified high energy costs, lack of infrastructure, the need for business and workforce development, and impacts from COVID-19 to tourism and related sectors as its greatest concerns.



# Fairbanks North Star Borough Economic Development Commission



P.O. Box 71267 Fairbanks, AK 99707 (907) 459-1351 <u>https://www.fnsb.gov/452/Economic-</u> <u>Development-Commission</u>

#### **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 the standard of living, quality of life, and sustainability of urban and rural lifestyles.

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.

## **Funding Reported:**

All FY2022 funding was provided by the Fairbanks North Star Borough.

#### Status of Projects Funded by State or Federal Grants:

FNSBEDC indicates that there were no federal- or state-funded projects.

#### **Meeting Summary:**

August 24, 2021 (<u>Agenda</u>): Topics included updates on the <u>ARDOR program</u> and FNSB CEDS, and reviewing and making recommendation to the Assembly regarding community purpose tax exemption applications.

October 26, 2021 (Agenda): This meeting was cancelled.

**November 23, 2021** (<u>Agenda</u>): Topics included a presentation and discussion on FNSB CEDS draft; Strengths, Weaknesses, Opportunities, and Threats (SWOT) Analysis; Situational Assessment; and Vision and Goals Statement. Confirmed the agenda for the Economic Summit.

**February 8, 2022** (<u>Agenda</u>): Topics included a review of the Economic Summit final draft agenda and meeting materials. Appointed Economic Development Council representatives to attend the <u>2022 Interior Alaska Economic Summit</u>.

March 22, 2022 (<u>Agenda</u>): Topics included a report on <u>Ordinance No. 2022-11</u> Multi-Family Housing Tax Exemption Program, <u>ARDOR</u> program update, FNSB CEDS update, Economic Summit report, and Statewide CEDS Update.

**April 26, 2022** (<u>Agenda</u>): Topics included reports on the <u>ARDOR</u> program and FNSB CEDS, including a draft review of the Executive Summary and the full plan. Reviewed and made recommendations to the Assembly on three multi-family housing tax exemption applications.

April 26, 2022 (Work Session): Presentation from the project team on the Alaska State CEDS.



#### Meeting Summary (cont.):

**May 24, 2022** (<u>Agenda</u>): Topics included <u>ARDOR</u> and FNSB CEDS report, a presentation on status update from the Polaris Working Group, a presentation by FEDC on organizational activities and a discussion to identify additional projects for economic impact analysis as part of the CEDS update.

**June 28, 2022** (<u>Agenda</u>): Discussed and identified additional projects for economic impact analysis as part of the CEDS update. Reviewed and made recommendation to the Assembly regarding a multi-family housing tax exemption application and the draft FNSB CEDS update.

#### Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs:

Goals, objectives, and strategies are addressed in the FNSB CEDS, which can be found at https://fnsbceds.com.

#### **Current Economic Development Initiatives:**

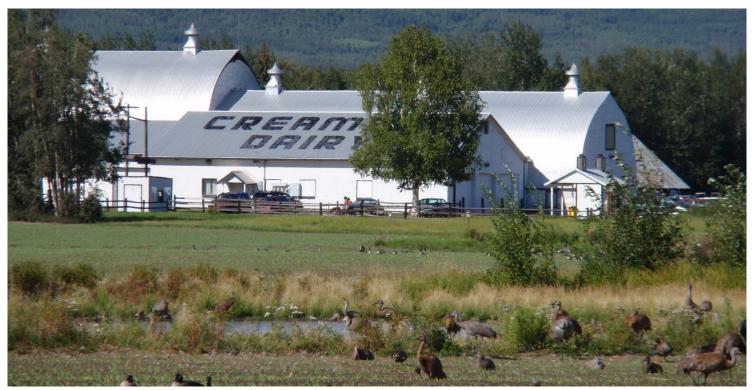
Over the past 18 months, the FNSB Economic Development Commission has been focused on developing a new 5-year CEDS. Hosting the <u>Interior Alaska Economic Summit</u> was a component of this project and was well received. The goal is to make the summit an annual event, the focus of which will be to review the CEDS, note accomplishments, adjust goals and strategies as warranted by changing conditions, and analyze progress on implementation. At the time of this report, the final draft was recommended by the EDC to the Assembly for approval of adoption.

#### **Future Economic Development Initiatives:**

A list of projects can be found in <u>the new FNSB CEDS</u>. The action plan specifically identifies actions and projects, with capital projects specifically being noted.

#### **Anticipated Challenges to Regional Economic Development:**

In addition to an overall community SWOT Analysis and Situational Assessment, each industry cluster and community influencer also had a SWOT Analysis. Those can be found on the <u>CEDS project webpage</u>.





# Kenai Peninsula Economic Development District



14896 Kenai Spur Highway, Suite 103A Kenai, AK 99611 (907) 283-3335 https://kpedd.org/

## **Mission**:

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

The Kenai Peninsula Economic Development District (KPEDD) became an ARDOR in 1989. Throughout its history, 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.

#### **Funding Reported:**

- \$ 534,725.00 ----- <u>U.S. Department of Commerce, Economic Development Administration</u>
- \$ 155,812.00 ----- KPEDD campus lease agreements
- \$ 19,500.00 ----- Event sponsorships
- \$ 7,500.00 ----- <u>Alaska Department of Commerce, Community, and Economic Development (DCCED)</u>

#### Status of Projects Funded by State or Federal Grants:

All deliverables from current grants are expected to be completed on time and on budget. KPEDD asks that questions regarding project details are directed to its office.

#### **Meeting Summary:**

KPEDD indicates that board meetings are private and confidential, containing sensitive information for KPEDD and its clients. KPEDD asks that questions regarding its meetings are directed to its office.

KPEDD reports that five meetings occurred during FY2022, all at the KPEDD Board Room, on the following dates:

- August 13, 2021
- October 21, 2021
- February 17, 2022
- April 21, 2022
- June 16, 2022



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# Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs:

Ongoing regional projects that would have large economic impacts include but are not limited to:

- Kenai Peninsula Broadband Taskforce: Funding for the development of a regional broadband infrastructure assessment and plan would assist providers with accurate information based on current community needs and gaps in existing services.
- **Public Transportation:** The Kenai Peninsula Borough lacks adequate transportation services for residents. The current program does not meet borough needs and the organization does not partner with hospitals, businesses, or local government.
- <u>Alaska Mariculture Cluster</u>: Alaska's mariculture industry has the potential for rapid growth, with <u>EDA</u> and coalition partner investments, due to rapidly increasing demand for low-carbon seaweed-derived agricultural products as part of a global response to climate change and demand for improved food production methods which do not use fresh water, land, or fertilizer inputs. Ample capital has been raised by several seaweed processing companies planning engagement in Alaska's mariculture industry, as shown by the letters of commitment submitted to the <u>EDA</u>. Alaska's food-focused current seaweed and oyster industry is also expected to achieve significant incremental growth, following broader interest in sustainability and building on the state's unparalleled reputation for quality seafood.

Estimated Impacts of the Alaska Mariculture Cluster	Total Jobs Impact	Economic Output	Private Investment Leveraged
Estimated Annual Economic Impacts at Year 4	318	\$33,300,000	\$42,000,000
Estimated Annual Economic Impacts at Year 10	495	\$87,500,000	\$134,000,000
Estimated Annual Economic Impacts at Year 20	1,665	\$294,300,000	\$268,000,000

The full KPEDD Comprehensive Economic Development Strategy and 2022 update have been completed and are available on the <u>KPEDD website</u>. The goals and foci outlined in the plan are on quality-of-life improvements for Peninsula residents through the development of:

- Technology and telecommunication infrastructure
- Workforce and human capital resources
- Infrastructure and land use opportunities
- Business climate and entrepreneurship networks
- Regional partnerships
- Knowledge creation and dissemination



KPEDD's CEDS includes the following action plan to describe its goals, objectives, strategies, and initiatives:

Overarching Goal: Quality of Place/Quality of Life			
Objective	Strategies and Actions	Metrics/Impacts	Key Partners
0.1 Develop the Kenai Peninsula "brand" for residents, visitors, and businesses	<ul> <li>Initiate a promotion campaign to attract families to relocate to the Kenai Peninsula</li> <li>Support telework/remote work opportunities</li> <li>Sustain and enhance visitor marketing efforts to attract more shoulder-season and independent visitors</li> <li>Promote the Kenai Peninsula as a safe destination during COVID-19 with high vaccination rates and minimal crowds</li> <li>Support arts and cultural programming at the local level</li> </ul>	<ul> <li>Above average tourism rates, increase in visitors to region, sales tax revenues, gross sales increases</li> <li>Increase in fishing license sales (<u>ADFG</u>)</li> <li>More hashtags and locations shared on social media platforms, increased website visits</li> </ul>	<ul> <li><u>Alaska Travel Industry</u> <u>Association</u></li> <li>Chambers of Commerce</li> <li><u>Alaska State Parks</u></li> <li>Municipal governments</li> </ul>
0.2 Promote expansion of recreational amenities and public access	<ul> <li>Fund, develop, and construct the Soldotna Fieldhouse</li> <li>Fund, develop, and construct the Soldotna Riverfront Redevelopment Project</li> <li>Advance the Seward to Fairbanks trail concept</li> <li>Solicit additional recreational projects for federal funding</li> </ul>	<ul> <li>Increased platforms to share project information</li> <li>Higher rate of project approvals/ votes</li> <li>More funding opportunities</li> <li>Increased number of handicap accessible amenities</li> </ul>	<ul> <li><u>U.S. Department of Commerce, Economic Development Administration</u></li> <li>Municipal governments</li> </ul>



Goal 1: Technology/Telecommunications			
Objective	Strategies and Actions	Metrics/Impacts	Key Partners
1.1 Expand broadband access across the borough	<ul> <li>Create regional broadband taskforce to identify specific needs</li> <li>Secure federal or other funds to build or expand fiber optic lines or satellite internet access to all communities to improve speeds and costs</li> </ul>	<ul> <li>Improved average speeds</li> <li>Lower monthly costs</li> <li>Increased percent of households with access</li> <li>Increased level of community investment</li> </ul>	<ul> <li><u>Denali Commission</u></li> <li><u>U.S. Department of</u> <u>Commerce,</u> <u>Economic</u> <u>Development</u> <u>Administration</u></li> <li>Tribes and municipal governments</li> <li>Large employers</li> </ul>
1.2 Improve digital infrastructure to advance economic activity	<ul> <li>Improve access to videoconferencing services at public facilities such as libraries, civic buildings, and schools</li> <li>Encourage development of businesses related to information technology</li> <li>Enable hospitals and clinics to make better use of telemedicine</li> <li>Provide communities and residents with greater access to education through distance learning</li> <li>Make the Kenai Peninsula more attractive to technology driven businesses and corporations         <ul> <li>Enhance public safety and emergency response systems</li> </ul> </li> <li>Encourage and promote the use of distance delivery for business workshops and workforce trainings</li> </ul>	<ul> <li>Increased number of technology startups</li> <li>Increased number of public buildings with videoconferencing services</li> <li>More virtual trainings held</li> </ul>	<ul> <li><u>USDA</u></li> <li>State of Alaska (<u>DCCED</u>, <u>Alaska</u> <u>Development Team</u>)</li> <li>Regional tribes</li> <li>Educational institutions</li> <li>Regional public service providers, such as libraries</li> <li><u>Cook Inlet Region</u>, <u>Inc. (CIRI)</u></li> <li><u>Cook Inlet Tribal</u> <u>Council</u></li> <li><u>Chugach Regional</u> <u>Resources</u> <u>Commission</u></li> <li>Incorporated and unincorporated community representatives</li> <li>Utility and service providers</li> </ul>



Goal 2: Workforce and Human Capital			
Objective	Strategies and Actions	Metrics/Impacts	Key Partners
2.1 Build stronger industry partnerships for K-12, vocational- technical, secondary, post- secondary, and adult education	<ul> <li>Create partnerships between industry and K-12 programs as a gateway and pipeline to facilitate career exploration and to build awareness of potential careers</li> <li>Support apprenticeship or engaged learning opportunities that provide actual workforce readiness</li> <li>Collaborate to start an agricultural training program for students to work on farms during the summer</li> <li>Develop and implement Tyonek Tribal workforce plan</li> </ul>	<ul> <li>Increased apprenticeship program enrollment numbers</li> <li>Improved student outreach numbers</li> <li>Employer outreach surveys</li> </ul>	<ul> <li><u>AVTEC</u></li> <li><u>University of Alaska</u></li> <li>Employers</li> <li>School districts and home school programs</li> <li>Tribal governments</li> <li><u>Alutiiq Pride Marine</u> <u>Institute</u></li> </ul>
2.2 Attract, train, and retain a qualified workforce	<ul> <li>Expand on "attraction" campaigns to show the borough is a great place to live and highlight remote work opportunities</li> <li>Targeted outreach for specific community groups (veterans, adult learners, at risk/recovery populations, etc.) focused on entering the workforce and accessing training</li> <li>Provide online training opportunities including re-skilling or up-skilling programs, including credit and non-credit options</li> <li>Identify the need for new programs and certificates based on industry feedback, including training around new/emerging technology</li> <li>Support affordable housing efforts/programs in the Kenai Peninsula through public/private partnerships</li> </ul>	application rates Increased enrollment in	<ul> <li><u>Alaska Department</u> of Labor and <u>Workforce</u> <u>Development</u></li> <li><u>Young Professionals</u> <u>Group</u></li> <li>Veterans' groups</li> <li><u>AVTEC</u> (or provider of re-skilling/up- skilling training)</li> <li><u>University of Alaska</u></li> <li>KPEDD; <u>Workforce</u> <u>Development</u> <u>Website</u></li> <li><u>Kenai Peninsula</u> <u>Borough School</u> <u>District</u></li> </ul>
2.3 Connect job- seekers to employers and training opportunities	<ul> <li>Maintain and grow the <u>Kenai Peninsula</u> <u>Workforce</u> website as a hub for employers, educators, trainers, and jobseekers</li> <li>Develop an ongoing assessment of workforce needs for each industry</li> </ul>	<ul> <li>Increased website traffic and clicks</li> <li>Higher employer engagement</li> </ul>	<ul> <li>Local/borough employers</li> <li>Vocational-technical programs</li> <li><u>Kenai Peninsula</u> <u>Borough School</u> <u>District</u></li> <li><u>UAA Kenai Peninsula</u> <u>College</u></li> </ul>

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Goal 3: Infrastructure, Land Use, and Natural Resources

Obiective	Studencies and Actions	Matrice / Josephants	
Objective	Strategies and Actions	Metrics/Impacts	Key Partners
3.1 Develop industry-specific infrastructure	<ul> <li>Complete the Seward Dock and Rail project</li> <li>Fund and develop the <u>Alutiiq Pride</u> <u>Visitor Center</u> in Seward</li> <li>Develop cold storage capacity to grow the agricultural sector</li> <li>Advocate and seek funding for port and harbor expansions in Homer, Kenai, Seldovia, and Seward</li> <li>Develop and expand shoreside infrastructure to support the seafood, oil and gas, and marine trade sectors</li> <li>Develop the "KPEDD innovation campus" concept with commercial kitchen</li> </ul>	<ul> <li>More project dollars secured (public and private)</li> <li>Implementation and completion of projects</li> </ul>	<ul> <li><u>Alaska Railroad</u></li> <li>Farming groups</li> <li><u>University of Alaska</u></li> <li><u>AVTEC</u></li> <li><u>Chugach Regional</u> <u>Resources</u> <u>Commission</u></li> <li><u>Alutiiq Pride Marine</u> <u>Institute</u></li> <li><u>Nutrien (formerly</u> <u>Agrium USA, Inc.)</u></li> </ul>
3.2 Advance stability and resiliency in transportation infrastructure	<ul> <li>Advocate for stable funding for the <u>Alaska Marine Highway System</u> (AMHS) to maintain or improve service to Peninsula communities</li> <li>Assess impacts of reduced AMHS service for affected communities</li> <li>Advocate for year-round maintenance of the Seward and Sterling Highways to maintain access and safety at all times</li> <li>Advocate for ongoing state support to improve and maintain airports</li> <li>Identify and advocate for other needed improvements in road, marine, rail, and air transportation</li> </ul>	<ul> <li>Increased number of advocacy engagements</li> </ul>	<ul> <li><u>AMHS</u></li> <li><u>ARDORs</u></li> <li><u>Alaska</u> <u>Department of</u> <u>Transportation</u> <u>and Public</u> <u>Facilities</u></li> </ul>



Goal 3: Infrastructure, Land Use, and Natural Resources (cont.)

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Objective	Strategies and Actions	Metrics/Impacts	Key Partners
3.3 Mitigation and responsible use of lands	<ul> <li>Complete erosion mitigation projects in Kenai and Homer to enable continued development</li> <li>Assess the reuse and redevelopment of former gravel pits for new uses (such as recreation sites)</li> <li>Identify and assess the need for zoning improvements between municipal and borough governments</li> <li>Reclaim and redevelop the former Red Mountain Mine site in Kachemak Bay into a recreation area with access and trails</li> <li>Mitigate spruce beetle damage by removing dead trees and milling the lumber for commercial or residential use</li> </ul>	<ul> <li>Greater dollar value of public and private investment</li> </ul>	<ul> <li><u>US Forest Service</u></li> <li><u>US Fish and Wildlife</u> <u>Service</u></li> <li><u>Alaska Division of</u> <u>Parks and</u> <u>Outdoor</u> <u>Recreation</u></li> </ul>
3.4 Promote responsible development of natural resources	<ul> <li>Advocate for a stable and predictable tax structure for mining, oil, and gas operations at state and local level</li> <li>Advocate for ongoing incentives to encourage oil and gas exploration in Cook Inlet to secure energy supplies</li> <li>Support responsible mining projects that create local jobs and revenues</li> </ul>	<ul> <li>Greater number of advocacy engagements</li> </ul>	<ul> <li><u>State of Alaska</u></li> <li><u>Kenai Peninsula</u> <u>Borough</u></li> <li><u>Chugach Regional</u> <u>Resources</u> <u>Commission</u></li> <li>Industry groups</li> </ul>





Goal 4: Business Climate and Entrepreneurship

Objective	Strategies and Actions	Metrics/Impacts	Key Partners
4.1 Outreach, education, and information sharing in support of businesses resiliency	<ul> <li>Continue business retention and expansion (BRE) activities to determine health of businesses and ways to assist with pandemic recovery</li> <li>Promote buy local program</li> <li>Help businesses access other support services such as the Small Business Development Center</li> <li>Conduct surveys of businesses to evaluate ongoing needs and areas of assistance needed</li> <li>Provide updates on the regional economy and business climate to chambers, local governments, and industry groups</li> </ul>	<ul> <li>Greater number of surveys completed</li> <li>Greater number of businesses provided with assistance</li> <li>Greater number of businesses reporting favorable views of business climate</li> </ul>	<ul> <li><u>Alaska Small</u> <u>Business</u> <u>Development</u> <u>Center</u> (SBDC)</li> <li><u>Small Business</u> <u>Administration</u> (SBA)</li> </ul>
4.2 Improve access to capital for businesses	<ul> <li>Restructure KPEDD's revolving loan fund to meet needs during an economic downturn or natural disaster</li> <li>Assist businesses with obtaining relief funding through federal, state, and local assistance programs</li> <li>Assess the use of financial incentives such as tax credits and abatements to attract new businesses to the region or help existing businesses expand</li> </ul>	<ul> <li>More funding dollars awarded to businesses</li> <li>More businesses assisted</li> </ul>	<ul> <li><u>Alaska Industrial</u> <u>Development and</u> <u>Export Authority</u> (AIDEA)</li> <li><u>Small Business</u> <u>Administration</u> (SBA)</li> <li><u>U.S. Department</u> of Commerce, <u>Economic</u> <u>Development</u> <u>Administration</u></li> <li>Private lenders</li> </ul>
4.3 Develop and support entrepreneurship and new business formation	<ul> <li>Host entrepreneurship workshops for individuals starting businesses</li> <li>Assist in running Startup Weekend on the Kenai Peninsula every November</li> <li>Advise and counsel startup businesses</li> <li>Promote Central Peninsula Small Business Week</li> </ul>	<ul> <li>Increased number of workshops hosted</li> <li>Increased number of businesses assisted</li> </ul>	<ul> <li>Chambers of Commerce</li> <li><u>UA - Center for</u> <u>Economic</u> <u>Development</u> (UA- CED)</li> <li><u>Alaska Small</u> <u>Business</u> <u>Development</u> <u>Center</u> (SBDC)</li> </ul>



Goal 4: Business Climate and Entrepreneurship			
Objective	Strategies and Actions	Metrics/Impacts	Key Partners
4.4 Support emerging sectors with high growth potential	<ul> <li>Assist mariculture operations in meeting capital and expansion needs</li> <li>Counsel and assist industrial maritime businesses such as ship builders and repair operations</li> <li>Initiate a pilot project to develop seafood byproducts into marketable products</li> <li>Counsel and assist manufacturing businesses</li> </ul>	<ul> <li>Increased number of marine focused businesses assisted</li> </ul>	<ul> <li>Alaska Manufacturing Extension Program Center (MEP)</li> <li>Alaska Small Business Development Center (SBDC)</li> <li>Alaska Mariculture Cluster</li> <li>ARDORs</li> <li>Alaska Department of Commerce, Community, and Economic Development</li> <li>Chugach Regional Resources Commission</li> <li>Alutiiq Pride Marine Institute</li> </ul>
Objective	ow Regional Partnerships for Resiliency Strategies and Actions	Metrics/Impacts	Key Partners
5.1 Proactively coordinate roles for economic resiliency	<ul> <li>Align and streamline assistance roles between funding agencies and resource partners in the event of an economic disaster</li> <li>Promote and expand current processes for regular communication, monitoring, and updating business community needs and issues to be used post-event</li> </ul>	Finish KPEDD resiliency plan	<ul> <li>Funding agencies</li> <li>Borough government</li> <li>Municipal governments</li> <li>Tribal entities and Native organizations</li> <li>Chambers of Commerce</li> <li>Industry groups</li> <li>Nonprofits</li> </ul>
5.2 Produce pre- disaster recovery plan	<ul> <li>Create a collection of resources (especially financial resources) of private, local, state, and federal tools for economic recovery for residents, businesses, and communities</li> <li>Generate a plan describing key stakeholders, roles, actions, and responsibilities in the event of a natural disaster</li> </ul>	Finish KPEDD resiliency plan	<ul> <li>Funding agencies</li> <li>Borough government</li> <li>Municipal governments</li> <li>Tribal entities and Native organizations</li> <li>Chambers of Commerce</li> <li>Industry groups</li> <li>Nonprofits</li> </ul>



## **Anticipated Challenges to Regional Economic Development:**

KPEDD has identified the following challenges to regional economic development:

- **Regulatory Barriers and Development Costs:** Responsible mineral, oil, and gas development all require extensive permitting processes and regulatory hurdles that raise already high development costs. This inhibits new investment to a degree, especially in Cook Inlet oil and gas development and mining prospects on the west side of the inlet.
- **High Operating Costs:** Although some parts of Alaska have much higher costs for real estate, energy, labor, and freight, operating costs on the Peninsula are still generally much higher than in the Lower 48.
- Workforce Limitations: Despite the presence of <u>University of Alaska</u> satellite campuses and <u>AVTEC</u>, employers on the Peninsula cite limited workforce availability as a major obstacle to business expansion.
- **Commodity Prices:** A significant share of the Kenai Peninsula economy rests upon the export of commodities to regions outside of the borough. These exports are primarily oil, gas, and seafood. The prices for these valuable products depend on global market forces well outside of local control. This lack of local control contributes to volatility and price cycles that heavily influence all sectors of the local economy in terms of business success and employment.
- State Fiscal Uncertainty: Many business owners cite the state fiscal situation, including a lack of resolution on spending, revenue, and Permanent Fund Dividends, as an obstacle to growth and new investment. Potential cuts to state services could threaten public safety and education in the region, and new state taxes could dampen business success and investment.
- Housing Availability: While housing costs are lower on average across the borough, housing availability specifically seasonal housing is seen as a challenge. Communities that see large seasonal fluctuations in workforce, like Seward, experience more dramatic housing gaps. With an aging population, senior housing is expected to become an increasingly prominent issue, as the ratio of population of senior citizens to senior facility beds is expected to increase from 22 to 39.
- Aging Infrastructure: Transportation infrastructure is critical to keeping down the cost of goods and services and to act as an enabler for tourism, recreation, and subsistence harvesting. Road conditions are a concern boroughwide. In addition, aging pipeline infrastructure, including pipeline leaks that limit the supply of natural gas from the Cook Inlet, puts the region's energy systems at risk.
- **Public Transportation:** Public transportation options are limited across the borough. The temporary closure of <u>Ravn</u> <u>Airlines</u> in 2020, which limited the availability of passenger air transportation in the region, uncovered weaknesses in Kenai Peninsula Borough's public transportation system. Public transportation linkages between satellite communities and core business centers, such as the route between Anchor Point and Homer, have been cited as specific needs.
- **Disruptions to Marine Travel:** Budget reductions to the <u>Alaska Marine Highway System</u> have threated ferry service in the region. Between fiscal years 2016 and 2020, system wide revenues were down by nearly 40 percent. Homer and Seldovia are the only two communities in the region with ferry service, providing critical passenger connections and goods transport between the Kenai Peninsula and both Southwest Alaska and Southeast Alaska.



#### Anticipated Challenges to Regional Economic Development (cont.):

- Limited Public Funding: Continued State of Alaska budget issues threaten the borough economy from several angles. Reduced <u>State of Alaska Department of Transportation and Public Facilities</u> budgets have limited winter road maintenance on the Seward Highway, which is the main road artery to the majority of the Kenai Peninsula. Local government pass-through revenues from the State of Alaska to city and borough governments are decreasing, which leaves local government entities to fill in gaps in funding. In addition, the Division of Motor Vehicles office in Homer could close because of proposed cuts in the FY2022 budget.
- Access to Early Childhood Education and General Childcare: Early childhood education and childcare access across the borough is both limited and expensive. Of the estimated 4,120 individuals under the age of six living in the borough, 32 percent are not having their early childhood education needs met. On average, households in the Kenai Peninsula Borough spent 17 percent of their income on licensed early childhood development services in 2020. Only 29 percent of children entering the education system met 11 of the 13 Alaska Development Profile goals. Furthermore, access to childcare for parents who are in or wishing to join the workforce is extremely limited, which contributes to a shrinking labor pool. Gaps in early childhood programs in the borough reduce quality of life in the region and impact the long-term strength of the region's economy.
- **High Unemployment:** The impacts of the COVID-19 pandemic on the economy, especially the tourism and hospitality sector, caused unemployment on the Kenai Peninsula to spike. It remains undetermined how long recovery from the economic impacts of COVID-19 may take but impacts from the pandemic will likely be felt for some time on the borough workforce.
- **Outmigration:** Between 2011 and 2020, the Kenai Peninsula Borough experienced net outmigration in six of the ten years. While migration in and out of a region is natural, constant long-term outmigration from the region poses a risk to the strength of the local workforce.
- **Decline in Wages:** Over the last decade, the real value of wages in the region has steadily declined, indicating that wage growth on the Kenai Peninsula has not kept up with inflation. This decline is a threat to quality of life in the region, as the real cost of goods and services continue to rise in comparison. It is also a threat to the region's workforce and employers' ability to attract and retain qualified employees.





# Northwest Arctic Borough Community & Economic Development District



163 Lagoon Street Kotzebue, AK 99752 (907) 442-2500 <u>https://www.nwabor.org/departments/</u> community-and-economic-development/

**Mission**:

# Promote economic enhancement, research, and development consistent with the traditional culture and values of the people of the region.

The Northwest Arctic Borough Community & Economic Development Commission (NWABCEDC), established in 1989, is located within the <u>Northwest Arctic Borough</u>. With 36,000 square miles of land and 3,560 miles of coastline, the Northwest Arctic Borough is the second largest organized borough in the state. A population of 7,500 residents is spread throughout 11 villages. As a rural ARDOR, NWABCEDC works to achieve a higher quality of life by promoting economic development while respecting and protecting Alaska Native Iñupiat values and traditions.

#### Funding Reported:

- \$ 651,608.33 ----- <u>Alaska Department of Commerce, Community, and Economic Development</u>
- \$ 2,000,000.00 ----- <u>Alaska State Legislature School Construction and Maintenance</u>
- \$ 252,270.00 ----- <u>Alaska Department of Administration</u>
- \$ 2,886,334.00 ----- <u>Alaska Department of Public Safety</u>
- \$ 100,000.00 ----- <u>Alaska Department of Transportation and Public Facilities</u>
- \$ 75,000.00 ----- <u>Denali Commission</u>
- \$ 1,291,675.00 ----- <u>U.S. Department of Agriculture Rural Development</u>
- \$ 251,237.40 ----- <u>U.S. Department of Justice</u>
- \$ 2,008,765.00 ----- <u>U.S. Department of Energy</u>
- \$ 1,294,274.00 ----- U.S. Department of the Interior
- \$ 7,620,871.69 ----- U.S. Department of the Treasury
- \$ 373,112.00 ----- U.S. Department of Health and Human Services
- \$ 34,281.00 ----- Private sector funding

#### Status of Projects Funded by State or Federal Grants:

<u>Alaska Department of Commerce, Community, and Economic Development:</u> Northwest Arctic Borough received annual Community Revenue Sharing funds, which were entirely spent down in FY2022 for the purpose of running local government functions. DCCED also provided a COVID-19 ARDOR technical support grant, which will be utilized in FY2023.

<u>Alaska State Legislature</u>: Funding has been provided to build a bus barn in Kivalina and update the HVAC system in Buckland. The Kivalina bus barn is complete, and the HVAC system in Buckland is expected to be completed during FY2023.

<u>Alaska Department of Administration</u>: Funds were allocated to the Northwest Arctic Borough for the Public Employee Retirement System program.



#### Status of Projects Funded by State or Federal Grants (cont.):

<u>Alaska Department of Public Safety</u>: Northwest Arctic Borough received an annual allocation to fund the Village Public Safety Officer program in the region.

<u>Alaska Department of Transportation and Public Facilities:</u> DOTPF provided funds to build and maintain an ice road through a Transfer of Responsibility Agreement with the Northwest Arctic Borough.

**Denali Commission:** The Denali Commission provided funding to complete the <u>State of Alaska's Comprehensive</u> <u>Economic Development Strategy.</u> These funds have been fully spent.

<u>U.S. Department of Agriculture – Rural Development:</u> USDA-RD provided funding for rural utility services. These funds have been fully spent down.

<u>U.S. Department of Justice</u>: NWABCEDC received U.S. Department of Justice COPS grant funding via pass-through funding from Maniilaq Association. These funds have not spent down, as NWABCEDC requested a revision to how funds would be used and the final authorization for the revised use plan was not received prior to the end of FY2022.

**U.S. Department of Energy:** NWABCEDC received a grant from the Office of Indian Energy to construct a solar array in Noatak. Construction is slated to begin in the summer of 2023.

**U.S. Department of the Interior:** Payment in Lieu of Taxes funding was received and fully utilized by the Northwest Arctic Borough.

<u>U.S. Department of the Treasury</u>: Northwest Arctic Borough received two grants through the American Rescue Plan Act program – the COVID-19 Coronavirus Relief Fund and a Lost Revenue Fund. Both grants are in the process of being spent down.

<u>U.S. Department of Health and Human Services:</u> COVID Operations Center funding was passed through to Maniilaq Association. A COVID-19 Coronavirus Emergency Supplemental Funding Program grant was utilized by NWABCEDC to offset the impacts of the pandemic and has been fully spent down.

#### **Meeting Summary:**

NWABCEDC is a commission within the Northwest Arctic Borough. Minutes of all Borough Assembly meetings are online at <u>https://www.nwabor.org/assembly/minutes/</u>. Assembly meetings were held on the following dates in FY2022:

- July 27, 2021: Assembly Regular Meeting
- August 24, 2021: Assembly Regular Meeting
- October 11, 2021: Assembly Special Meeting
- October 26, 2021: Assembly Regular Meeting
- November 26, 2021: Assembly Regular Meeting
- February 23, 2022: Assembly Regular Meeting
- March 16, 2022: Assembly Regular Meeting
- May 10, 2022: Assembly Regular Meeting
- May 24, 2022: Assembly Regular Meeting
- June 28, 2022: Assembly Regular Meeting



# Meeting Summary (cont.):

In addition to the regular assembly meetings, NWABCEDC held three commission meetings, the first two at the Northwest Arctic Borough Assembly Room and the third on the <u>University of Alaska - Anchorage</u> (UAA) campus. Topics included:

September 30, 2021: Updates from Agnew::Beck on the Borough's <u>Comprehensive Plan</u>, from Kally Greene Gudmundson on <u>Red Dog Mine</u> operations, Ramzi Fawaz on <u>Ambler Metals</u> operations, Liz Cravalho on <u>NANA Regional</u> <u>Corporation</u> operations, Fritz Westlake on <u>Sulianich Art Center</u> operations, and Ingemar Mathiasson on the Shungnak/Kobuk Solar Project.

**December 16, 2021:** Updates from Alyssa Rodrigues, Ph.D., Director of <u>Alaska MEP</u>, on manufacturing support in Alaska; Nolan Klouda of <u>University of Alaska - Center for Economic Development</u> on the impact of COVID-19 pandemic funding assistance on the Northwest Arctic Borough and across Alaska; and Charlene Ostbloom of the <u>Alaska Industrial</u> <u>Development and Export Authority</u> (AIDEA) on the Ambler Road project.

April 29, 2022: NWABCEDC provided input on the State of Alaska's Comprehensive Economic Development Strategy.

#### Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs:

Vision Statement: The <u>Northwest Arctic Borough</u> has a robust and diverse economy supporting economic selfsufficiency and Iñunialautaq (good life) for all residents.

**Goal 1: Improvement and Development of Critical Infrastructure:** Develop the critical utilities, transportation, energy, and housing infrastructure to lower cost burdens and adapt to climate change while preserving subsistence resources. Improved infrastructure will increase economic development investment; attract new business opportunities; grow, attract, and retain the region's labor force; protect communities from the effects of climate change; and promote sustainability.

- Priority Objective 1: Enact regional energy plan to reduce costs, increase capacity for bulk fuel storage, improve and increase energy efficiency, and support innovative approaches to alternative energy, where feasible.
- Priority Objective 2: Increase the number of affordable housing units in the borough.
- Priority Objective 3: Support development of Cape Blossom Road and port site.

**Goal 2: Natural Resource Development and Economic Diversity:** Develop natural resources, such as minerals, fisheries, agriculture, oil and gas, and tourism to increase economic diversity while preserving subsistence resources. Promote revenue diversification and stability, broaden business development opportunities, and enhance employment potential in a culturally appropriate way.

- Priority Objective 1: Seek opportunities to diversify natural resource development including, but not limited to, fisheries and agriculture.
- Priority Objective 2: Promote economic diversification through entrepreneurship development.
- Priority Objective 3: Engage Tribal governments and communities to ensure economic development is done in a culturally appropriate way.
- Priority Objective 4: Develop visitor industry opportunities in the region.



**Goal 3: Education and Workforce Development:** Improve academic achievement at the K-12 public education level, increase postsecondary opportunities with both vocational and academic training, and enhance employability skills and local workforce development. Develop and prepare workforce to meet the competitive needs of economic and business opportunities in a culturally appropriate way.

- Priority Objective 1: Implement entrepreneurship, business, financial, and technical training for borough residents.
- Priority Objective 2: Increase transfer of culture from one generation to the next to strengthen educational outcomes.

#### **Current Economic Development Initiatives:**

**Frank R. Ferguson Memorial Scholarship Program:** The Frank R. Ferguson Memorial Scholarship Program has awarded a total of \$254,610.77 in FY2022. The scholarship provides up to \$2,000 per semester for residents of the Northwest Arctic Borough to attend accredited colleges or vocational/technical programs.

Northwest Arctic Borough Small Business Grant: The NWAB Small Business Grant Program was created to assist small business owners, including artists, craftsmen, and other individuals or entities who are starting small businesses in the borough. This grant opportunity offers awards of up to \$3,000 per applicant. In FY2022, the borough awarded seven grants to small business owners from Selawik, Noorvik, Kivalina, Noatak, Kobuk, and Kotzebue totaling \$13,065.99.

**Commercial Fishing Grants:** The Northwest Arctic Borough's Commercial Fishing Grant was created to encourage growth of locally owned businesses operated by commercial fishermen, provide additional employment and income in the region, and promote safety through the <u>U.S. Coast Guard</u> requirements. The award is \$1,500, payable to vendors for required commercial fishing equipment. Sixteen Commercial Fishing Grant applications were approved in FY2022.

<u>Subsistence Fishing Grants</u>: The Northwest Arctic Borough's <u>Subsistence Fishing Grant</u> encourages residents' participation in subsistence fishing. This grant is intended to encourage active engagement in this family activity, which provides a commodity beneficial to the health and well-being of the community. The borough approved 230 Subsistence Fishing Grant applications in FY2022.

<u>Sulianich Art Center</u>: The Northwest Arctic Borough incorporated <u>Sulianich Art Center</u> in 2006 as a nonprofit corporation. Sulianich was created to provide a safe, free workspace for local artists while promoting economic development by purchasing and marketing local art for resale. In FY2022, Sulianich purchased \$150,853 of artwork. The borough has been the sole sponsor in FY2022, providing staff, administrative support, and infrastructure for the nonprofit to operate. The FY2023 goal for the Sulianich Art Center is to have its online store fully functional in time for the holiday season.

**Energy Program:** The Energy Group will continue to proceed with the creation of Independent Power Producers (IPP) for the communities under a joint memorandum of understanding between <u>Northwest Arctic Borough</u> and <u>NANA Regional</u> <u>Corporation</u> that has been signed to continue working together on regional energy issues. The Energy Group is meeting every Thursday on a regular basis. Currently, the Energy Group is developing the new Noatak project that has been granted funding by a <u>U.S. Department of Energy Tribal Grant</u>. The Energy Group recently completed the Shungnak-Kobuk project, which is a 223.5 kW solar project with a 384 kWh battery and began operating as an IPP following its commissioning in October 2021.

Northwest Arctic Borough wrote a proposal for a <u>USDA Rural Development High Energy Cost Grant</u> to build a 275 kW solar photovoltaic and battery solution in Noatak. Meetings have been held in Noatak and with <u>Alaska Village Electric</u> <u>Cooperative</u> to facilitate the creation of the grant proposal. While the original application for this competitive grant was not successful, the work of the borough to acquire resolutions and letters of support laid the groundwork to successfully apply for funding through the <u>U.S. Department of Energy Tribal Grant</u> program, which is requiring an in-kind match of 10 percent of the \$2.9 million project. This project is slated for commissioning in June 2023.



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## **Current Economic Development Initiatives (cont.):**

In addition to its solar projects, the <u>Energy Group</u> successfully constructed a biomass project in the community of Ambler to heat city buildings and the community washeteria using local wood. The project will displace 6,000 gallons of diesel fuel annually and provide enough work for one part-time position.

In addition to the Shungnak/Kobuk solar project, the Noatak solar project, and the Ambler biomass project, the <u>Energy</u> <u>Group</u> will be engineering four more solar arrays during FY2023. These arrays will be deployed in Ambler, Kiana, Noorvik, and Selawik.

#### **Future Economic Development Initiatives:**

The following prospective projects have been identified as potentially enhancing regional economic development:

- Cape Blossom Road and port site
- Noatak Road to Red Dog port site
- Regional alternative energy projects
- Ambler Road and mine site development

#### **Anticipated Challenges to Regional Economic Development:**

The following challenges to regional economic development were identified:

- High cost of living
- Limited housing
- Lack of education





# **Prince William Sound Economic Development District**





622 First Street, #202 Cordova, AK 99574 (907) 424-5533 https://www.pwsedd.org/

# 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.

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, Cordova, Tatitlek, Valdez, and Whittier. 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; the visitor industry; and outdoor recreation.

#### **Funding Reported:**

	· · ·	
•	\$	7,500.00 Alaska Division of Community and Regional Affairs – to support public involvement with
		development of a statewide economic development strategy
٠	\$	1,376.93 U.S. Department of Commerce, Economic Development Administration, Planning
		Partnership Program
•	\$	1,820.08 U.S. Department of Commerce, Economic Development Administration, CARES Act
•	\$	1,338.15 U.S. Department of Commerce, Economic Development Administration, Build Back Bette
		<u>Regional Challenge</u> – to support <u>Alaska Mariculture Cluster</u>
•	\$	4,300.00 Alaska Community Foundation – to support renewing the 2008 PWS Marine Trail
		Memorandum of Agreement
•	\$	2,500.00 Private sector sponsorships

#### Status of Projects Funded by State or Federal Grants:

Statewide CEDS: Alaska Division of Community and Regional Affairs' funding was used to develop the Alaska Statewide CEDS during April and May 2022. These funds covered PWSEDD staff time associated with public outreach regarding the Alaska Statewide CEDS. As part of these activities, PWSEDD participated in the <u>University of Alaska - Center for Economic Development</u>'s (CED) planning meetings, communicated the statewide CEDS process to PWSEDD's stakeholders in its e-newsletter updates, discussed the process and content at PWSEDD board meetings, and held planning calls about statewide CEDS objectives and priorities with community leaders in Chenega, Tatitlek, Valdez, Whittier, and Cordova. PWSEDD also assisted staff from CED in connecting with Tribal and municipal staff in Prince William Sound communities and promoted the CED stakeholder survey to regional community members.



<u>Alaska Mariculture Cluster:</u> PWSEDD is working regularly with regional mariculture businesses and stakeholders to seek funding for mariculture business growth, to connect business owners with resources for starting or expanding their businesses, and to connect regional landowners, seafood processors, and kelp farmers for the benefit of leveraging financial and equipment resources to expand the mariculture sector. These efforts were funded in 2021-2022 by the EDA's Build Back Better Regional Challenge Phase I award to the Southeast Conference.

**EDA CARES Act:** CARES Act funding is being used primarily for three initiatives:

- Prince William Sound Ferry Authority Feasibility Analysis: PWSEDD has engaged a contractor to conduct data analysis to produce operating revenue and expense projections and to identify appropriate ferry service operations models for consideration. PWSEDD expects to provide a completed analysis and recommendations in the spring of 2023.
- 2. Shared Seafood/Food Processing Center: A Phase I feasibility analysis was completed in June 2021, and PWSEDD has been working since then to identify funds for completing the Phase II analysis. Phase II work will be completed by spring 2023.
- 3. Resilience for Prince William Sound Communities: As weather patterns continue to shift, PWSEDD is working with Prince William Sound communities, Alaskan Native entities, state agencies, and federal agencies to identify the climate shifts that will most affect Prince William Sound communities and the infrastructure and communications adaptations needed to adjust to those changes. PWSEDD is also preparing a webinar series for Prince William Sound businesses on the topic of climate resilience and how business owners can best be prepared for economic and natural disasters.

#### **Meeting Summary:**

**September 2, 2021:** Topics included a review of financial statements, staff reports, and a request for proposals for a Prince William Sound ferry authority feasibility analysis.

November 11, 2021: Annual Meeting, focusing on the "blue economy" concept. Topics included:

- Prince William Sound Marine Trail
  - o Activities included a presentation from Friends of Kachemak Bay and discussion of water trails
- Mariculture in Prince William Sound
  - Activities included presentations from <u>Chugach Regional Resources Commission</u> and <u>Prince William Sound</u> <u>Science Center</u>
- A presentation regarding the development of the 2021-2025 Prince William Sound CEDS
- A review of financial statements and staff reports
- Election of Board officers

**December 16, 2021:** Topics included a review of financial statements and staff reports, approval of PWSEDD's 2020 IRS Form 990, discussion of Southeast Conference's <u>Alaska Mariculture Cluster</u> proposal to EDA's Build Back Better Regional challenge, and board and staff priorities.

**March 3, 2022:** Topics included a review of financial statements and staff reports, a presentation from <u>The Foraker</u> <u>Group</u> on the economic value of nonprofits in Alaska, and consideration of transportation program initiatives.

**June 2, 2022:** Topics included a review of financial statements and staff reports, resiliency in Prince William Sound communities, and acceptance of a proposal from <u>McKinley Research Group</u> for a feasibility analysis of a Prince William Sound ferry authority.



#### Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs:

PWSEDD's CEDS goals and priority objectives for 2021-2025 are:

**Goal A - Improvement and Development of Critical Infrastructure:** Improve regional connections by enhancing transportation and utilities infrastructure. Enhance infrastructure to build resilience to climate change, increase economic development opportunities, and enrich the way of life in Prince William Sound.

- Priority Objective 1: Develop regional transportation infrastructure
- Priority Objective 2: Increase broadband internet access and capacity
- Priority Objective 3: Increase housing quality and affordability
- Priority Objective 4: Enhance recreational infrastructure throughout the region
- Priority Objective 5: Increase energy efficiency and integration of renewable resources

**Goal B - Workforce Development:** Boost the regional continuum of education from early childhood learning through post-secondary opportunities. Enhance employability skills and adapt to the evolving opportunities of regional economic development through education and training.

- Priority Objective 1: Increase access to early childhood education
- Priority Objective 2: Enhance in-region post-secondary vocational training opportunities
- Priority Objective 3: Strengthen Prince William Sound College connections in-region

**Goal C - Strengthen Existing Industries and Diversify Economy:** Seek business development and support entrepreneurs' investment to promote regional industry growth, responsible resource development, and economic diversity. Attract business opportunities to the region that support employment opportunities in every season.

- Priority Objective 1: Build on and sustain Prince William Sound's blue economy (i.e., development of oceanic resources in a socially and ecologically sustainable way)
- Priority Objective 2: Promote Prince William Sound and its outdoor recreation assets as a tourism destination
- Priority Objective 3: Support the local arts and humanities community
- Priority Objective 4: Cultivate entrepreneurship
- Priority Objective 5: Identify climate change mitigation projects
- Priority Objective 6: Collaborate with <u>Chugach Alaska Corporation</u> on pursuing mining opportunities
- Priority Objective 7: Support responsible forestry opportunities
- Priority Objective 8: Attract new residents who telework

#### **Current Economic Development Initiatives:**

**Business Counseling:** PWSEDD provides support to local and regional businesses who seek to start or expand a business. Assistance includes loan application document preparation, expense and revenue projection, assistance with choosing accounting software, guidance in financial management, and setting up payroll, marketing, and online commerce.

<u>Alaska Mariculture Cluster:</u> PWSEDD collaborated with several other economic development districts on drafting and submitting an application for \$49 million to the <u>U.S. Department of Commerce, Economic Development Administration</u>. Funds are requested to catalyze kelp and shellfish farming in Alaskan waters by supporting the involvement of Alaska Tribal entities, facilitating research and development of mariculture products, supporting investment in mariculture equipment and technology, and providing financing for new and expanding mariculture businesses.



# **Current Economic Development Initiatives (cont.):**

**Cordova Community Greenhouse and Garden:** PWSEDD is working with the <u>Copper River Watershed Project</u> and the Saint Michael's Russian Orthodox Church to establish a community garden on church land. The partnership has developed a memorandum of understanding for guiding garden use and participation by community residents and organizations. Several community residents received <u>Alaska Department of Natural Resources</u> micro-grant funding. These funds are being used to purchase materials for raised beds to be distributed to community residents and installed at community garden location on church land.

**Shared Seafood and Food Processing Facility for Cordova:** PWSEDD raised \$55,000 from community partners to complete work on a feasibility analysis for a shared seafood and food processing center in Cordova. Users of this facility are anticipated to be small businesses engaged in processing food products, including direct marketers of salmon or other seafood products, kelp farmers, and other food-related businesses.

**Entrepreneurial Ecosystem Working Group:** PWSEDD is gathering a group of entrepreneurs and regional leaders that support entrepreneurism (*e.g.*, bank representatives, chambers of commerce leaders) to deepen support for existing and aspiring entrepreneurs in the Prince William Sound region. PWSEDD plans to identify which support services already exist and to advertise these services in a more cohesive way, as well as identify and fill gaps in service that would support entrepreneurs in their efforts to develop local and regional businesses.

**Workforce Development Working Group:** PWSEDD staff analyzed data on job growth and job loss by occupation in the Prince William Sound region, as reported by the <u>Alaska Department of Labor and Workforce Development</u> (DOLWD) in 2018. These figures will be reported alongside the 2020 to 2030 occupational projections released by DOLWD in August 2020. These projections will be used to guide PWSEDD's collaborations with regional employers and educational institutions to provide career exploration information to students and adults. PWSEDD continues to work with community organizations to address childcare needs, including summer camp activities.

<u>Statewide Comprehensive Outdoor Recreation Plan (SCORP)</u>: PWSEDD completed work on facilitating a regional chapter for SCORP. Priority projects include a Prince William Sound marine trail, hiking trail restoration, public use cabins and camping facilities, and mooring buoys. PWSEDD was awarded funding for partnership building among entities that are developing a Prince William Sound marine trail, a water trail guide for motorized and non-motorized users of public lands, and camping facilities within the Prince William Sound region.

**Tribal Council Assistance:** PWSEDD is assisting regional Tribal councils with tapping into currently available economic development and infrastructure grant funding.

#### **Future Economic Development Initiatives:**

PWSEDD has identified several potential projects that could enhance economic development:

- A Prince William Sound Ferry Authority feasibility study, to be completed by April 2023
- Port and harbor facilities in all communities
- Construction of middle-income housing in Valdez, Whittier, and Cordova
- Revitalizing the 2008 memorandum of understanding among current and new partners of the Prince William Sound Marine Trail
- Tourism Best Practices development in Whittier
- Remediation of the Buckner Building in Whittier
- Extension of Shotgun Cove Road in Whittier
- Replacing the Valdez Museum facility with a modern, expanded facility
- Development of a shared seafood and food product processing facility in Cordova, to be completed by May 2023



# **Anticipated Challenges to Regional Economic Development:**

PWSEDD has identified several immediate challenges to regional economic development:

- Lack of consistent, reliable ferry service across Prince William Sound
- Lack of market-rate housing built to current building code and energy efficiency standards
- High cost of energy in rural regions
- Climate change and a lack of resources to conduct adaptation planning
- Lack of state fiscal support for public education, causing degradation to educational opportunities for Pre K-12 academics, post-secondary academics, and vocational-technical offerings for regional residents





#### **Southeast Conference**



9360 Glacier Highway, #201 Juneau, AK 99801 (907) 586-4360 https://www.seconference.org/

# Mission:

# To undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska.

Southeast Conference (SEC) was established in 1958, first to advocate for the marine transportation needs of Southeast communities, then to continue work on other economic development priorities in the region. In 1989, SEC became an ARDOR and was designated as a federal Economic Development District. The region extends 500 miles along the Southeast 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.

**Present Intent:** The Southeast Conference Scope of Work focuses primarily on economic development planning and implementation of economic development program activities. The scope is driven by the goals, objectives, and action plan contained in the <u>Southeast Alaska Economic Plan</u>, which is the regional Comprehensive Economic Development Strategy (CEDS). The purpose of Southeast Conference's investment is to implement and continue to improve the regional economic plan for the purpose of creating and retaining new and better jobs within Southeast Alaska. Southeast Conference's planning activities are part of a continuous process involving the active participation of the private sector, public officials, non-profit organizations, educational institutions, and private citizens. As part of its process, Southeast Conference analyzes local economies through its annual regional economic analysis publication, <u>Southeast Alaska by the Numbers</u>. Southeast Conference will continue to work with partners across the region to define and refine its economic development goals, especially as the economy changes. Southeast Conference will continue to host two membership meetings annually.

During the COVID-19 pandemic, Southeast Conference worked tirelessly to connect struggling businesses to available resources at the local, state, and federal levels. Its membership developed a <u>Southeast Alaska Resiliency Plan</u> to create economic stability and get the region back to business. Southeast Alaska saw some of the highest public investment per capita and some of the lowest permanent business closures in the state. With new, one-time federal funding available for a brief period, Southeast Conference is focused on working with partners from the private sector, municipalities, Tribes, state agencies, and federal agencies to bring infrastructure investments to the region to grow the regional economy for years to come.



#### Funding Reported:

- \$ 91,417.59 ----- <u>Alaska Energy Authority Biomass Energy Contract</u>
- \$ 11,602.24 ----- Biomass Pellet Mill Demonstration Project
- \$ 7,500.00 ----- <u>Alaska Division of Community and Regional Affairs</u>
- \$ 26,181.00 ----- <u>Denali Commission</u>
- \$ 22,125.99 ----- <u>U.S. Department of Agriculture Renewable Energy Development Assistance</u>
- \$ 70,000.00 ----- U.S. Department of Commerce, Economic Development Administration, Administration Regional Planning
- \$ 245,340.50 ----- <u>U.S. Department of Commerce, Economic Development Administration,</u> <u>COVID-19 Resiliency Planning</u>
- \$ 280,779.19 ----- U.S. Department of Commerce, Economic Development Administration, BBBRC Alaska Mariculture Cluster Phase 1
- \$ 160,237.85 ----- U.S. Department of Commerce, Economic Development Administration, COVID Safe Regional Travel Promotion
- \$ 145,401.00 ----- Southeast Conference Membership Fees
- \$ 21,380.00 ----- 2021 Scholarship Auction Revenue

#### Status of Projects Funded by State or Federal Grants:

Division of Community and Regional Affairs - SEASWA: The Southeast Alaska Solid Waste Authority (SEASWA) was developed through the joint efforts of Southeast Conference and Southeast Alaskan leaders. For many years, members of Southeast Conference and others in Southeast Alaska studied the issue of consolidating solid waste disposal, recycling, and scrap metal efforts across the region.

During FY2022, Southeast Conference explored the technology available for waste-to-energy. The current climate of municipal solid waste management strategy in Southeast Alaska is increasingly to ship waste south to Washington or Oregon as landfills continue to close. This is a costly practice that neglects the potential to use municipal solid waste as a resource within the region. A regional waste-to-energy facility could create jobs in Southeast Alaska and the energy produced could be useful to off-grid businesses and residents. The next step is to identify partners and funding for a pilot project.

<u>Alaska Energy Authority (AEA)</u>: Southeast Conference continues a close working relationship with AEA and assists with project development and program implementation as needed. Southeast Conference also participates in AEA's working groups related to alternative energy and energy efficiency programs and supports the many programs the State of Alaska's energy office manages to help lower the cost of energy to Alaskans.

Southeast Conference's Biomass Coordinator works with AEA and the <u>U.S. Forest Service</u> to provide technical support and facilitation for biomass energy projects across the state and chairs the Alaska Wood Energy Development Task Group, which consists of a coalition of federal agencies, state agencies, and not-for-profit organizations seeking to increase the utilization of wood for energy and biofuel production in Alaska.

Southeast Conference works in partnership with the <u>University of Alaska - Fairbanks</u>, <u>State of Alaska Division of Forestry</u>, <u>Alaska Center for Energy and Power</u>, <u>Renewable Energy Alaska Project</u>, and the <u>U.S. Forest Service</u> on a biomass outreach program to assist communities with feasibility plans and provide technical assistance and workforce training to the private sector and to communities that have existing systems. Southeast Conference participates in statewide roundtables and is planning a biomass conference for the spring of 2023.



Southeast Conference also participates in the AEA Alaska Electric Vehicle Working Group that meets quarterly to discuss electric vehicles and charging infrastructure in Alaska. Southeast Conference supports AEA's efforts to reduce barriers to electric vehicle adoption and plan for opportunities to bring new industries to Alaska, helping to promote the regional economy and save Alaskans money. Southeast Conference participated in the development of the <u>State of Alaska</u> <u>Electric Vehicle Infrastructure Implementation Plan</u> as part of the <u>National Electric Vehicle Infrastructure (NEVI) Formula</u> <u>Program</u>, as well as promoting partnerships with the private sector to host charging stations using the Volkswagen Trust Funds.

**Denali Commission:** The Denali Commission provided funding for Southeast Conference to participate in the Alaska Regional Development Network and to identify economic development initiatives and projects in the region. To date, those funds were used to provide technical assistance to the region and leverage other project funding opportunities, such as broadband, transportation and energy.

**COVID Safe Regional Travel Promotion:** Following the summer of 2020, the visitor industry began the long road to recovery from what had been its worst year in recent history. While state and federal lawmakers continued to pressure the Center for Disease Control to allow major cruise ships to operate during the summer of 2021, small ships (250 passengers and below) and independent travelers became the primary audiences for targeted marketing campaigns at both local and statewide levels. Governor Dunleavy announced the introduction of an Alaska Tourism Revitalization plan, including a multi-million-dollar national marketing plan, direct support to business, and support for cultural tourism, which included funding for Southeast Conference and regional destination marketing partners.

Southeast Conference developed a collaborative regional visitor marketing effort to provide more marketing opportunities, improve brand awareness, strengthen the marketing reach, widen regional coverage of information, and leverage limited resources. This resulted in a strong independent season for the region.

<u>U.S. Forest Service (USFS)</u>: Southeast Conference has long been a leader in promoting renewable energy for Southeast Alaska and the State of Alaska as a whole. Full utilization of local resources for energy needs has long been a regional priority. One of the local resources that makes sense for Southeast Alaska is woody biomass, as a way of utilizing urban and forest residues. Utilization of woody biomass for thermal energy (heat) creates local employment, utilizes local resources, and develops local infrastructure. A recent survey found that two-thirds of Southeast Alaska residents' energy consumption was for thermal heat. Southeast Conference sees a possible solution, embracing new technology that utilizes biomass waste streams and is scaled for local community heating needs.

<u>USFS</u> and the <u>Denali Commission</u> have awarded funding to Southeast Conference to pursue a pellet mill manufacturing demonstration project that will serve as a proof-of-concept pilot project for other proposed locations around the state. The pellet mill will be located in Ketchikan where it will be easy to access, have low-cost energy, and be in a community that currently has a local demand for pellets that is matched to the mill's projected output. The facility will support the timber industry, forest health, and habitat by utilizing natural waste streams and will experiment with community biomass waste, such as used pallets and cardboard that often end up burned in landfills, causing environmental concerns, and doing nothing to create the jobs or lower energy costs that could be achieved by converting those wastes into pellets to be used by local consumers.

<u>USDA Rural Development – Renewable Energy Development Assistance (REDA)</u>: USDA Rural Development funding to Southeast Conference is being used to assist businesses statewide with technical understanding on how to deploy renewable energy resources and to provide outreach and technical assistance. Training programs are being developed to support local jobs for installers, operators, and maintenance people. Accredited trainings for the private sector will be conducted in the fall of 2022 and spring of 2023.



OneUSDA, Southeast Alaska Sustainability Strategy for Economic Development (SASS): On July 15, 2021, USDA announced the new Southeast Alaska Sustainability Strategy to help support a diverse economy, enhance community resilience, and conserve natural resources in Southeast Alaska. The Southeast Alaska Sustainability Strategy (SASS) initiative is created to support economic diversification activities in Southeast Alaska through a strategic partnership of USDA and the key regional economic development organizations of Southeast Conference, <u>Central Council Tlingit & Haida Indian Tribes of Alaska</u>, and <u>Spruce Root</u>.

As a part of the strategy, the Secretary of Agriculture made an initial commitment of \$25 million to the region. A OneUSDA team comprised of the <u>U.S. Forest Service</u>, <u>Natural Resources Conservation Service</u>, and <u>USDA - Rural</u> <u>Development</u> engaged Southeast Alaska partners, communities, Tribal Nations, and Alaska Native corporations to ensure that investments are responsive to local priorities, are inclusive of the values and peoples in the region, and complement ongoing partnerships.

Southeast Conference will convene the SASS partners annually to develop metrics that assess regional progress toward economic diversification, capture key lessons learned, develop annual reports, support a capacity building grants pool, and make sub-awards into proposed SASS projects. These efforts will strengthen the way that the network of SASS partners work together on economic diversification, make progress assessments easier, build the capacity of local organizations, and support economic diversification projects.

U.S. Department of Commerce, Economic Development Administration, Build Back Better Regional Challenge (BBBRC): Southeast Conference is at the center of several new opportunities in mariculture development and is leading a coalition of mariculture stakeholders pursuing the BBBRC funding opportunity for the development of an <u>Alaska</u> <u>Mariculture Cluster</u> stretching from Southeast Alaska across the coastal waters to the Aleutians.

The Alaska Mariculture Cluster is the next step in the implementation of the Alaska Mariculture Development Plan, the Alaska Mariculture Task Force's Five-Year-Action Plan, and findings within the Alaska Mariculture Alliance's (AMA) final report to the Governor's Office. The BBBRC aims to transform regional economies by growing new regional industry clusters or scaling existing ones. Southeast Conference, along with AMA, the Alaska Fisheries Development Foundation (AFDF), <u>Prince William Sound Economic Development District</u> (PWSEDD), <u>Southwest Alaska Municipal Conference</u> (SWAMC), <u>Kenai Peninsula Economic Development District</u> (KPEDD), the <u>State of Alaska</u> (SOA), <u>Alaska SeaGrant</u>, the <u>University of Alaska (Anchorage, Fairbanks</u>, and <u>Southeast</u>), <u>Central Council Tlingit & Haida Indian Tribes of Alaska</u>, and the <u>Alaska Longline Fisherman's Association</u> (ALFA) formed a strategic coalition (the <u>Alaska Mariculture Cluster</u>) on behalf of Alaska's mariculture industry and submitted the Alaska Mariculture Cluster (AMC) proposal for Phase I of the BBBRC in October 2021. This partnership also includes over 30 private sector businesses and numerous Tribal entities, including <u>Sealaska</u>, the <u>Native Conservancy</u>, and <u>Alutiiq Pride Marine</u> Institute.

Southeast Conference, as lead applicant of the AMC proposal, was notified in December 2021 that the proposal had been selected as 1 of 60 finalists out of 529 applications nationwide for the EDA's \$1 billion BBBRC grant. This news was quickly followed by a focused effort by the AMC coalition group to assemble a more fully developed proposal for Phase II of the BBBRC, which was due March 15, 2022. Southeast Conference staff led the coordination and submitted for Phase II as the lead applicant. The process to develop the final application included more than 115 meetings with mariculture and seafood sector stakeholders and more than 30 informational and logistical meetings with EDA.



AMC's proposal for developing Alaska's mariculture industry included the following elements critical to the industry's development:

- Governance, Coordination, and Outreach
- Workforce Development to Support Industry Growth
- Equipment and Technology
- Green Energy
- Research and Development
- Marketing
- Mariculture Revolving Loan Fund

AMC was one of 21 BBBRC awardees and will receive \$49 million over the next five years for implementation.

#### **Meeting Summary:**

All board meetings were conducted via Zoom.

**July 6, 2021:** The board discussed Southeast Conference's award for the state's COVID Safe Travel Grant for tourism. Southeast Conference plans to use the grant to highlight communities that were not awarded funds as well as to create marketing materials for future use. An overview of the recent Prince of Wales biomass tour was given. The board also discussed the upcoming annual meeting, potential speakers, and agenda topics. The board approved the FY2022 budget.

**August 2021:** Discussion centered around the agenda and speakers for the upcoming annual meeting and whether the meeting should be held in person due to the COVID-19 pandemic. The board approved the ballot for incoming board members and discussed and approved a memorandum of understanding proposing a partnership with <u>Ucore</u>, helping them find a rare earth metals processing facility site in the Ketchikan area.

**November 2021:** President Lisa Von Bargen informed the board that due to her recent change in employment, she would no longer be able to continue in her role as President of the Southeast Conference Board of Directors. Alec Mesdag was approved to step into the role as board president and the board approved inviting Jan Hill to rejoin the board. Committee assignments were established. Executive Director Robert Venables provided a recap of the annual meeting, the need for additional staff to focus on transportation and biomass, the Build Back Better application, and plans to play a more active role in the next <u>Southeast Alaska Regional Dive Fisheries Association</u> municipal board seat appointment.

**December 2021:** Executive Director Venables announced the new staff hire of Jon Bolling as Transportation and Special Projects Manager. Venables also reported on potential grant funding including Build Back Better and funding with the <u>USDA-RD</u> on a mariculture processing facility for Prince of Wales Island. The board approved a motion to move forward with adopting 401(k) and healthcare plans for Southeast Conference staff.

**January 2022:** The board was informed of plans relating to the EDA's recent award to Southeast Conference for Phase I of the Build Back Better Regional Challenge (BBBRC) Grant. An additional temporary part-time staff member, Shelly Hill, was hired to help with the Phase II application. Venables gave an update on the proposed mariculture processing facility and the <u>USDA</u>'s award of \$500,000 for pre-construction activities. The board discussed the REDA program and the potential pellet mill funding through the Forest Service. Jon Bolling gave the board an update on plans for the upcoming Transportation Symposium. The board approved Liz Cabrera and Jan Hill to fill the vacant board seats and approved a motion to accept the <u>SEAtrails</u> data and funds to update the website.



# Meeting Summary (cont.):

**March 2022**: The board heard a report about the Mid-Session Summit and Transportation Symposium, including a disbursement to <u>University of Alaska - Southeast</u> for \$21,380 from the Annual Meeting raffle and scholarship auction. A memorandum of agreement between Southeast Conference and the State of Alaska is being drafted to involve Southeast Conference in a pilot program for no/low-emission ferries. Updates were given on the BBBRC application, the mariculture trip to Prince of Wales Island, and recent presentations that Executive Director Robert Venables has given to various Rotary clubs, <u>SWAMC</u>, and the upcoming <u>National Association of Development Organizations</u> conference in Washington, DC. The board approved Resolutions 22-02 through 22-07 addressing transportation issues in the region.

**May 2022:** President Mesdag reported that the employee 401(k) plan is now in place, as is the memorandum of agreement with the State of Alaska for the low-emission ferry project. Executive Director Venables will be traveling to Norway in June with a delegation from the State of Alaska to attend a tour of their ferry programs and research facilities. They will be joined by Launch Alaska, BC Ferries, and a few marine transportation entities from California. During the same period, Mesdag will be representing Southeast Conference in Washington, DC at a BBBRC event and Vice President Scheer will be visiting kelp farms on the Faroe Islands. Venables also reported on a recent containerized biomass pellet mill tour to see existing operations and determine what might work well in Southeast. Progress is being made on solicitations for <u>Southeast Alaska Regional Dive Fisheries Association</u> nominations and the <u>SEAtrails website</u>. Venables also reported on a recent trip to Petersburg to meet with community officials and business leaders. The board voted to award scholarships based on the committee recommendations and discussed the possibility of Southeast Conference taking a stance on the proposed Constitutional Convention.

#### Short- and Long-Term Economic Development Strategies:

#### **Conferences:**

Annual Meeting: Southeast Conference held its first blended in person and virtual annual meeting September 14-16, 2021, in Haines, Alaska. Over 150 in-person attendees, 85 virtual attendees, 30 sponsors and 53 speakers and panelists were involved. The keynote speaker was U.S. Senator Lisa Murkowski, who joined the conference in person. Over \$21,000 was raised for the <u>University of Alaska - Southeast</u> scholarship. The community of Haines and conference attendees followed a rigorous COVID-19 mitigation plan, resulting in a successful and safe event. According to Southeast Conference, this year's theme, *Southeast Strong*, was demonstrated in each presentation and panel discussion and in industry updates and projections. All presentations, as well as full recordings of the meeting, can be found at <u>https://www.seconference.org/2021-annual-meeting/</u>.

**Mid-Session Summit:** The 2022 Mid-Session Summit was held as a blended in person and virtual event on February 8-9. Two hundred in-person attendees came to the Elizabeth Peratrovich Hall in Juneau and 75 more attendees participated online. Presentations included 90 speakers and panelists. The conference was supported by 20 businesses and organizations. The conference theme of *Getting Back to Business* was incorporated by all presenters.

The day after the Mid-Session Summit was the Transportation Symposium. This regional gathering covered transportation planning at the local community level, with presentations by federal, state, and Tribal agencies. The keynote presentation was a workshop on grant preparedness, including how to apply and tips for applicants to determine costs and benefits.



#### Short- and Long-Term Economic Development Strategies (cont.):

#### **Publications:**

**2022 Regional Business Climate Survey:** Each year Southeast Conference conducts a regional business climate survey to track Southeast Alaska business confidence. Top findings from the 2022 survey include:

- Nearly two-thirds (62 percent) of regional business leaders currently have a positive view of the Southeast Alaska business climate, a dramatic increase from a year ago and the highest positivity rating since 2017. Businesses in small rural communities were the most likely to say that the regional economy is very good.
- Half of respondents expect their prospects to be better or much better over the next year, making this the most positive future outlook recorded by Southeast Conference. Tourism and the food/beverage sector have the best economic outlooks. The communities with the most positive outlook are Hoonah, Skagway, and Sitka.
- Nearly three in ten (29 percent) regional businesses are in hiring mode and expect to add employees over the next twelve months.
- Business leaders identified a lack of housing as the top need to be solved to advance economic growth in the region.
- The region's quality of life, recreation, culture, and arts are the top business benefits to the region, as has been historically true. High freight costs, lack of housing, and overall high cost of living remain the region's top business barriers.

**2022** Southeast Alaska by the Numbers: Due in part to the devastating economic conditions of 2020, Southeast Alaska's year-over-year economic report was very encouraging. Jobs were up by 5 percent in 2021 overall, while communities like Hoonah and Gustavus saw 18 percent and 19 percent job increases, respectively. Total wages were up by 11 percent (+\$238 million), higher overall than 2019 regional earnings. The average regional wage increased by 6 percent.

The seafood sector posted incredible gains in 2021 following a terrible harvest in 2020, becoming the top private sector industry in the region for the first time since 2015. Preliminary salmon harvest levels in 2022 are coming in higher than in 2021. Mining jobs are up by 7 percent in the first half of 2022, and construction jobs are up by 5 percent.

Even with just one-tenth of a normal cruise ship year, visitor industry numbers soared in 2021 compared with 2020. The number of cruise passengers arriving in the region during the 2022 season is on track to be many times higher than 2021 levels, followed by a predicted record-setting sailing schedule planned for 2023. Total passenger arrivals from outside the region went up by 155 percent in 2021, with visitor sector jobs up by 36 percent. Tourism payroll increased by \$74 million.

Despite impressive gains during the 2021 tourism season, the region still trailed 2019 in many measures. Jobs remained 8 percent below 2019 annual job figures and 18 percent below peak summer employment levels.

Moving into 2022 and 2023, Southeast Alaska's businesses report tremendous optimism. The significant federal investments into the region in the form of COVID-19 relief dollars worked as intended, giving Southeast Alaska an economy to return to in 2022. In the first half of 2022, the region added 1,100 jobs. Half of the region's business leaders expect their prospects to be better or much better in 2023.



#### Short- and Long-Term Economic Development Strategies (cont.):

#### **CEDs Presentations and Outreach:**

In addition to the conferences and publications produced, Southeast Conference is routinely involved in conversations, presentations, committees, and projects that support Southeast Alaska's Comprehensive Economic Development Strategy. Southeast Conference staff are actively engaged with the <u>Alaska Division of Community and Regional Affairs</u>, <u>AIDEA</u>, <u>U.S. Small Business Administration</u>, <u>Alaska Small Business Development Center</u>, <u>ARDORs</u>, <u>USDA Rural</u> <u>Development</u>, the <u>Alaska Energy Authority</u>, <u>Alaska Center for Energy and Power</u>, <u>Renewable Energy Alaska Project</u>, <u>U.S.</u> <u>Forest Service</u>, the <u>Denali Commission</u>, <u>University of Alaska</u>, and other stakeholder groups, including communities, Tribes, and the <u>Alaska Municipal League</u>, to develop and implement strategies to provide technical assistance to small businesses in need of state and federal aid and to plan for revitalizing the regional and state economy.

Southeast Conference has presented to several Southeast community chambers of commerce and rotary groups, as well as the <u>Alaska Municipal League</u>, the <u>National Association of Development Organizations</u>, <u>Western Governors'</u> <u>Association, Kenai Peninsula Economic Development District</u>, mariculture presentations, pellet mill presentations, and low-emissions ferries presentations. Southeast Conference wrote countless letters of support for regional projects to support its regional economic initiatives as outlined in its five-year <u>Comprehensive Economic Development Strategy</u>.

#### **Potential Projects for Regional Economic Development:**

Most of the currently funded projects are multi-year projects that will continue for three to five years. Southeast Conference has other projects in the works, including a mariculture community processing incubator project to be built on Prince of Wales. Southeast Conference has also signed a memorandum of agreement to assist <u>Ucore</u> with site selection to develop a rare earth metal separation plant in Ketchikan, possibly as part of a natural resource development complex proposed to be constructed on Gravina Island. The Alaska Energy Authority is working to install chargers for electric vehicles throughout the state and is working with Southeast Conference to reach out to Southeast Alaskan communities.

Southeast Conference was founded in 1958 with the <u>Alaska Marine Highway System</u> (AMHS) as a top priority and continues that focus today. Southeast Conference has recently been involved in efforts to modernize and reform AMHS, signing a memorandum of agreement with the State of Alaska to investigate low-emissions ferry opportunities and other prospective solutions to transform AMHS' future operations.

#### **Anticipated Challenges to Regional Economic Development:**

In the recent 2022 business climate survey, labor shortages and lack of affordable housing were identified as roadblocks for economic development. While on the rebound, tourism-related figures continue to lag behind pre-pandemic numbers. Inflation, supply chain issues, high energy costs, and transportation challenges continue to impact the region. Difficulty accessing childcare has emerged as an impediment to reengaging the workforce. Other threats hampering regional recovery are the continued decline of employment in the state government sector, down by another 170 jobs in the first half of 2022 for a total decrease of 24 percent in the last decade, and difficulty attracting workers due to fierce competition nationally and a scarcity of housing within the region. Despite the threats, Southeast Conference and its members are confident in facing and conquering these challenges by working together, with a plan and passion to succeed.



# Southwest Alaska Municipal Conference



3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 (907) 562-7380 https://swamc.org/

# **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 Island. 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 acts as a liaison between state government and regional leaders by 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.

#### **Funding Reported:**

- \$ 100,000.00 ----- U.S. Department of Agriculture Renewable Energy Development Assistance Energy Audit <u>Program</u>
- \$ 75,000.00 ----- U.S. Department of Commerce, Economic Development Administration Partnership Planning Grant
- \$ 7,500.00 ----- <u>Alaska Division of Community and Regional Affairs</u>
- \$ 31,899.00 ----- Membership contributions
- \$ 23,000.00 ----- Economic Summit Sponsorships

#### Status of Projects Funded by State or Federal Grants:

All current projects are funded by federal grants. Descriptions of these projects, their status, and the funding sources associated with each are found in the *Current and Future Economic Development Initiatives* section of this summary.

#### **Meeting Summary:**

SWAMC held meetings via Zoom on the third Thursday of every month at 10:00am, with the exceptions of the November board meeting and retreat in Anchorage and the pre- and post-conference board meetings in March at its annual in-person Economic Summit and Membership meeting.

All meeting agendas include the previous months financial report from SWAMC's accountant (The Foraker Group) for board review and approval, the minutes of the previous month's board meeting, Governance and Policy additions or changes for review, discussion, and follow up (if needed). Meeting agendas may also include any management or program issues and updates for board review, discussion, and decision making. A full staff report is provided to the board and any questions for the Executive Director are answered or scheduled for further discussion at the next meeting.



#### Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs:

SWAMC has outlined its goals, objectives, and strategies:

#### **GOAL 1: Resources Management Advocacy**

- Objective 1: Fisheries Development Promote conservation-based fisheries opportunities that provide a sustainable income base to the communities, businesses, and residents of Southwest Coastal Alaska.
- Objective 2: Tourism Development Encourage investment in new and existing tourism opportunities that grow and retain regional wealth by taking advantage of the region's unique cultural, environmental, and natural charm to draw visitors to the region.
- Objective 3: New Resource Development Promote new responsible natural resource development that does not threaten the sustainability of the historic regional fisheries-based economy.
- Objective 4: Fisheries Access Promote efforts to retain commercial and subsistence fisheries access rights for regional residents.

- 1. Research, collect, and curate relevant data to showcase economic trends, provide support for grant applications, and demonstrate economic development needs in the SWAMC region.
- 2. Attend regulatory and policy meetings and convey information and discussion points from these meetings to the SWAMC board and membership.
- 3. Advocate for adequate state funding to support regulatory and scientific agencies that oversee research and manage natural resources vital to the region's economy and culture.
- 4. Advocate for and facilitate public/private partnerships to develop, utilize, and market new mariculture resource development opportunities for the economic benefit of the region.
- 5. Facilitate and participate in discussions with government and private sector to promote new business development.
- 6. Advocate for and seek private investment to help expand existing businesses and to capitalize on new business opportunities.
- 7. Maintain and update a regional strategic plan and stakeholder network to develop regional resources, infrastructure, and people.
- 8. Seek, apply for, and administer grants to support natural resource development, value-added manufacturing, and new tourism opportunities.
- 9. Partner with other organizations to leverage funding and staff to support natural resource development, valueadded manufacturing, and new tourism opportunities.
- 10. Highlight natural resource development, value-added manufacturing, and new tourism opportunities at the annual Economic Summit and Membership Meeting.



# Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs (cont.):

#### **GOAL 2: Infrastructure Development and Maintenance Advocacy**

- Objective 1: Energy Efficiency Encourage energy audits, energy education, and energy infrastructure retrofits to reduce consumers' long-term cost of power through energy efficiency and conservation.
- Objective 2: Ownership of Energy Systems Promote local ownership of energy planning, decision-making, and project development.
- Objective 3: Low-Cost Power Facilitate information-sharing and community adoption of infrastructure that may supply sustainable lower-cost power generation.
- Objective 4: Strategic Infrastructure Investments Promote infrastructure that supports the region's educational, healthcare, and economic development needs.
- Objective 5: Community Planning Promote long-term visions, goals, and strategies for sustainable community development. Focus on resiliency and forward planning to avoid significant impacts in times of disaster.
- Objective 6: Communication Infrastructure Facilitate planning and deployment of broadband internet infrastructure.

- Advocate for regional and local public and private transportation projects that provide vital transportation services such as ports, harbors, runways, air services, and marine transportation services, including the <u>Alaska Marine</u> <u>Highway System</u>.
- 2. Advocate for and facilitate improvements to and maintenance of cellular and broadband services throughout the SWAMC region.
- 3. Provide planning assistance to communities wishing to access programs, grants, and loans to help improve community infrastructure and recover from the impacts of the COVID-19 pandemic.
- 4. Review and facilitate updates to the <u>State Transportation Improvement Program</u> (STIP) to reflect the priorities of SWAMC communities for transportation infrastructure projects.
- 5. In collaboration with state, federal, and private industry partners, assist communities with energy sustainability planning and the pursuit of lower cost and renewable energy projects.
- 6. Share economic information from the SWAMC region with legislators, federal partners, and the private sector to demonstrate the benefits of constructing and maintaining the infrastructure that supports economic activity.
- 7. Research energy source alternatives for different parts of the region that reduce the cost of electricity and heat production. Increase energy efficiency for businesses, residents, and schools.
- 8. Collect and distribute energy data to local, state, and federal stakeholders and partners to inform energy planning and energy system development.
- 9. Partner with regional nonprofit organizations, local governments, tribes, and businesses to maintain existing infrastructure. Construct new infrastructure to support energy systems and economic development.
- 10. Highlight infrastructure, energy, job training, and new maritime opportunities at the annual Economic Summit and Membership Meeting. Focus on resilience and recovery from COVID-19 impacts and provide planning strategies to avoid impacts in the future.
- 11. Seek, apply for, and administer grants to support infrastructure and energy projects.
- 12. Advocate for and support programs that promote affordable housing in the SWAMC region.
- 13. Collect and retain Capital Improvement Project (CIP) lists from municipalities to assist local governments in grant requests to state and federal agencies.



#### Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs (cont.):

#### **GOAL 3: People and Partnerships Networking**

- Objective 1: Shared Benefit Secure funding streams from local, regional, state, and federal entities for projects that benefit the region, communities, businesses, members, and other key stakeholders who have been negatively affected by COVID-19 impacts.
- Objective 2: Training and Education Promote professional development programs and facilitate the development of said programs to match employee skillsets with employers' needed skills.
- Objective 3: Information Sharing Promote alignment of the needs of job creators with job trainers. Promote partner networks with schools and create organizational activities in the region that align the two.
- Objective 4: Develop STEM Programs Promote local, regional, and state activities to develop STEM (Science, Technology, Engineering, and Mathematics) programs that train future workers and meet the changing needs of employers.
- Objective 5: Regional Economic Planning Promote the implementation of the <u>Comprehensive Economic</u>. <u>Development Strategy</u> that aligns with sub-regional and local planning efforts. Focus on planning to avoid impacts from unforeseen disasters and to recover by creating new job opportunities and partnerships with private investors in the mariculture field.
- Objective 6: Awareness Promote the value of Southwest Alaska to external state and federal partners with data that supports continued and new investment in the region.

- 1. Partner with the <u>Alaska Safety Alliance</u> or a similar organization to update and implement the <u>Alaska Maritime</u> <u>Workforce Development Plan</u>.
- 2. Coordinate business workforce needs with colleges, job training institutions, and high school curriculums to prepare residents of the SWAMC region for high-quality employment opportunities.
- 3. Support and conduct Science, Technology, Engineering, and Mathematics (STEM) programs to help prepare young persons for jobs that are technical or technology driven.
- 4. Advocate for SWAMC regional economic issues and interests before the Alaska Legislature and U.S. Congress.
- 5. Organize, host, and promote the <u>SWAMC Economic Summit and Membership Meeting</u> to allow stakeholders from Southwest Alaska to network, learn, and share their positions on economic and political issues impacting the region.
- 6. Engage with local, state, and federal agencies and institutions to support and advocate for programs and activities that support economic development and COVID-19 pandemic recovery efforts.
- 7. Coordinate and maintain open lines of communication between SWAMC members, communities, businesses, and partner organizations to build an understanding of the SWAMC region and find opportunities to bolster economic development.
- 8. Increase SWAMC membership and participation to foster economic development in Southwest Alaska by expanding outreach efforts to foreign and domestic mariculture/aquaculture investors.
- Assist communities in becoming more resilient by helping them plan and prepare for disasters, both natural and man-made. Focus on lessons learned from the COVID-19 pandemic to avoid future negative impacts to businesses and investors.
- 10. Partner with other ARDORs and economic development organizations to promote mutually beneficial projects that support economic development.
- 11. Maintain a living and active <u>Comprehensive Economic Development Strategy</u> that is updated annually and rewritten every five years in order to stay relevant and address a changing market environment in a timely manner.



# Goals, Objectives, and Strategies for Addressing Regional Economic Development Needs (cont.):

#### **GOAL 4: Quality of Life Initiatives**

• Objective 1: Collective Happiness – Promote access to valued employment, housing, networks, culture, community, technology, healthcare, and adventure.

- Assist communities with planning and seeking funding to address substance abuse issues in the SWAMC region. Partner with other organizations who are successfully educating students on the dangers of addiction.
- 2. Support efforts to spotlight and increase awareness of and opportunities for the sharing of cultural values.
- 3. Support local schools and universities to maintain an array of educational opportunities for students from Southwest Alaska.





#### **Current and Future Economic Development Initiatives:**

<u>USDA Renewable Energy Development Assistance Energy Audit (REDA-EA) Grant:</u> This grant provides subsidized energy audits to small businesses statewide. Over the three-year program, 72 audits have been completed and SWAMC and its project partners have helped 27 small businesses access over \$300,000 from the USDA REAP grant program. In the last five months of 2021, a waiting list of 17 other small businesses and fishermen who submitted applications was created. SWAMC successfully applied to USDA to extend its grant management past 2021 to cover additional applicants who have not been served. This program has been very successful in helping people in the Southwest Alaska region lower their energy costs on an annual basis. SWAMC intends to continue to provide grant oversight and financial reporting for another two-year funding timeline, beginning in FY2023.

**Supplemental CARES Act Grant:** SWAMC produced an Economic Recovery and Resiliency Plan for Southwest Alaska, with the assistance of McKinley Research. This plan was designed for each of SWAMC's three sub-regions and provides a pathway to recovery, resilience, and risk mitigation for future economic impacts or natural disasters. A broad coalition of stakeholders and the public were instrumental in gathering data and reviewing the successful partnership creation needed to quickly and effectively react to significant economic downturns, social impacts, and medical impacts that may occur in the future. This plan has been bound, printed, and delivered to municipalities, Tribal Organizations and the seafood and marine transportation industry leaders.

SWAMC also used Supplemental CARES Act funding to partner with Alaska Tribal Broadband (ATB) to focus on the delivery of high-speed internet into Southwest Alaska communities that are significantly underserved or not served at all. The contract with ATB has specific goals: help municipalities and villages plan for the deployment of Tribal-owned 2.5 GHz wireless spectrum services, and provide a standardized plan to deliver broadband service via a fixed wireless broadband system. The plan's primary objective is to get tribes "shovel ready" to apply for any funding from state, federal, or private sources that would enable deployment. This plan has been provided to 27 Tribal governments in Southwest Alaska. Details on the regional broadband plan are available at <a href="https://swamc.org/">https://swamc.org/</a>.

The regional broadband plan provides the pathway to develop a standardized broadband solution that will fit deployment of the Tribal-owned 2.5 GHz wireless spectrum asset for any Alaska Native village. While this solution requires modification to fit the topology and demographics of each village, the 2.5 GHz portion of the broadband network is standardized. The plan identifies the equipment, infrastructure, and other cost elements, such as construction, installation, and shipping, that each tribe needs to incorporate into its own comprehensive broadband plan. It provides a benchmark budget by village size to help determine what items are needed and how much funding to request when applying for the National Telecommunications and Information Administration's Tribal Broadband Connectivity Program or other grant funding. Assistance is available from ATB and others to support tribes who are finalizing their broadband plans and grant applications. SWAMC is very proud to have been able to provide tangible support to the Southwest Alaska region through this program, and that its principles are being used across the state.

**Seaweed Processor Training Program:** SWAMC partnered with the <u>Alaska Fisheries Development Foundation</u> to complete a Seaweed Processor Training Program (SPTP) for interested seafood processors and new processors in Southwest Alaska. The project's intent was to inform conventional seafood producers and new seaweed processors about the seaweed species and product forms, processing techniques, and potential equipment conversion that will facilitate an increase in the seaweed processing capacity in Southwest Alaska. Utilizing market research and processing and quality handling guides from complementary projects, SPTP provided training to 16 participants who spent three days in Kodiak in April 2022, in partnership with a local seafood processor and <u>Alaska Sea Grant</u>.

This project will enable an increased understanding of seaweed processing capacity in Southwest Alaska. Seaweed processing capacity is a current bottleneck to growing the seaweed farming in the region. Eliminating this bottleneck will allow sustainable business development, help diversify economies, and increase the resiliency of coastal communities participating in the seaweed industry in Southwest Alaska, including full utilization of existing processing facilities and other fishery infrastructure.



#### **Current and Future Economic Development Initiatives:**

American Recovery Plan Act (ARPA): In FY2021, SWAMC entered a business contract with Keri Scaggs, of Compass North Solutions, LLC, to be the primary contact for municipalities, Tribal leadership, regional non-profit Native Organizations, Native health care providers, and others to navigate the multiple grant funding opportunities provided by the <u>U.S. Department of Commerce, Economic Development Administration</u> through ARPA. As SWAMC's partner, Compass North has been the primary liaison between SWAMC and the communities, villages, and municipalities that are SWAMC members. Compass North has worked toward successful applications for grant funding that will result in the recovery and resilience of Southwest Alaska's population following the impacts of the COVID-19 pandemic.

In 2022, Ms. Scaggs worked directly with Tribal organizations, administrators, and municipal managers in Southwest Alaska to identify grant opportunities that meet specific criteria for eligibility, and provided in-person, online, and phone support to assist in creating successful application submittals, including language and project explanations that meet the EDA's required parameters for funding. Ms. Scaggs answers the help line seven days a week. She has multiple conversations and offers editing suggestions with SWAMC members on a regular basis. SWAMC essentially takes the role of a grant writer/project developer for communities who lack that capability.

**Community Messaging:** The communications project that began in FY2021 and continued through FY2022 created a clear and focused message for its member communities identifying the role of ARPA funding to help promote economic recovery, improve quality of life, and influence long-term responsible development across Southwest Alaska. Through a contractor, multiple informational videos were created to walk prospective Tribal administrators and municipal leaders through the eligibility and application process for ARPA in a clear and simple way, using actual EDA and USDA application forms. SWAMC has clarified critical information through targeted ads, website updates, and video tutorials to reach the region's most vulnerable communities. These materials explain what help is available to communities and how to structure grant request submissions in ways that will most likely result in future funding. Some smaller communities are intimidated by complex grants such as ARPA; however, the funds they provide could be transformational for many of the region's residents. SWAMC has provided information in a personal, simple, and informative way through these videos by talking through the grant submission process and breaking it down into achievable steps.



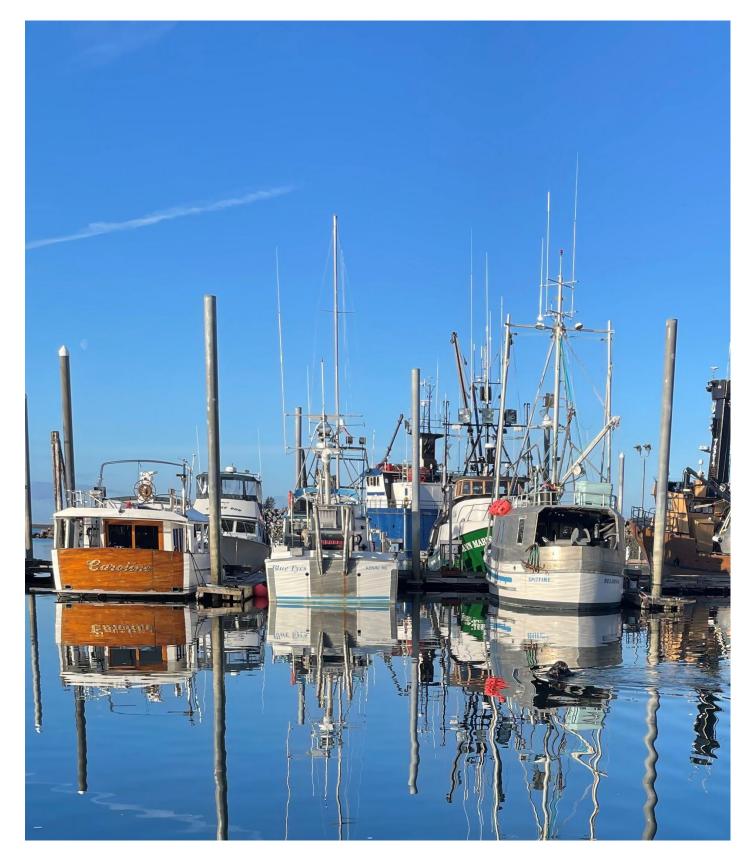


## **Anticipated Challenges to Regional Economic Development:**

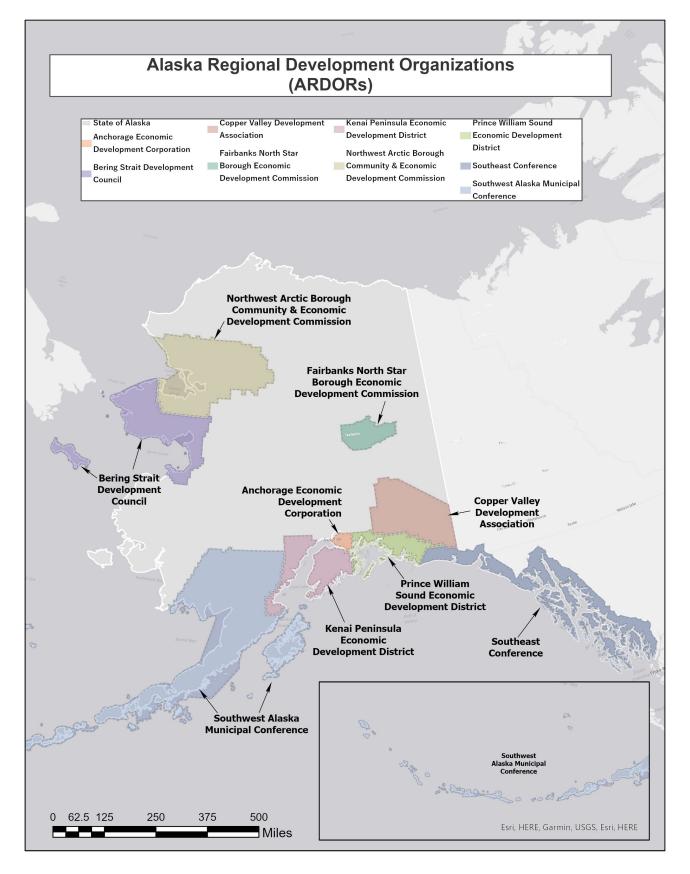
When developing SWAMC's 2020-2024 Comprehensive Economic Development Strategy (CEDS), regional stakeholders and the Board of Directors identified challenges to economic development in the Southwest Region. Long-time challenges include the high cost of power in the region, difficulty planning for infrastructure upgrades and/or new construction, the shifting seafood industry markets, and fishery closures.

- 1. Issues Affecting Access to Resources:
  - a. Extreme weather
  - b. Year-to-year resource fluctuations that make long-term planning difficult
  - c. Strong resource seasonality and vulnerable market prices
  - d. Lack of local value-added manufacturing, exacerbated by energy and shipping costs
  - e. Resource development conflicts between fishing and mining
  - f. Potential impacts of climate change
  - g. Competing markets for seafood outside Alaska
  - h. Impacts of federal EPA regulations and environmental protections
- 2. Limits to Infrastructure:
  - a. Geography and connectivity in a massive coastal region
  - b. Cost of ongoing maintenance and aging industrial facilities
  - c. Costly and unreliable air service
  - d. Poor communications structure (including internet connectivity)
  - e. High energy costs
  - f. Limited affordable, quality housing
  - g. Significant reduction to or elimination of AMHS service
  - h. High cost of building and reduced public investment
- 3. People and Partnership Challenges:
  - a. Lack of training for new technology in seafood industry
  - b. Aging population
  - c. High non-resident employment
  - d. Net outward migration of younger population
  - e. Substance abuse and lack of local treatment facilities
  - f. Heavy local government reliance on public funding
  - g. Financial difficulties with satisfying government regulations and restrictions
  - h. Lack of regional interconnectivity in air and marine travel











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# **STATE OF ALASKA**

# DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

**DIVISION OF COMMUNITY AND REGIONAL AFFAIRS**