

ALASKA

NORTH TO OPPORTUNITY

Division of Economic Development Overview

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

DIVISION OF ECONOMIC DEVELOPMENT

2/18/15



Economic development is the process of creating wealth through investment and reinvestment in a community resulting in more jobs, higher incomes, an expanded tax base, a more diversified economy, business improvement, and a better quality of life.





Core Functions of DED

- Finance
- Development
- Tourism Marketing



Finance

- 1) FY 16 Budget \$5,436,800
- 2) All funding from revenues from revolving loan funds
- 3) 39 full-time PCNs

Finance:

Administers and services 11 loan funds with a total principal outstanding exceeding \$200 million.

- | | |
|------------------------------------------|-------------------------------------------|
| 4 fishing-related loan programs | - 3 small business loan programs |
| 1 bulk fuel loan program | - 1 capstone avionics loan program |
| 1 alternative energy loan program | -1 mariculture loan program |

Loan programs were created to achieve:

Jobs for Alaskans

Stimulate Entrepreneurship

Reduce Costs and Improve Quality





Development

- 1) FY 16 Budget: \$18,519,800
 - 2) Tourism Marketing: \$15,185,600
 - 3) Development: \$3,334,200
- Includes \$774,100 in operating grants (ARDOR Program)
- 4) 18 full-time PCNs



Development Overview

Key FY 14 Developments and Initiatives

- **ARDOR Reauthorization**
- **Cultural Tourism**
- **North to Opportunity**
- **Unmanned Aircraft Systems**
- **Emmonak Port EIS**
- **Business Retention and Expansion**
- **Made in Alaska (Home)**
- **Iceland Trade Mission**
- **Minerals Promotion**
- **Mariculture Expansion/Hatchery**
- **Trends and Opportunities in Maritime Industrial Services Sector**

ARDOR Program Update:

Program reauthorized via HB 71 in March 2014

ARDOR status removed from Interior Rivers and Lower Kuskokwim Economic Development Council. Association of Village Council Presidents (AVCP) became newest ARDOR in FY 15

Ten ARDORs received funding in FY 15

Improved accountability across program



A rendering of the Petersen Group's Made in Alaska Home

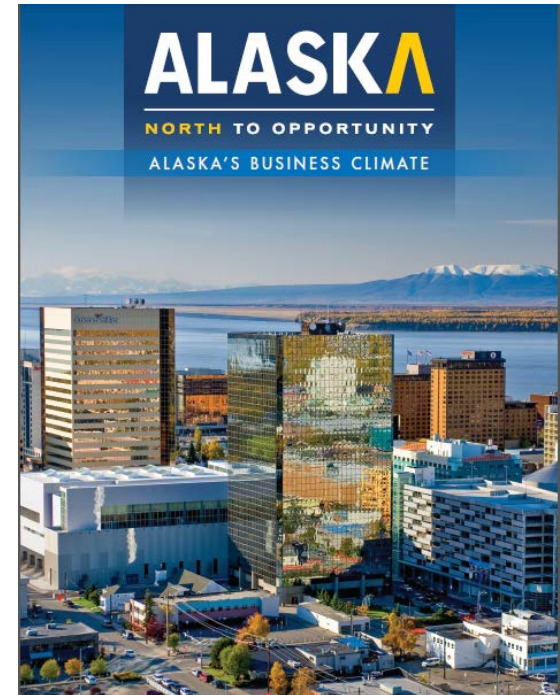
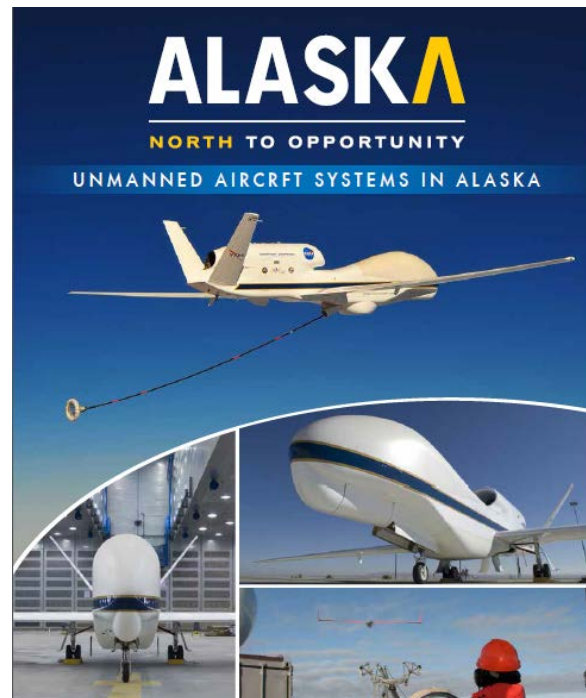
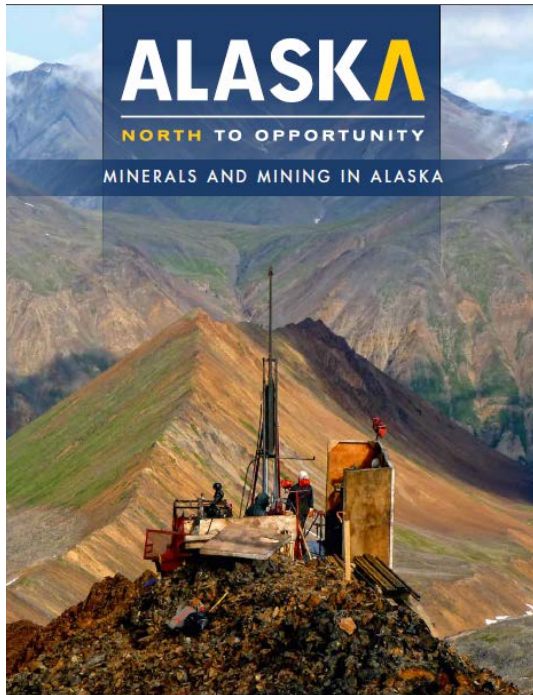
Made in Alaska Home (Anchorage)

- The first “Made In Alaska” Home, designed and built by the Petersen Group, debuted Fall 2014
- Increased focus on locally-made products
- Design promoted energy efficiency
- Concurrent initiative undertaken in Bethel in partnership with CCHRC and AVCP (ongoing)



Northwest Cultural Tourism and Native Arts

- Increase consumer awareness of Northwest Alaska region tourism opportunities and Alaska Native arts
- Promote cultural tourism and Alaska Native arts through press trips for journalists and product assessment tours for tour operators
- Conducted FAM Trip 7/26-8/1/2014
- Follow-up plans to build capacity in communities
- Coordinated with Tourism Marketing program





Unmanned Aircraft
Systems: An Economic
Development Strategy
for Alaska



January 27, 2015

http://uafcornerstone.net/wp-content/uploads/2013/12/ScottinPrinceWilliamSound_G.Walker.jpg



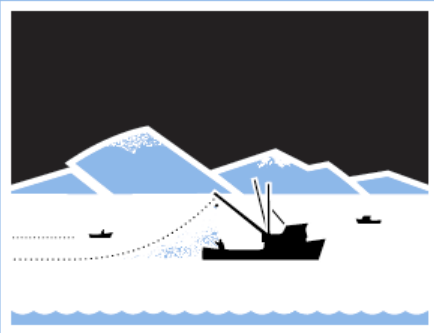
Prepared for the State of Alaska,
Department of Commerce, Community,
and Economic Development, Division of
Economic Development

UAS Industry Development

- Participated in AUVSI Orlando Show
- Business Attraction Work with CAE
- Produced UAS Economic Development Strategy in partnership with UA Business Enterprise Institute.

STATE OF ALASKA

ICELAND PROCESSING TRADE MISSION



OCTOBER 19 - 22, 2014

Iceland Trade Mission

- Led delegation of 12 to Iceland to learn more about Iceland Ocean Cluster
- Follow up to passage of SB 71



BUSINESS RETENTION AND EXPANSION

Through **Business Retention and Expansion (BRE)** communities analyze the key drivers of their local economy, identify challenges, and develop strategies to encourage growth and expansion of local business and industry.

BRE is an ongoing process of:

1. Building a solid relationship with the business owners or managers of the community
2. Regularly collecting data about the company and industry
3. Analyzing and tracking the collected data in order to predict industry behavior
4. Assisting the company in solving problems that may cause them to move or close
5. Looking for opportunities to grow businesses in the community

Business retention can be applied to all types of businesses within a community or region, including cottage industries, large manufacturing, and natural resource-based industries. Within business retention, there are two main goals: to provide assistance with issues that could force a company to fail and subsequently shut down, and to prevent companies from relocating to a new community or state.

Business expansion activities identify needs and coordinate solutions to help businesses grow. Examples of solutions include assistance securing financing to purchase new equipment, recruiting or training new workers, marketing, or addressing permitting or regulatory challenges.

Previous trainings:

BRE trainings have been delivered in-collaboration with the University of Alaska Center for Economic Development:

- » Kenai Peninsula Economic Development District, Kenai, AK, October 27-29
- » Southwest Alaska Municipal Conference, Anchorage, AK, November 3-4
- » Interior BRE Group, Fairbanks, AK, November 12-14
- » Bering Strait Development Council, Nome, AK, December 2-4

Upcoming trainings:

- » Central Council, Tlingit and Haida Indian Tribes of Alaska, Juneau Economic Development Council, Southeast Conference, Juneau, AK, February 26-27
- » City of Kodiak, April 1-2
- » City of Haines, April 21-22

Exploring community stakeholder interest in program and training:

- | | |
|-------------|------------|
| » Barrow | » Palmer |
| » Bethel | » Seward |
| » Ketchikan | » Wrangell |

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Minerals Promotion

- Promoted Alaska mining at the following trade shows: Prospectors and Developers Association of Canada trade show in Toronto; Alaska Miner's Association; Cambridge House; and, Association for Mineral Exploration British Columbia
- Joint DED/AIDEA/DNR effort
- Showcased Alaska as a place to invest alongside up to 12 of its exploration projects and held "Opportunity Alaska" seminars
- Coordinated meetings for the Alaska Minerals Commission
- Produced Alaska Minerals Industry Report

September 2014

Maritime Industrial Development

- Produced report identifying most prominent opportunities in Alaska's maritime industry
- Categorized and classified entire Alaska fleet
- Recommended strategies to stimulate growth
- Dovetails with Alaska Maritime Workforce Development Plan
- DED currently working on broader maritime industry strategy

Trends and Opportunities in the

Alaska Maritime Industrial Support Sector



Arctic Shipping Initiative

- Conducted through the University of Alaska Fairbanks
- Led by Dr. Lawson Brigham (also a member of the Alaska Arctic Policy Commission) and US author of the Arctic Council's Arctic Marine Shipping Assessment
- Will look at global market demand, industry trends, competition, infrastructure needs, navigation safety, and the global trade and economic development
- "Alaska and the New Maritime Arctic" workshop held in November 2013 on Northern Sea Route; summary report done

Scope of Work Includes:

- International Trade/Energy Shipments
- Jobs and Economic Development for Alaska
- Study complete February 2015



Tourism Marketing Program Overview



Tourism FY 14 Highlights

- Generated nearly 800,000 consumer information requests, which produced 220,240 actual trips
- Return on investment (per person, including transportation) = \$112.56
- Continued promoting Icelandair flights to Alaska in 2014, including online and magazine advertising campaigns, resulting in a seven percent increase over 2013.
- Collaborated with the governments of Alberta, British Columbia and Yukon to promote the drive through Canada and into Alaska as “The Ultimate Road Trip.”
- Public relations efforts yielded a total of 144 Alaska tourism stories appearing in print and digital media with an advertising value equivalent of \$44 million.
- Generated 1,700,000 site visits to TravelAlaska.com through all advertising efforts.

PROGRAM GOALS/OBJECTIVES

1. Generate awareness for Alaska as a travel destination

Objective 1: Generate new high-potential prospects in North America

Objective 2: Raise awareness/interest in Alaska as a visitor destination among North America consumers

2. Increase year-round visitation

Objective 1: Increase visitation from North America market

Objective 2: Increase visitation from targeted international markets

3. Generate private sector funding for tourism marketing



Primary Target Market

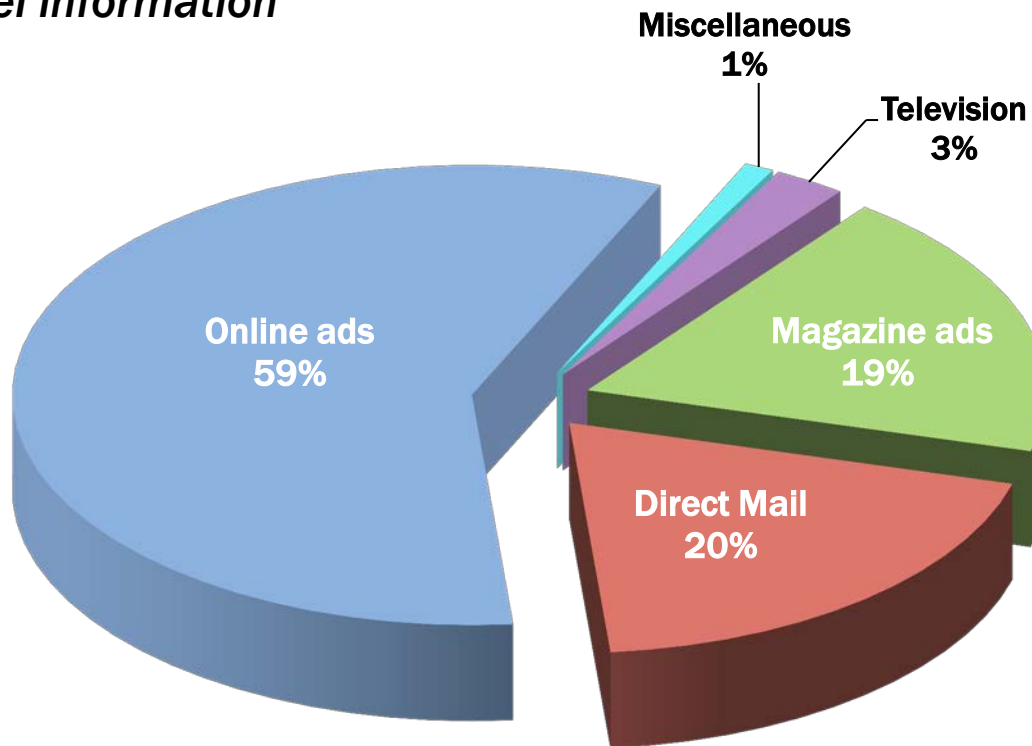
- 45-65 years old
- Affluent
- Married
- College Educated
- Frequent Travelers
(Especially those who have taken a foreign vacation)

Niche Markets

- Adventure Travelers
- Highway Travelers

GENERATING REQUESTS FOR TRAVEL INFORMATION

Using a broad range of marketing programs to generate requests for Alaska travel information



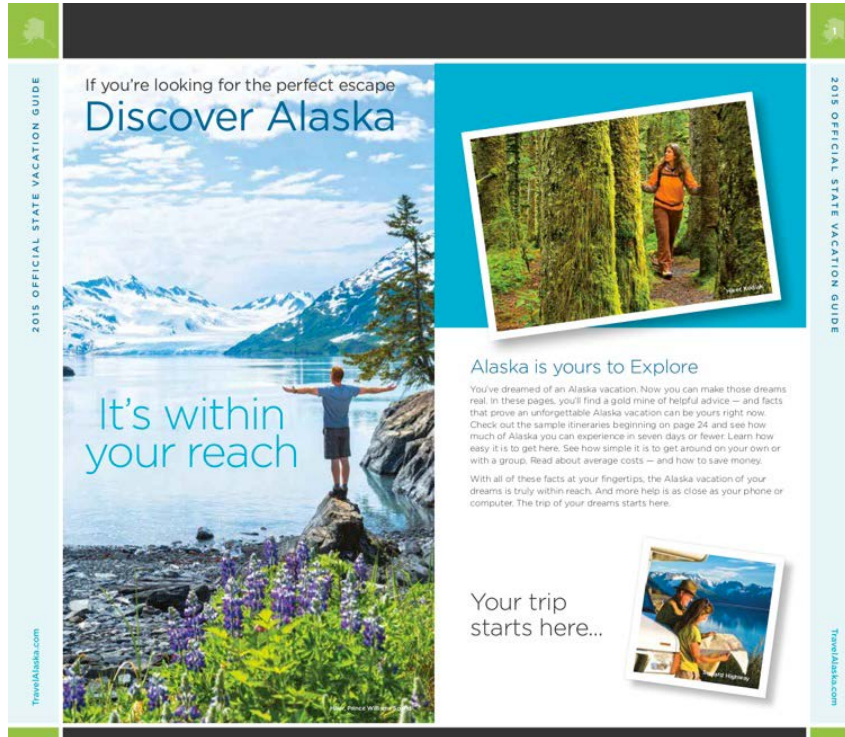
DISTRIBUTE OFFICIAL STATE VACATION PLANNER

Providing detailed trip planning information to consumers actively planning an Alaska vacation – includes an Alaska business directory to encourage reservations



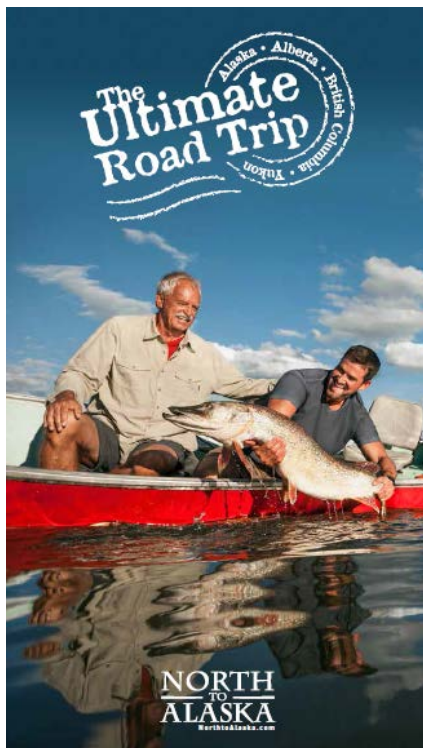
DISTRIBUTE THE WITHIN YOUR REACH BROCHURE

Providing trip planning information to people that need extra encouragement to choose Alaska as their next vacation destination



DISTRIBUTE THE NORTH TO ALASKA BROCHURE

Providing highway travel information to people interested in a driving vacation through western Canada and into Alaska



TELEVISION ADVERTISING

Alaska ads are running on:

- *National broadcast television (ABC, NBC, CBS)*
- *Syndicated programs and on national cable networks*



- Continue design refresh for TravelAlaska.com
- Expand mobile app development



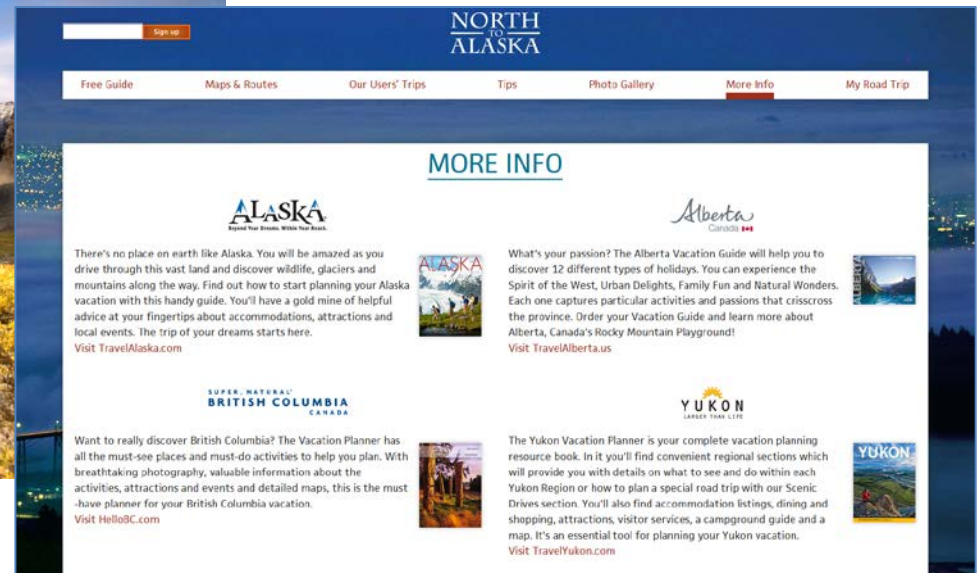
➤ Foreign-language websites

- German
- Japanese
- Korean
- Spanish
- Chinese



NEW ALASKA HIGHWAY TRAVEL WEBSITE

Providing additional information for planning a driving vacation to Alaska – maps, driving routes, travel tips, visitor testimonials and a photo gallery



PUBLIC RELATIONS

Working with travel journalists to increase interest in Alaska and connecting journalists with Alaska businesses

- ***Alaska Media Road Show*** event highlighted: Alaska tourism along with Alaska grown products and seafood
- ***2014 Theme: Cultural Tourism***
- ***Several state agencies participate including: Alaska Marine Highway System, Alaska State Parks, Alaska Railroad, Alaska Council on the Arts and Alaska State Museums***



- **Alaska Airlines Magazine: July 2014**

***Delivered Alaska's cultural message
and highlighted several cultural
events visitors can enjoy***

Ad Value = \$99,300



For many generations Inupiat mothers in Kaktovik, Alaska, have sung a calming lullaby to their babies that goes, roughly, *ataga as ataga as ataga as as as*. Such singing is called *qutaa* and is more for show than to soothe.

Allison Warden is an Anchorage-based performance artist whose heritage traces back to Kaktovik, on Alaska's North Slope Arctic shore; she fondly remembers her grandmother singing songs to her. So Warden has incorporated the lull into one of her songs, *Ancestor from the Future*, an engaging and thought-provoking piece that challenges young people to choose lives with purpose.

"It's time! It's time to wake up and remember why you arrived on the earth! You just so survive! You just so breathe your dream! You are worth everything!" she chants vigorously striding the stage, then smutting and adding, "soothingly shans sa shans sa shans sa sa sa."

Another from the Future is definitely not a lullaby. In fact, it's a rap song, full of, and Warden, perfectly fit for modern Alaska Native performance arts, a rich and dynamic blend of old and new, of indigenous tradition and global innovation, that greatly enlivens life in the north.

Alaska Native performers live and work in places ranging from Kachikan, at the southern edge of the state, to Barrow, on the Arctic Coast. They may be a band of Yupik drummers, singers and dancers circling up on snow-

at midtown's Festival of Native Arts in Fairbanks, drumming out a centuries-old song style above whale hunting. They might be Ashaninka fighters whose toads and walrus reflect an art their ancestors adopted from Haida's Bay Company agents almost two centuries ago. They might be Tlingit village residents showcasing a drum and spoken-word allegory about romance between disparate cultures. They might be Aleutian performers whose guitar-led performances meld Russian folk songs and ancient dances depicting seagull courtship. And they might be members of a modern recording group, Pamyua, performing at the Anchorage Museum, whose cancellable world music blends Pacific, Inuit, and African rhythms.

The ingredients for these sorts of performances include traditional hand-beat musical instruments or fabric drums, tapped from below with sticks (tupitup) or from above (tuprik); formalized dance moves that, like hula in Hawaii, symbolize discrete things such as a raven's walk; chants and songs whose steady rhythms ebb and flow like rides; and costumes that range from Aishakian bandied carboys-skin dresses to elaborate Eskimo fancy parkies. Or they might include beatboxes, electric bass guitars, lines of "60s dances such as "the jerk," and jeans, tennis shoes and ball caps worn backward.

All those, and more, thrive equally in a land where song and dance have filled the air for millennia. Some such performances would be recognizable to one of Ahtisaar's ancient ancestors. Some would fit well in a 2014 rave, mashup or world-music concert almost anywhere.



TODAY SHOW IN JUNEAU



TRAVEL TRADE EVENTS

One-to-one conversations with Domestic Travel Trade:

- Virtuoso Travel Week: Aug. 9-15, 2014
- ATTA World Summit: Oct. 6-9, 2014
- IMEX America: Oct. 14-16, 2014
- USTOA: Dec. 5-7, 2014
- ABA Marketplace: Jan. 10-13, 2015
- NTA Travel Exchange: Jan 18-22, 2015
- Select Traveler: Feb. 8-10, 2015
- Go West Summit: Feb. 10-13, 2015
- Cruise Shipping Miami: March 16-19, 2015
- Cruise3Sixty: April 22-26, 2015



- Changsha & Xiamen Road Show: Aug. 25-28, 2014
- International Tourism Fairs of the Americas (FITA): Sept. 18-21, 2014
- International Luxury Travel Market (ILTM): Sept. 22-26, 2014
- JATA: Sept. 25-28, 2014
- WTM: Nov. 3-6, 2014
- International Travel Fair Taipei: Nov. 7-10, 2014
- CITM: Nov. 13-16, 2014
- Mid-Atlantic Summit: Jan. 5-8, 2015
- ITB: March 4-7, 2015
- IPW: May 30 - June 3, 2015



INTERNATIONAL CO-PROMOTIONS

Co-promotion with Icelandair:

- Continued support of Icelandair flights with online advertising, print advertising and travel trade newsletters



COLLABORATING WITH PRIVATE SECTOR

Meeting with Alaska tourism industry representatives to review tourism marketing plans and solicit input:

- *Alaska Tourism Marketing Board (Jan 5-6)*

Upcoming meetings:

- *January 29 (teleconference)*
- *March 25 (Juneau)*

