Fiscal Year 2015 Annual Report

Alaska Regional Development Organizations
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The Alaska Regional Economic Assistance Program was established in 1988 under AS 44.33.895 to encourage the formation of regional development organizations in locations across the state. These Alaska Regional Development Organizations (ARDORs) prepare and implement regional development strategies that incorporate local knowledge. Qualified ARDORs receive annual base project funding from the Department of Commerce, Community, and Economic Development (DCCED) that may be leveraged for grants from other federal and private grant programs. All ARDORs are required to provide matching funding equal to a minimum of 20 percent of the grant amount; in practice, many ARDORs match at far greater levels.

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

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

The ten currently designated ARDORs represent areas that range in size from the Municipality of Anchorage to the sparse and sprawling southeast, southwest and western regions of Alaska. Several rural regions like the Arctic Slope and large expanses of the Interior do not currently have designated ARDORs.
Acting upon, maintaining and updating a region’s Comprehensive Economic Development Strategy (CEDS), is an ongoing responsibility for the organizations and a requirement for many federal funding programs. A CEDS provides a clear understanding of current economic situation and potential strategies forward that encourage economic growth. In FY15, the Northwest Arctic Borough Economic Development Commission completed a CEDS while Fairbanks North Star Borough and Kenai Peninsula Economic Development District began the updating process of their CEDS.

ARDORs use state government grant funds to leverage federal grants, local grants, tribal contributions, and private-sector sponsorships. During FY15, ARDORs collectively leveraged $3.39 for every $1 the State of Alaska invested.

In FY15, four ARDORs pursued Business Retention and Expansion (BRE) as a focus. BRE offers the opportunity for ARDORs to partner with community organizations in their region to gather data and assess the health of the business community. The goal of the BRE project is to provide assistance and influence change based on the data. The ARDORs collected information on the business climate in their regions from a collective 287 businesses.

The Yukon-Kuskokwim Economic Development Council (YKEDC) is the newest organization to receive ARDOR status. The organization’s application was approved in FY15 and replaced two previous organizations that were representing the region. YKEDC works through the Alaska Council of Village Presidents and represents 56 federally recognized tribes within a 58,000 square mile region in western Alaska. YKEDC immediately began work on a project for the region that incorporates harvesting timber, milling lumber and assembling trusses for cold climate housing design that will eventually be utilized to address the housing shortage and energy efficiency needs in the region.

In early FY16 the ARDOR designation was removed from the Mat-Su region’s ARDOR because it was not meeting the program requirements. The Division of Economic Development is working with business and community leaders in the region to identify and assist a qualified organization to fill the ARDOR role in this fast-growing and integral region of the state.

In September of 2014 Southeast Conference released *The Arts Economy of Southeast Alaska* report providing a first-time look at the artist economy of the region and analyzing and quantifying the economic impacts of this industry. Per the report, $57.8 million of total direct art expenditures were made in 2013. There were over 2,000 full and part-time artists working within the southeast region and total art-related earnings by artists was $29.9 million for the same year.
Alaska Regional Development Organizations

- Anchorage Economic Development Corporation (AEDC)
- Bering Strait Development Council (BSDC)
- Copper Valley Development Association (CVDA)
- Fairbanks North Star Borough Economic Development Commission (FNSBEDC)
- Kenai Peninsula Economic Development District (KPEDD)
- Northwest Arctic Borough Economic Development Commission (NWABEDC)
- Prince William Sound Economic Development District (PWSEDD)
- Southeast Conference (SEC)
- Southwest Alaska Municipal Conference (SWAMC)
- Yukon-Kuskokwim Economic Development Council (YKEDC)
- Region without designated ARDOR
The State of Alaska invested a total of $1,522,553, including ARDOR program grants and other state funds which were used to generate an additional $5,157,886 from outside sources. The State of Alaska contributed approximately one-quarter of total ARDOR revenue (22.79 percent). The private sector contributed slightly less than ARDOR program funding at nearly one-fifth (21.05 percent) of all ARDOR revenue. A majority of ARDORs combined revenue portfolio (56 percent) comprises other revenue, including tribal funds, federal funds, investment revenue, sponsorships, conference fees and in-kind contributions.

**FY2015 ARDOR Program Funding Sources**

* Other funds includes all other revenue including tribal funds, federal funds, investment revenue, sponsorships, conference fees and in-kind contributions.

**FY2015 ARDOR Program Funding**

(By source - dollars in thousands)
The Anchorage Economic Development Corporation (AEDC) was incorporated in 1987 to advocate for economic development and diversity in the Anchorage area. In 1989, it became a member-based 501(c)6 non-profit corporation that today comprises 247 investor companies.

AEDC provides a variety of types of economic development support for Anchorage, including research, educational outreach events, business consulting, startup financing, a strong marketing and social media presence and other business resources. All efforts focus on growing a diverse, prosperous, and sustainable economy. ARDOR program funding is used for AEDC's Business Retention and Expansion (BRE) activities that provide survey results to support economic activities and initiatives such as AEDC's Live. Work. Play. (LWP).

Economic Development Challenges in the Region
The Anchorage Economic Development Corporation identifies several key challenges for the region. Shipping costs for out-of-state exports are prohibitively high and add a significant barrier to the manufacturing sector in the region. However, there is potential to develop and implement a shipping backhaul strategy that could lower these costs and make manufacturing in the region more cost effective. Anchorage unemployment rates continue to be extremely low – causing a workforce shortage that needs to be addressed for all sectors.

Current Activities
AEDC's BRE efforts were highly successful and generated 332 survey responses. Survey respondents identified the recruitment of skilled and unskilled employees as a major challenge to the region. The AEDC board has directed staff to draft a strategic plan to address this challenge for the business community.

AEDC releases a number of reports annually which highlight the current economic conditions in Anchorage and Alaska. Over the next fiscal year AEDC will investigate additional options for formatting and delivery of reports to reach a broader audience and focus on expanding the metrics.

AEDC continues to focus on airport business development as a target area for economic diversification in Anchorage. AEDC will refine the identified target opportunities, gain additional insight from local business leaders through the Economic Development Advisory Committee, and build an in-depth analysis of supply chain characteristics of target companies.

Activities and Results in FY15
- AEDC assisted 192 in-state and 56 out-of-state businesses seeking information, and connected them to resources and contacts in the business community.
- The Ted Stevens Anchorage International Airport (TSAIA) Economic Development Study was completed in 2014 and AEDC, in partnership with the Alaska Department of Transportation and the TSAIA are moving forward with airport business...
development initiatives that will target key industry opportunities.

- In July 2014, AEDC co-hosted a familiarization tour for CAE. CAE is a provider of flight simulator training products and services. The company was exploring the possibility of establishing a unmanned aerial systems-based training program in Alaska, with training services expanding into additional business lines. AEDC assisted by providing original research regarding site identification, extensive compilation of existing research regarding the Alaska market, meetings with targeted high-level business leaders, potential partners, infrastructure executives, and event planning services.

- AEDC hosted the Economic Forecast Luncheon on February, 5, 2015. This was the largest attended business luncheon of the year with over 1,550 attendees.

Board Activities and Meetings Summary
A continuous theme of the quarterly AEDC board meetings was the LWP initiative and matching it to AEDC’s strategic plan. The board also received a presentation on the planning and hosting of the International Economic Development Council Annual Conference. Several resolutions, including the vision navigation and strategic plan for the 2015 calendar year, were approved. The board approved the FY13 audit report and received quarterly financial updates. AEDC CEO Bill Popp’s contract was renewed in May of 2015.

Continuing and Future Projects
Development and implementation continues for AEDC’s LWP goal of making Anchorage the number one city to live, work and play by 2025. AEDC will create and strengthen ties with organizations and community members to find creative approaches to improve the metrics used to rank the fifty most populous cities in each state. One hundred fifty-six businesses have signed a memorandum of understanding in support of the initiative and over 200 individuals are LWP committee members. FY16 will see the re-launch of the LWP survey and formation of a narrative review committee to update the initiative’s narrative.

AEDC is currently pursuing opportunities to bring together transportation leaders in Anchorage to discuss and identify new or potential growth opportunities. In addition, AEDC will continue to expand the reach of Entrepreneur Week throughout the state and continue to develop educational tools to assist entrepreneurs located in more rural parts of Alaska.

Bill Popp has spent more than 40 years in both the Alaska private and public sectors. As president and CEO of the Anchorage Economic Development Corporation, he sets the strategic direction in marketing Anchorage and Alaska to companies and global industries considering Anchorage as a place in which to do business and assists local businesses looking to expand both within Anchorage and Alaska as well as Lower 48 and international markets. Popp is a past elected and appointed municipal government official for the Kenai Peninsula Borough and is currently chairman of the Governor’s Broadband Task Force and a board member of the Anchorage Chamber of Commerce, Visit Anchorage, Anchorage Downtown Partnership, the Alaska Partnership for Economic Development, and Anchorage Concert Association. Popp is also a member of the Alaska Command Civilian Advisory Board. He is the co-chair of the 49th State Angel Fund Advisory Committee and a member of the leadership team for the United Way 90% by 2020 initiative.

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The Bering Strait Development Council (BSDC) was formed in 1997. The BSDC serves as the forum for economic development in the Bering Strait region and as the advisory committee to the regional nonprofit Kawerak and its Community Planning and Development Department (CPD). Leveraging the resources of the CPD, BSDC provides planning and technical assistance to communities and organizations throughout the region focusing on entrepreneurship, Native arts business opportunities, grant writing, and economic project development.

**Economic Development Challenges in the Region**

Limited infrastructure and distance to markets combined with the high cost of living and doing business are constant challenges within the region. New challenges to the region include increased traffic at the Port of Nome and difficulty securing a stable workforce. Decreasing fish runs and declining numbers of visitors are also challenges to the region’s economic health.

**Current Activities**

BSDC launched a BRE program in early 2015. Twenty-five targeted business engagements happened in FY15; 14 of these were in Nome and 11 of them were in other communities. In addition, BSDC input 200 contacts into the contact management software used statewide by the Alaska Division of Economic Development (DED) to track engagements and activities. Opportunities identified by the regional BRE program include the need for expanded business training offerings; technical assistance for purchasing more energy efficient equipment; sustainability planning and methods to develop better relationships between small businesses and the BSDC, as well as regional, state and federal organizations. BSDC and DED will work collectively to deliver more resource opportunities to the region in FY16.

**Revenue Portfolio**

- **Other Non-Federal/Non-State Funds**
  - $425,840

- **Private Sector Funds**
  - $11,080

- **Federal Funds**
  - $262,243

- **Other State Funds**
  - $75,000

- **State ARDOR Grant**
  - $77,410

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Mission: To advance the capacity of our people and tribes for the benefit of the region.
Activities and Results in FY15
- BSDC hosted three Starting a Business workshops with a total of 29 participants (17 of which are long-term clients).
- BSDC coordinated the update of four local economic development plans. Golovin and King Island updated their entire plans, and Solomon and White Mountain updated their project priority lists within established plans.
- BSDC hosted Native arts business training that focused on technical business assistance with 11 attendees. Follow-up technical assistance was provided to participants.
- BSDC led and coordinated a regional waste backhaul program. The program sent 20,000 pounds of electronic waste out of the region.

Board Activities and Meetings Summary
The council met two times during FY15 to approve the ARDOR funding resolution and to receive updates on maritime activities, backhaul program, and activities to update CEDS. CPD updates were given at all meetings. Regional priorities were discussed pertaining to application for U.S. Economic Development Administration funding.

Continuing and Future Projects
BSDC, in partnership with Pilgrim Hot Springs Development, Unaatuq LLC, Bering Straits Native Corporation and Alaska Center for Energy and Power, is exploring development potential for Pilgrim Hot Springs. The current focus is exploring the agricultural potential of the site which is located 60 miles outside of Nome. Three grant proposals for feasibility analysis and field preparations have been submitted and are pending.

Obie Simonis rejoined Kawerak’s Community Planning and Development Department as program director. Obie previously served in this capacity and as director of BSDC from 2010 until transferring in 2012. Obie has experience in the banking and mortgage industries and previously managed Westar Escrow Services in Anchorage for two years before moving to Nome and managing the local branch of Wells Fargo Bank for four years.

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E-waste event, 2015
The Copper Valley Development Association (CVDA) serves the Copper River Valley, an area encompassing approximately 20,649 square miles. CVDA functions as a public and private partnership for natural resource development and other development opportunities. CVDA does this by information gathering at the local, state and federal levels and disseminating it to all interested parties. CVDA is a liaison between organizations with the goal of creating self-sufficiency throughout the region through development and wise use of sustainable resources.

Economic Development Challenges in the Region
Diminishing population in the region has led to lack of customer base for small businesses, utilities, business expansion and retention, school student population, and other services. The housing market is flooded with vacant homes due to the exodus of people to urban areas or out of state. The lack of infrastructure and access to affordable energy are also legacy challenges in the region.

Current Activities
CVDA provides business planning, pro-forma budgeting, and other start-up support for new businesses. CVDA connects businesses, community and tribal organizations to state and federal programs and funding opportunities offered by these agencies.

Activities and Results in FY15
- CVDA coordinated the analysis of opening an Agriculture Business and Natural Resource (ABNR) center in an unused school building. Electrical, heat and building analysis indicated that it is not feasible to reopen and reuse the existing building.
- CVDA coordinated and hosted a regional energy planning summit to develop short, mid- and long-term goals to alleviate the high cost of energy. The association completed phase II of the Alaska Energy Authority regional energy plan in May 2015; phase III will begin in FY16.
- CVDA assisted seven businesses with planning, pro-forma budgeting and start-up activities.
- CVDA assisted five businesses in understanding and adhering to state regulations and permit requirements.
- CVDA assisted 11 businesses with attaining federal energy assistance. Loans and grants totaling $281,000 have been secured from the U.S. Department of Agriculture's Rural Energy for America Program (REAP).
Board Activities and Meetings Summary
The CVDA board met at least bi-monthly during FY15. The board was consistently updated on the financials of the organization, the status of phase II of the energy plan, and the progress determining if the old Copper Valley School could house the ABNR center. The board was also given updates on the status of the contained grow-unit that was purchased by CVDA and used for feasibility studies, instruction, and as agriculture business incubator. The board made the decision to sell the unit to a local small farming business when CVDA projects were complete.

Continuing and Future Projects
CVDA will continue working with the Alaska Energy Authority on phase III of the regional energy plan which includes developing working groups to identify regional energy priorities and developing current data for resource inventory and feasibility.

In FY16 CVDA will build upon the success of the energy assistance program and will continue to assist small businesses with pursuing energy efficiency, exploring alternative energy systems, and applying for federal or state sources of funding new systems. CVDA will continue to contribute staff time to the Kenny Lake Community League Hall for energy upgrades and value-added uses for its Department of Environmental Conservation-approved kitchen.

CVDA will apply for a USDA Community Programs, Rural Community Development Initiative grant to assist communities develop hydroponic growing systems or greenhouses. This will assist rural communities in food security, job creation and healthy food.

Jason Hoke arrived in Copper Valley in 1996 as a teacher and administrator in Chistochina for the Copper River School District. Jason later served as tribal administrator for Cheesh’na Tribal Council. He has a bachelor of arts in sociology/criminology, masters of science in special education/behaviorism, and graduate work in behavioral psychology. Jason has experience working with federal, state, municipal, tribal, and private entities throughout the United States, in a multitude of professional capacities. He is on the boards of directors for Copper Valley Telecom and Local Emergency Planning Committee, and volunteers with various other organizations. Jason was named executive director of the CVDA in 2010.

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The Fairbanks North Star Borough (FNSB) was incorporated in 1964. Approximately 15 years later, regional economic development planning was officially integrated into the borough’s portfolio of municipal services with the founding of the Economic Development Commission in 1980. Today, the Fairbanks North Star Borough Economic Development Commission (FNSBEDC) comprises nine commissioners appointed by the borough assembly. The organization is housed in the mayor's office with a full-time dedicated community and economic development specialist. FNSBEDC focuses on coordinating economic development initiatives that increase employment opportunities and improve the borough’s standard of living and quality of life.

Economic Development Challenges in the Region
The region's legacy challenges are obtaining access to clean, affordable, and sustainable energy and diversifying the economy in a region that is highly reliant on public-sector expenditures.

Current Activities
FNSBEDC research has guided the process for the FNSB administration to request changes to the U.S. Army Corps of Engineers’ Environmental Impact Statements regarding Historically Underutilized Business (HUB) Zone bidding preference. If enacted, these changes will allow local businesses to compete for the $2.5 billion in military construction projected for the next decade, maximizing the local benefits of these projects.
Activities and Results in FY15

- FNSBEDC co-hosted a trade show exhibit at the Unmanned Systems Conference in Atlanta, Georgia. Staff attended the conference and promoted Alaska as a destination for unmanned aircraft vehicle testing, research and development. Two hundred unique business contacts were made during the conference; post-conference follow-up is ongoing.
- FNSBEDC is working with a coalition of local peony growers to meet the expanding needs of the industry in the borough.
- FNSBEDC continues to be an active participant in the Tiger Team, a collaboration of government and business leaders, who promote the Interior training and proving grounds with military officials and Alaska’s congressional delegation. In 2015 the Army announced that 128 personnel and nine Gray Eagle drones would be assigned to Fort Wainwright, which will also receive millions of federal dollars for construction of new facilities to service these specific aircraft.

Board Activities and Meetings Summary

The commission met eight times in FY15. Topics of discussion included: marijuana-related business potential with proposed marijuana regulations and potential impacts; unmanned aircraft economic potential and outreach efforts; agriculture workforce development opportunities; and a presentation by the University of Alaska Office of Intellectual Property and Commercialization regarding university projects that could benefit local businesses.

Continuing and Future Projects

FNSBEDC will partner with the Fairbanks Pipeline Training Center to offer welding classes for military members leaving the service. This training is intended to prepare former service members for careers in Alaska’s natural resource development industries. FNSBEDC will also partner with Arctic Alaska Peonies Cooperative to expand the grower and harvester schools that are offered annually. The projected growth in the peony industry will require up to 225 additional harvesters to maximize the upcoming crops.

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

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Recognized as an ARDOR in 1989, Kenai Peninsula Economic Development District (KPEDD) serves residents of the Kenai Peninsula Borough in southcentral Alaska. The borough is home to approximately 49,600 people residing in a land area of 16,100 square miles. As the first federal Economic Development District and ARDOR, KPEDD has actively pursued development opportunities and diversification for the region since its inception. Over its lifetime, KPEDD has been involved in a variety of projects, including public works projects, shellfish industry development, international trade, promoting a North Slope natural gas pipeline to Cook Inlet, building infrastructure, and assisting with industry recruitment.

**Economic Development Challenges in the Region**
Expanding the economic base beyond those dependent on external factors such as oil, gas and fish prices is a legacy challenge to the region. Demographic trends on the peninsula are also a challenge. The population is getting older and school enrollments are down. Twenty-three percent of the borough population will be over the age of 65 by 2027.

**Current Activities**
KPEDD is spearheading BRE efforts for the region, providing team leadership for the cities of Kenai and Soldotna, the Chambers of Commerce of Kenai, Seward, and Soldotna, and the Small Business Development Center in Homer. Thirty business engagement interviews have been conducted for the BRE effort. KPEDD will be engaging areas not represented by partners in the region’s BRE group. KPEDD continues the landlord function for the business incubation center attached to the KPEDD offices.
Activities and Results in FY15

- The Situations and Prospects report was completed. The report includes data on population, business activity, property sales tax, taxes, oil and gas, healthcare, fishing, tourism, construction and education. This report focuses on economic trends and the most recent data to assist business, cities, chambers, elected officials and influencers in their decision making. One hundred and fifty copies of the report have been distributed and over 100 online downloads have been made.
- KPEDD hosted the Industry Outlook Forum in January, which provided an agenda of policy and operational updates from all economic sectors on the Kenai Peninsula. Over 150 people attended each of the two days of the conference.

Board Activities and Meetings Summary
The KPEDD board met 10 times in FY15. The board received frequent updates on the rewriting of the CEDS document, updates on the Situations and Prospects report and BRE project. A contractor was approved to assist with the Situations and Prospect report and strategic planning for the organization.

Continuing and Future Projects
KPEDD will update its CEDS document in 2016 with emphasis on resiliency, sustainability, redundancies and impacts from climate change. KPEDD will continue to lead the BRE team efforts in the region and continue to update and maintain the Situation and Prospects report that provides economic and demographic information to interested community members, elected and business leaders.

New Walgreens in Soldotna

Rick Roeske attended Eastern Michigan University where he earned a bachelor of arts in business administration. Thirty-four years ago, he visited Alaska on vacation and has made his home on the Kenai Peninsula for the past 30 years. Rick’s background includes working with his family corporation, private industry, the nonprofit sector and business consulting. The diversity of his work background has afforded him the advantage to observe the highs and lows of the Alaskan economic landscape over the years. Rick has a daughter and two grandchildren and would like his family to enjoy the same opportunities for growth that were available to him in Alaska. He feels the future holds many options and choices for Alaskans, and wants to continue to be involved in helping create a viable economic future throughout the Kenai Peninsula.

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The Northwest Arctic Borough Economic Development Commission (NWABEDC), established in 1989, is housed within the Northwest Arctic Borough. With 36,000 square mile of area and 3,560 miles of coastline, Northwest Arctic Borough is the second largest borough in the state. The region contains a wealth of minerals and approximately 65 percent of the land is managed by the federal government. A population of 7,500 residents is spread throughout 11 villages. Eighty percent of residents are direct descendants of Iñupiat who settled this region many generations ago; many residents lead a subsistence lifestyle. As a rural ARDOR, NWABEDC works to achieve a higher quality of life through promoting economic development while protecting Iñupiat cultural values and traditions.

Economic Development Challenges in the Region
This region is challenged by a limited market base, high cost of infrastructure development, lack of housing, and the dependence on public funding to build infrastructure that would encourage economic growth and opportunity. The ability of the local market and private investment to economically develop projects in a traditional investment/recovery/profitability structure is limited. The high cost of energy is a legacy challenge, however, energy efficiency and renewable energy projects are being implemented throughout the region.

Current Activities
Cultural tourism potential continues to be an opportunity pursued by NWABEDC. Staff conducted meetings about tourism potential in Ambler, Kiana, Kobuk, Kotzebue and the Native Village of Kotzebue during FY15. There is interest in most communities but many questions and concerns persist about the level of infrastructure needed to effectively provide tourism products and offset possible negative impacts.
Activities and Results in FY15

- NWABEDC assisted five new businesses through the process of completing a business plan and obtaining business licenses.
- The commission compiled pictures and produced a video for the borough website to promote visitation to the region. NWABEDC also hired a contractor to create new visitor-related webpages.
- NWABEDC developed guidelines for sustainable tourism within the borough along with a marketing plan with next steps identified.

Board Activities and Meetings Summary
The commission met two times in FY15. Expanded village infrastructure, energy, transportation, bulk fuel, water and sewer, erosion, electricity infrastructure, ports, public facilities, landfill and other needs for funding were discussed as it pertained to updating the CEDS document. Tourism development and marketing were also discussed by the commission.

Continuing and Future Projects
NWABEDC will focus on expanding opportunities in the region for visitors to visit cultural camps and National Park recreational sites. NWABEDC will explore outlets to promote existing guided tours and explore aviation options for transportation of guests to visitor locations in the region.

Kathleen McConnell is an Iñupiaq from northwest Alaska. Kathleen has lived in Kotzebue, 30 miles above the Arctic Circle, for most of her life. Her Iñupiaq name is Ayagiaq. She is the proud mother of four children. Kathleen began her career at the Native Village of Kotzebue, Kotzebue IRA, as an office manager. Her career moved quickly as the corporate office manager for the Southcentral Foundation, and on to NANA Development Corporation as a compensation manager. After obtaining her bachelor’s degree in business, Kathleen returned home to Kotzebue in the fall of 2014 to join the Northwest Arctic Borough. Kathleen brings her developed project management skills, budgeting experience, and strong management style to this role. While focusing on the completion of her master’s degree, Kathleen looks forward to helping advance the communities in which she was raised.

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Prince William Sound Economic Development District

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

Prince William Sound Economic Development District (PWSEDD) was established in 1991 to address the need for a coordinated region-wide planning authority. It received designation as an ARDOR at that time. In 2001, the agency received federal designation as an Economic Development District. PWSEDD serves the communities of Chenega Bay, Cordova, Tatitlek, Valdez, and Whittier with a combined population of 6,700. Situated on a deeply notched inlet off the Gulf of Alaska, the region comprises an area roughly seven times the area of the Municipality of Anchorage. The Chugach National Forest surrounds the region’s coastal communities. Economic activity is focused on oil distribution and support services; the maritime sector, including seafood harvesting and production; and tourism and outdoor recreation. PWSEDD provides a forum for leaders to gather and discuss economic development challenges and implement strategies to overcome them.

Economic Development Challenges in the Region

Energy costs vary across the region; there is ongoing reliance on diesel for power generation and space heat. Cordova, Valdez and Whittier benefit from a mix of energy sources including natural gas, hydro, and wind. Reducing the cost of power generation, space heat, and other fuels is a continuing challenge within the region.

The cost of transporting passengers, materials and other freight to and from the region represents a significant business expense and increases the cost of living. The Alaska Marine Highway System provides critical transportation infrastructure for the region. The impact of state funding on the availability, frequency, and dependability of ferry service is a critical economic risk factor for the region.

Sixty percent of employers report the need to recruit workers from outside of the region. Lack of general and technical skills as well as worker availability are cited as reasons for recruiting outside of the region.

Declining throughput in the Trans Alaska Pipeline System continues to impact the state economy, the Prince William Sound region, and the city of Valdez. Developing a strategic response to maintain or reposition Valdez as an ongoing oil and gas service and distribution center is an important regional priority.

Current Activities

PWSEDD provides planning and grant information to the five communities in the region, following priorities listed within the organization’s CEDS. PWSEDD pursues grant opportunities that align with the district’s priorities and strategic focus areas. PWSEDD communicates these opportunities through board members and other regional stakeholders.
Most recently, PWSEDD successfully partnered with the city of Whittier on pursuing a brownfield assessment grant. In addition to a first round $45,000 assessment award, PWSEDD and the city of Whittier have applied for a second round award for further assessment and project planning.

The Chugach Energy Plan is a key effort of the PWSEDD. The plan will benefit each community by providing current strategies to reduce the high cost of heating and implementation costs for pursuing cost-saving projects.

PWSEDD works with school districts on various projects to compliment STEAM (Science Technology Engineering Arts Math) and is a member of the Prince William Sound Science Center.

Activities and Results in FY15

• PWSEDD partnered with the Alaska Energy Authority and its contractor, WHPacific, on various aspects of the Chugach Region Energy Plan. The goal is to provide recommendations for activities and actions that will lead to reducing the long-term cost of power and dependence on fossil fuel, as well as improving energy systems in the region. PWSEDD helped to develop the plan’s goals and objectives as well as coordinating local input and feedback on the planning process.
  - Phase I – compilation of the detailed information for each community. This has been completed to support implementation of the plan. The community information was vetted through the PWSEDD board of directors and other regional contacts.
  - Phase II – includes site visits to each community with AEA and began in July 2015. PWSEDD is working with AEA to select appropriate dates for on-site visits to communities to meet with village and city leadership, and local residents.
  - Phase III – technical and economic analysis of priority projects and plan finalization. The final report will be available at the end of FY16.

Board Activities and Meetings Summary

The PWSEDD board met five times in FY15. The board approved the Chugach energy plan as the ARDOR project. Energy Plan updates were given at all board meetings. The board was presented with new reporting requirements for the federal Economic Development District designation and was updated on the CEDS revision process that will occur in FY16.

Continuing and Future Projects

PWSEDD will complete the Prince William Sound Business Retention, Expansion and Resiliency Survey. PWSEDD will increase business resilience through business planning, succession planning and emergency preparedness assistance. PWSEDD initiated a business survey distributed to 750 businesses in the region. The survey closes in FY16. The information will be used to conduct business workshops on resources needed as identified by the regional survey results.

Sue Cogswell joined PWSEDD in 1998. She previously served as curator at the Alaska Aviation Museum in Anchorage and as the membership director at the Buffalo Bill Historical Center in Cody, Wyoming. From an aviation family, she is extremely interested in arctic aviation and has traveled to Spitzbergen, Norway to visit landmarks of first polar flights.

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Southeast Conference (SEC) incorporated in 1958, long before the State of Alaska’s ARDOR Program was established, to advocate for the marine transportation needs of Southeast communities; in 1989, SEC became the state-designated ARDOR and a federal Economic Development District. Today, 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 development leaders to gather, set regional priorities, and implement strategies to improve the social and economic well-being of Southeast Alaskans.

Economic Development Challenges in the Region
SEC has identified numerous challenges to economic growth within the region, including legacy challenges such as transportation and energy costs and developing challenges like cost of living and doing business as well as declining public sector jobs and spending. Another challenge is the disconnect between the region’s workforce needs and regional educational programs. In general, the maritime sector is underdeveloped and the region’s dependence on marine transportation has increased concerns surrounding food security and the competitiveness of the region’s manufacturers.

Current Activities
SEC is working to develop the region’s maritime industry through the creation of the Southeast Alaska Marine Industry Council (SEAMIC). Recognizing the significant value of maritime industries in the region, SEAMIC works to increase opportunities for southeast Alaska maritime businesses and attract new businesses to the region. SEC is also working to promote a resilient food system and implement a regionally integrated resource energy plan.

Activities and Results in FY15
- In an effort to expand the maritime sector, SEC published The Maritime Economy of Southeast Alaska to change the way we think about our economy; approximately one-quarter of southeast Alaska’s economy was driven directly by its ocean-related commerce. In addition, SEAMIC was formed to support this industry; SEAMIC hired a coordinator to work with industry and communities. Nine hundred new maritime jobs were added to the region.
- SEC hired a food security coordinator to increase food-related sustainability in southeast Alaska to promote self-reliant communities. To increase the production and accessibility of healthy local foods across the region, SEC recently released the Southeast Alaska Food System Assessment. This pilot project identified actions that promote self-sustaining communities by examining local food systems throughout the region.
SEC analyzed local and regional southeast Alaska economies to provide analysis of regional demographics, employment, and earnings in the key economic sectors: maritime, visitor, seafood, mining, timber, health care, and government.

Board Activities and Meetings Summary
In its bi-monthly meetings, the SEC board worked to update the region’s CEDS, discussed food security issues, and adopted the Alaska Maritime Workforce Development Plan. The board followed energy-related projects in the region including the Sitka Blue Lake Dam. The board also serves as the facilitator to the regional network for discussions regarding transportation, energy projects and sustainability.

Continuing and Future Projects
The Regional Integrated Resource Energy Action Plan will provide a framework to support economic revitalization efforts in the region. Implementation of the plan will support reliable energy and attempt to reverse the decreasing population trends experienced over the last ten years.

SEC continues its efforts in the area of timber industry development. The effort is to establish a sustainable and renewable timber industry in southeast Alaska through collaboration with the U.S. Forest Service, the State of Alaska, private land owners, and Alaska Native organizations. Establishing a predictable and reliable timber supply sufficient to sustain the region’s timber economy and timber-dependent communities is of primary importance to the region.

BRE has been identified as a regional priority. SEC will use BRE to track and support the growth of the maritime economy as well as other sectors throughout the region. SEC will assist communities and organizations that want to implement BRE activities.

Shelly Wright has worked for the betterment of southeast Alaska for nearly 40 years with employment spanning multiple economic sectors including transportation, hospitality, and logging industries. Her experience in Southeast has provided her with a strong connection to the people, knowledge of how they live and work, and the big picture vision. Shelly was named executive director of Southeast Conference in 2007.

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Southeast Alaska Maritime Industry Coordinator

Meilani Schijvens
Rain Coast Data Director
Southwest Alaska Municipal Conference

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

In 1988 municipal leaders created the partnership of the Southwest Alaska Municipal Conference (SWAMC) to advocate for rural community needs and the responsible development of the region’s core economic sector: commercial seafood harvesting and processing. Today, SWAMC’s membership comprises business, education, municipal and tribal members. SWAMC is a critical liaison between state government and regional leaders by hosting summits, communicating concerns and opportunities, implementing initiatives, and acting as a unified regional voice. SWAMC remains committed to issues associated with commercial fishing, telecommunications, and energy infrastructure in the region.

Economic Development Challenges in the Region

The cost of doing business represents a significant challenge that comes from southwest Alaska’s overall lack of infrastructure, affordable energy and accessibility. All of these challenges create a large barrier of entry into any business. This limits the range of opportunity for entrepreneurs and limits the expansion of economic opportunity within the region.

Current Activities

SWAMC is engaged with two southwest Alaska companies to address issues associated with transportation and communication costs by obtaining data related to moving people and equipment. Through these activities SWAMC seeks to identify cost sharing opportunities for improving service delivery while maintaining or reducing costs.

SWAMC is scheduling more visits to rural locations for BRE interviews. The current itinerary includes site visits to Cold Bay and King Cove, where SWAMC will talk to 75 percent of all local business owners and operators. Overall, SWAMC has a goal to conduct 40 BRE interviews before the start of FY17.

SWAMC plans to visit hub cities such as Sand Point, Unalaska, St. Paul, and Dillingham in coordination with workforce development projects. Dillingham and Unalaska both have capacity to recruit volunteer interviewers, and staff is reaching out to develop partnerships.

Southwest Alaska Municipal Conference

Board of Directors

Layton Lockett
Carvel Zimin
Rebecca Skinner
Mayor Shirley Marquardt
Glen Gardner
Mayor Dan Clarion
Cynthia Berns
Joe Sullivan
Christina Salmon
Mayor Alice Ruby
Paul Gronholdt

Revenue Portfolio

- Private Sector Funds $132,030
- Federal Funds $75,000
- Other State Funds $109,648
- State ARDOR Grant $77,410
Activities and Results in FY15

- SWAMC coordinated three energy outreach summits in the Aleutian Islands, Bristol Bay and Kodiak with the intent to update community and energy profiles, update regional energy roadmaps, and propose energy solutions based on community priorities.
- SWAMC coordinated three BRE outreach opportunities with board members, member communities and attendees to annual SWAMC conference.
- SWAMC conducted 22 BRE survey engagements.
- The Annual Summit and Membership Meeting, a conference hosted by SWAMC, is the largest gathering of Southwest Alaskans each year. The 2015 conference in March was attended by over 200 people and coordinated workshops related to the BRE program as well as regional energy planning.

Board Activities and Meetings Summary

The board met eight times in FY15. The board received a presentation from Division of Economic Development staff about BRE. Presentations were also given to the board about the U.S. Economic Development Administration and a capital management organization about grant and investment funds available to SWAMC. The board was briefed about the regional energy survey and plans drafted from the surveys. The board elected new officers on March 7, 2015.

Continuing and Future Projects

SWAMC is committed to strengthening the BRE program and community outreach with the knowledge that many partner organizations lack the knowledge or capacity to assist in efforts. SWAMC has interest in supporting the development of a program that will subsidize aviation education and training to assist aspiring commercial pilots in obtaining the base level of hours for employment. This is a conceptual idea that will require a feasibility study before moving forward.

Doug Griffin
Executive Director

Erik O’Brien
Economist

Brianna Dym
Office Administrator

Laura Vaught
Energy Coordinator

Hope Broecker
Workforce Development Coordinator

Doug moved to Alaska with his parents, teachers with the Bureau of Indian Affairs, in 1964. He graduated from high school in Sitka and has lived in nine different communities in his 50 years in Alaska. Doug is a graduate of American University in Washington, D.C. with a bachelor’s in political science and a master’s in public administration. While attaining his degrees he worked in the office of Alaska Senator Mike Gravel. Doug has abundant experience over his 36-year career working in management and policy positions for the State of Alaska and various cities. He has worked for the Department of Community and Regional Affairs, the City of Valdez, the Alaska Alcoholic Beverage Control Board, the City of St. Mary’s, and the City of Palmer. He has worked extensively with the Alaska Legislature in each career position and is knowledgeable about state and local government, economic development, and issues confronting rural Alaska. Doug has lived in Anchorage for 18 years with his wife Barbara and has a grown daughter, son-in-law, son, and three young granddaughters that also reside in Anchorage.
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Yukon-Kuskokwim Economic Development Council

Mission: Advance the collective economic development interests of the Yukon-Kuskokwim people, businesses, and communities by promoting economic opportunities to improve the quality of life and influence long-term responsible development.

The Yukon-Kuskokwim Economic Development Council (YKEDC) is the regional economic development organization working in conjunction with the Alaska Council of Village Presidents (ACVP)/Calista Region. YKEDC’s boundary is defined as that area of western Alaska that conforms to the boundaries of the Kusilvak and Bethel census areas and encompasses 48 communities and 56 federally recognized tribes. The region is approximately the same size as Wisconsin at nearly 60,000 square miles. The population is approximately 26,000 (the largest rural population in Alaska) and 86 percent are Alaska Native.

YKEDC is an essential partner in AVCP’s Community Development Resource Center. The resource center has various partners with similar purposes in community development and work to leverage one another’s resources and capacity to serve the Yukon-Kuskokwim Delta more efficiently and effectively.

Economic Development Challenges in the Region

YKEDC encompasses two census areas including one of the poorest in the nation with a combined poverty rate of 24.9 percent. Forty percent of housing units are considered overcrowded and approximately 3,000 homes are in need of replacement. Most of the region's 48 communities face inadequate transportation facilities, housing, and energy due to the high cost of construction that can be attributed to energy and transportation costs.

Current Activities

YKEDC provides outreach and technical assistance for U.S. Department of Agriculture’s (USDA) Business Development, Housing, and Community Facilities programs through a cooperative agreement with the USDA-Rural Development (USDA-RD). YKEDC is facilitating the application of two USDA-RD Community Facilities applications in Oscarville and Upper Kalskag. YKEDC is a stakeholder with three other organizations assisting the community of Oscarville in preparing a proposal for a multi-use facility that would house a health clinic, Village Public Safety Officer office, and tribal social services programs. The new facility would be constructed utilizing the integrated truss design, which is considered a 6-star energy rating design. This would help in the sustainability of the facility through low-cost overhead.

Through the resource center, YKEDC staff implements and updates the AVCP CEDS. This document has goals, objectives and an action plan that guides staff in economic development activities. The CEDS meets the requirement for applying for U.S. Economic Development Administration grant funding.

Board of Directors

Vivian Korthuis
Jack Schulthies
Jeremy Osborne
Tiffany Zulkosky
Bob Walsh
Clarence Daniel
Lisa Wimmer
Robert Herron
Edgar Hoelscher
Marc Stemp

Revenue Portfolio

- Other Non-Federal/Non-State Funds $25,778
- Private Sector Funds $21,000
- Federal Funds $1,074,000
- Other State Funds $75,000
- State ARDOR Grant $77,410
Activities and Results in FY15

- YKEDC became a recognized ARDOR in December 2014.
- YKEDC contracted with the University of Alaska Center for Economic Development (UACED) for the development of two business plans as well as an implementation and strategy plan for an integrated truss manufacturing facility and a timber mill supply center. The integrated truss manufacturing plant is feasible and can achieve profitability by its third year of operation.
- The council finalized a cooperative agreement with the U.S. Department of Energy Office of Indian Energy in May of 2015. The agreement will provide technical assistance in the area of community energy planning and initial energy project development. YKEDC staff is currently undergoing capacity building and have begun initial data gathering for the communities of Oscarville, Tuluksak, and Tuntutuliak for community energy planning.

Board Activities and Meetings Summary

The board met seven times in FY15. The first meeting reviewed and approved bylaws for the ARDOR application. The following meeting discussed possible project proposals for ARDOR grant application. Subsequent meetings featured the business planning contract with UACED, project updates, and approval of the next steps for the integrated truss plant and presentation of the finalized business plan.

Continuing and Future Projects

The YKEDC board of directors chose to focus on continuing the support of an integrated truss manufacturing plant and sawmill. The feasibility of an integrated truss manufacturing plant is very promising and YKEDC is committed to the next steps in determining the use and retrofit of a shuttered fish plant for the project. The proposed location for the truss manufacturing plant is on the banks of the Kuskokwim River, which offers convenient barge access. This strategic location would allow for easy loading of trusses and equipment onto a barge and would reduce overland transport costs and logistics for raw materials sourcing or delivery of finished products.

Brent Latham resides in Bethel but is from Akiachak. His parents are Brian and Carrie Latham. Brent has two sons with his wife Deanna Latham, originally from Quinhagak. He graduated from the University of Alaska Fairbanks with a bachelor of arts in rural development with an emphasis in community business and economic development. Brent has worked for Alaska Village Council Presidents since January of 2010. He enjoys all subsistence activities such as hunting, fishing, trapping, and bringing his family berry picking.

STAFF

Brent Latham
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Community Development Specialist

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