

Southeast Conference

2019 In Review

Member Communities and Organizations

- 231 Southeast Conference Members +4% from 2018
- Business of the Year Award: Allen Marine
- Annual Meeting Community Host: Sitka

231

Economic Plan Initiatives

- 7 priority objectives and 46 economic initiatives
- The Southeast Alaska 2020 Economic Plan received the Innovation Award from the National Association of Development Organizations

46

Scholarship Money Raised

\$16.8K

Publications

- Southeast Alaska by the Numbers 2019
- Southeast Alaska Health Care Workforce Analysis 2019
- Southeast Alaska Business Climate and Private Investment Survey 2019
- Southeast Conference Annual Report

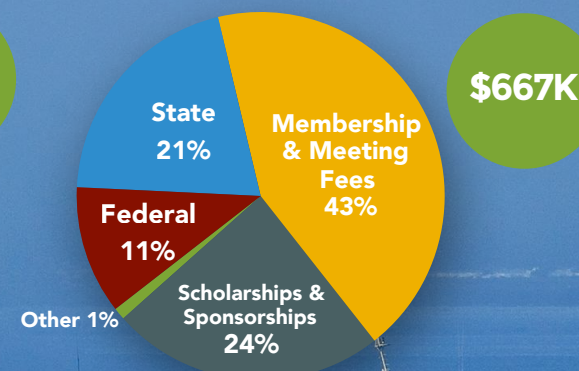
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Committees

- Transportation, Energy, Maritime/Seafood, Tourism, Timber, Mining, Economic Development, Solid Waste, Health Care

9

Total Revenue FY19



Southeast Conference 612 West Willoughby Avenue, Suite B Juneau, AK 99801
(907) 586-4360 www.seconference.org

SOUTHEAST CONFERENCE BOARD OF DIRECTORS

Southeast Conference Mission

The mission of Southeast Conference is to undertake and support activities that promote strong economies, healthy communities, and a quality environment in Southeast Alaska.



About Southeast Conference

Southeast Conference was incorporated in 1958 to advocate for a regional transportation system that eventually became the Alaska Marine Highway System. After that success, we stayed together to continue to advocate for issues that are key to the southeast region as a whole. Our goal is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska. We look for consensus and areas where we can work together for the betterment of the region. Our key areas of focus include economic development, transportation, energy, maritime, seafood, tourism, timber, and mining.

We have 231 members from nearly every community, chamber of commerce, and economic development organization in the region. Our membership also includes regional transportation, energy, and Alaska Native organizations, along with private businesses. We help support the Southeast Conference of Mayors and the Marine Transportation Advisory Board. Southeast Conference is the federally designated Regional Economic Development District and the State-designated Alaska Regional Development Organization.

Southeast Conference's 231 Members

City & Borough of Juneau; City & Borough of Sitka; City & Borough of Wrangell; City & Borough of Yakutat; City of Angoon; City of Coffman Cove; City of Cordova; City of Craig; City of Gustavus; City of Hoonah; City of Hyaburg; City of Kake; City of Kasaan; City of Ketchikan; City of Klawock; City of Kupreanof; City of Pelican; City of Port Alexander; City of Prince Rupert; City of Saxman; City of Tenakee Springs; City of Thorne Bay; City of Whitehorse; Haines Borough; Petersburg Borough; Ketchikan Gateway Borough; Ketchikan Indian Community; Organized Village of Kake; Organized Village of Kasaan; Craig Tribal Assoc.; Hoonah Indian Assoc.; Chilkoot Indian Association; Hyaburg Cooperative Association; Hyder Community Assoc.; Klawock Cooperative Association; Klawock Heenya Corporation; Klukwan Inc.; Shee Atika, Inc.; Ketchikan Visitors Bureau; Alaska Chamber of Commerce; Cordova Chamber; Goldbelt, Inc.; Greater Ketchikan Chamber of Commerce; Greater Sitka Chamber of Commerce; Juneau Chamber of Commerce; Juneau Economic Dev Council; Prince of Wales Chamber of Commerce; Prince Rupert Chamber; Rain Coast Data; Haida Corporation; Haines Chamber of Commerce; Haines Economic Development Council; Petersburg Chamber of Commerce; Petersburg Economic Dev. Council; Wrangell Chamber of Commerce; Yakutat Tlingit Tribe; Sitka Tribe of Alaska; Skagway Chamber of Commerce; Skagway Development; Kake Tribal Corporation; AAA Moving; AEA; AELP; AIDEA; Alaska Airlines; Alaska Committee; Alaska Communications; Alaska Fisheries Development Foundation; Alaska Forest Association; Alaska Gasline Development Corporation; Alaska Glacier Seafoods; Alaska Litho; Alaska Marine Lines; Alaska Mental Health Land Trust; Alaska Miners Association; Alaska Municipal League; Alaska Power & Telephone; Alaska Power Association; Alaska Process Industry Careers Consortium; Alaska Rainforest Sanctuary; Alaska Seafood Marketing Institute; Alaska Seaplanes; Alaska Waste; Alaskan Brewing Company; Allen Marine Tours; Allen, Bill; ALPS Fed Credit Union; Avista Corp; Bartlett Regional Hospital; Bramstedt, Susan; Tom Briggs; Cape Fox Corporation; Capital Office Systems; Caribou Crossing; Dave Carlson; Central Council Tlingit & Haida; Chelan Produce Company; Chilkoot Trail Outpost; Jim Clark; Coastal Alaska; Coastal Helicopters Inc.; Coeur Alaska; Commonwealth Associates Inc.; Community of Elfin Cove; Constantine Mining LLC; Construction Machinery Industrial; Cordova Electric Cooperative; Crowley Fuels; Cruise Lines International Assoc.; D. Hittle & Associates; Delta Western Petroleum; Denali Commission; District of Port Edward; Edna Bay Community; Electric Power Systems, Inc.; Elgee Rehtfeld LLC; Elliott Bay Design Group Ltd.; First Bank; First National Bank of Alaska; First Things First Foundation; GCI; Grow Ketchikan; Gruening & Spitzfadden; Haines Corporation; Hammer & Wilkan Inc.; HansenGress; Hanson Maritime Co.; Hard Rock Drilling; HDR Alaska; Heathfield Resources; Hells Creek Mining; Hoffman & Blasco; Holland America Line, Inc.; Hughes, Andy; Huna Totem Corporation; Icicle Seafoods; Industrial Development Services; Inlandboatmen's Union of the Pacific; Inside Passage Electric Cooperative, Inc.; Inter-Island Ferry Authority; Int'l Brotherhood of Electric Workers; Int'l Org of Masters Mates & Pilots; Int'l Union of Operating Engineers; Island Air Express; J.M. Walsh; Jay M. Johnson, LLC; Juneau Arts and Humanities Center; Juneau Hydropower; Kjardell Co; Lyndon, Inc.; Mackay, Bill; Madison Lumber & Hardware; Marine Exchange of Alaska; Masters Mates & Pilots; McDonald's Of Southeast Alaska; McDowell Group, Inc.; Mertz CPA & Advisor; Moffatt & Nichol; Municipality of Skagway; Native Village of Eyak; Naukati Bay, Inc.; NC Machinery; Northrim Bank; Ocean Beauty Seafoods, Inc.; Oceans Alaska; Pacific Fishing, Inc.; Pacific Salmon Treaty Coalition; Pacific Seafood Processors Assoc.; PDC Engineering; PeaceHealth; PND Engineers, Inc.; Polarconsult Alaska, Inc.; Pond, Herb; Port of Bellingham; Power Systems & Supplies; Premium Aquatics, LLC; Red Onion Saloon, Inc.; Red Plains Professional; Regional District of Kitimat-Stikine; Reliable Transfer; Renewable Energy Alaska Project; Resource Development Council; Rocky's Marine; Carol Rushmore; Samson Tug & Barge; SE AK Fishermen's Alliance; SE AK Power Agency; SE AK Regional Dive Fisheries Assoc.; SE Stevedoring Corp.; Seafood Producers; Sealaska Corporation; SECON; Service Auto Parts; Shattuck & Grummett; Sheinberg and Associates; Silver Bay Seafoods; Sitka Economic Development Assoc.; Sitka Hospital; Southeast Island School District; Southeast Road Builders; Southeast Strategies; Spruce Root, LLC; SWAMC; Taquan Air; The Landing Hotel; The Nature Conservancy; Thompson Management Co.; Tlingit Haida Regional Housing Authority; Tongass Federal Credit Union; Trident Seafoods Corp.; True North FCU; TSS, Inc.; Turnagain Marine Construction; Ucore Rare Metals; United Fishermen of Alaska; United Way Southeast Alaska; United Way Southeast Alaska; University of Alaska, Anchorage; University of Alaska, Southeast; Vigor Alaska; Viking Lumber; Viste Sitka; Robert Ward; Wells Fargo Bank; White Pass & Yukon Route; William Corbus; Wings Airways; Wostmann & Associates.



Alec Mesdag - President
Director of Energy Services for AEL&P Juneau



Dennis Gray Jr. - Director
City Administrator for City of Hoonah



Markos Scheer - Vice President
Chief Executive Officer Premium Aquatics



Maegan Bosak - Director
Director of Marketing and Communications at SEARHC, Sitka



KC Hostetler - Director
Reg. Sales & Community Marketing Manager, Alaska Airlines



Bryce Dahlstrom - Director
Vice President, Viking Lumber, Klawock



Dennis Watson - Past President
Former General Manager, Inter-Island Ferry Authority



Lacey Simpson - Director
Ketchikan Assistant City Manager, Assistant KPU General Manager



Jan Hill - Director
Mayor, Haines Borough



Rorie Watt - Treasurer
City Manager, City & Borough of Juneau



Henrich Kadake - Director
Chair, Kake Tribal Corp.



Lisa Von Barga - 2nd Vice President
Wrangell Borough Manager



Chelsea Goucher - Director
Account Manager, Alaska Marine Lines Ketchikan

Admiral Club Sponsors: Alaska Airlines, Alaska Seaplanes, AEL&P, Avista, SEARHC, Central Council Tlingit & Haida Indian Tribes of Alaska, Alaska Marine Lines

SOUTHEAST CONFERENCE 2019 IN REVIEW



From the desk of Robert Venables, Southeast Conference Executive Director

Southeast Conference Priority Work

Southeast Conference is passionate about resource development in the region. These priorities include regional transportation, energy, industrial maritime, seafood, tourism, healthcare, timber, and mining. But our most valuable resource is our local workforce. Southeast Conference is very proud of our partnership with the University of Alaska Southeast to prepare the next generation of entrepreneurs and skilled labor who will fill and create future jobs. We are committed to providing critical economic research and information for our membership so that we can be a resource for policy makers, program managers and project proponents.

Dedicated Board and Staff

Southeast Conference is currently being led by a dynamic board of directors from nine communities across the region, including business leaders involved in the sectors of energy, timber, fisheries, transportation, maritime, and Tribal partnership. The 2020 Board President is Alec Mesdag.

Preparing for the Economy of 2025

A plan is the first step toward a more certain future. Our region looks to the state for a fiscal plan that will support our economic sectors. Southeast Conference and our statewide partners will stay engaged

with the Administration and Legislature to forge a long-range plan for the ferry system. Our goal is to also work with businesses and communities during this time of change and transition to develop a plan to stay connected and support commerce in coastal Alaska.

A plan is critical for regional economic development. Southeast Conference has the responsibility to develop a Comprehensive Economic Development Strategy (CEDS) every 5 years. Our last CEDS won a national award and has been a valuable tool for businesses and communities as they plan strategically throughout Southeast Alaska.

Southeast Conference members and stakeholders will work throughout 2020 on the next 5-year CEDS. This plan will lay the foundation for economic resilience toward future prosperity. We continue to work with all municipalities, Tribes and industries in the region to lead, nurture, and support the changes needed to build healthy economies and communities. That has been our mission together in the region for 62 years and counting.

Your support and participation this past year has enabled us to achieve significant progress and set the stage for a brighter future. Thank you for joining us as we work to build the economy of 2025.



TRANSPORTATION



ENERGY



MARITIME



SEAFOOD



VISITORS



TIMBER



MINING

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Goal: Implement the **Alaska Maritime Workforce Development Plan** in Southeast to upgrade the workforce pool and local skills applicable to maritime jobs. **Progress:** The first Alaska State ferries ever to be completed in Alaska were put into service in 2019. The first of the two ferries, Tazlina replaced the Fairweather in 2019. The second ferry, Hubbard, was completed in 2019. This success of the two 300-passenger, 53-vehicle Alaska-class ferries for the Alaska Marine Highway System is due to public-private-partnerships supporting the expansion and durability of Southeast Alaska's marine industrial capacity through employer-led co-investment of private and public resources. The UAS Maritime Training Center in Ketchikan was completed in 2018, and in 2019 the center served 608 students and offered over 100 classes. An adequate supply for well trained, knowledgeable, and highly skilled marine industrial technicians remains a critical component of maintaining the regions marine industrial capacity anchored by the Ketchikan Shipyard with a workforce of approximately 100 technicians. Other Southeast Alaska communities with boat repair yards require competent marine industrial workers across all trades. Continued workplace learning will increase the productivity of the regional marine industrial workforce. **Project Champion:** Doug Ward, Principal, Industrial Development Service.

Goal: Southeast Conference has advocated for the Alaska Marine Highway System since 1958 and is working with stakeholders toward a viable and sustainable reformed ferry system. **Progress:** The State of Alaska hired a consultant to independently research options to "reshape" the AMHS. Southeast Conference provided the AMHS Reform project data and along with its members and stakeholders offered support for that effort. SEC continued the AMHS Reform initiative, working with the statewide steering committee to provide information and outreach to broaden understanding and support for a reformed and reliable ferry system. Resolutions of support were received by many communities, the Alaska State Chamber of Commerce, AFN, and ATIA. Governor Dunleavy reappointed Robert Venables to the Marine Transportation Advisory Board. In addition to working with the Administration and AKDOT, SEC also worked with the Legislature as a resource for policy and funding discussions. Work also continued on draft legislation that could establish AMHS as a public corporation with its own staff and a professional board of directors that would outlast the usual political cycle. The new corporation would continue to receive state and federal funds to execute its public service mandate, empower management to control costs, create partnerships for new revenue streams and provide a buffer between the ferry system and shifting political priorities. Full information can be read at: www.amhsreform.com. **Project Champion:** Robert Venables, Southeast Conference Executive Director.



Southeast Conference released the 2020 regional economic plan in 2016. This is a report on our 2019 progress.



Goal: Partner with state and federal agencies to advocate for renewable energy development and advanced energy technologies, and provide diesel displacement through improved conservation and efficiency measures. **Progress:** In 2019, Southeast Conference was actively working on biomass heating projects in Haines, Klawock, Craig, Kake, and Hoonah. Southeast Conference organized a 2019 Biomass Operator training in partnership with the State of Alaska, Department of Labor, Division of Forestry, USFS, AEA, and Alaska Center for Energy and Power, resulting in 12 graduates. Southeast Conference organized the Alaska-Yukon Wood Energy Conference in 2019, with over 100 people attendees. This was the first of a cross-borders collaboration with the Yukon government, and it offered an 8-hour technical course on biomass boiler mechanics for engineers and plumbers, and a 3-day field trip to look at installed biomass boilers. Southeast Conference is working with USDA Rural Development to provide technical assistance to businesses wanting to deploy renewable energy resources, and with SWAMC to continue energy efficiency efforts. SEC continues to partner with the Alaska Energy Authority, U.S. Dept. of Energy, the Denali Commission, REAP and SSP to assist businesses and communities achieve their energy goals and objectives. In 2019, Southeast Conference provided assistance to Metlakatla, Kake, and Angoon to displace diesel through development of hydroelectric facilities and interties to dispatch nearby hydro resources. AEL&P has provided leadership in promoting electric vehicles in Juneau and Southeast Alaska. **Selected 2019 Evaluation Measures:** 52% increase in energy delivered to participating electric vehicles in Juneau. New Energy Jobs in Region: -2%. **Project Champions:** Karen Petersen, Southeast Alaska Energy and Biomass Coordinator. Alec Mesdag, Director of Energy Service for AEL&P.

Goal: Grow a \$1 billion **mariculture industry** in Alaska in 30 years, including enhancement, farming, and restoration of shellfish and aquatic plants. **Progress:** In 2019, 15 aquatic farm applications (for both new farms and expansions) were submitted to the State by small to large companies, varying in size from 3 to 154 acres. Six of these applications are in SE AK. Legislation (HB 41 and 116) was introduced to allow shellfish enhancement and improvements to the farm leasing program. The Mariculture Task Force (MTF) completed a Five-Year Action Plan to focus activities to grow the industry. The new state administration is supporting mariculture development and has the Alaska Development Team to work closely with the MTF to implement priorities. The largest aquatic farm in Alaska to date (127 acres) was established near Craig, with the fall planting of seaweed, making it the largest seaweed farm in the USA. AFDF received a new grant from NOAA to facilitate Phase 2 of the Alaska Mariculture Initiative. Part of those efforts include a seaweed training – 130 people applied for 30 spots. The training will be expanded to include 48 people in 2020, and 50+ in 2021. **Project Champion:** Julie Decker Executive Director Alaska Fisheries Development Foundation. (AFDF).



AMHS REFORM

Maritime Workforce Development

Marine Highway Reform Project

Energy Legislation and Diesel Displacement

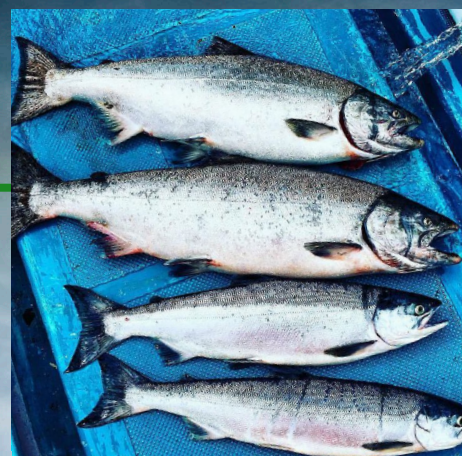
Progress on the Strategic Priorities of the Southeast Alaska 2020 Economic Plan

Alaska Mariculture Initiative

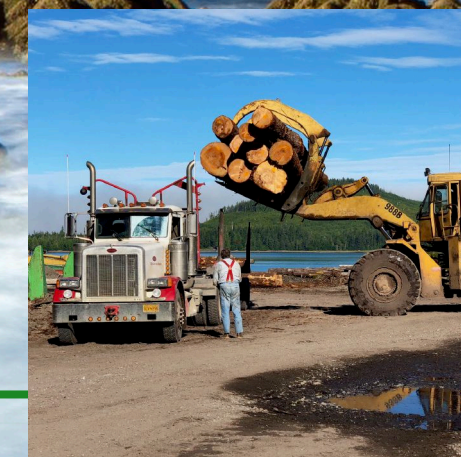
Secure Adequate Timber Supply

Full Seafood Resource Utilization

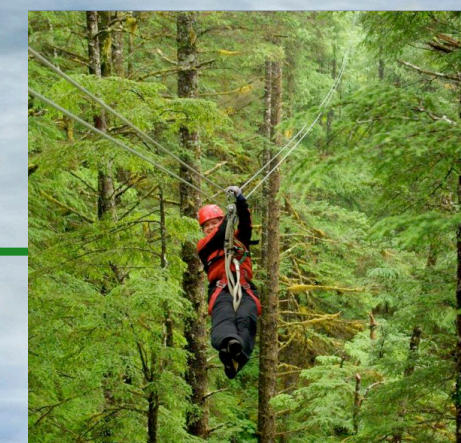
Market Southeast Alaska to Visitors



Goal: Support the development of **specialty seafood products** that utilize harvested resources and create new value-added products that provide economic benefits to local economies. **Progress:** In 2019, AFDF organized the Alaska Symphony of Seafood, an annual competition for new, commercial-ready products made from Alaska Seafood. Events were held in Juneau, Boston and Seattle. Ten products were entered, and the winner of the four different categories was Trident Seafoods' Protein Noodles, which were also submitted into Seafood Excellence Awards (SEA) at the Seafood Expo North America (SENA). For the 2019-2020 event, twenty new products were entered, including four seaweed products. The winner of the Retail Category was the Bullwhip Hot Sauce by Barnacle Foods in Juneau, which qualifies them to attend SENA and enter the SEA. Alaska Sea Grant (ASG) is continuing its efforts to help support seaweed product development as a part of a project funded by the U.S. Dept. of Energy in which ASG will develop a Quality Handling Guidelines for Seaweed. **Project Champion:** Julie Decker Executive Director Alaska Fisheries Development Foundation. Brian Holst, Executive Director Juneau Economic Development Council.



Goal: Provide an adequate, economic and dependable supply of timber from the Tongass National Forest to regional timber operators. **Progress:** SEC worked on phase 2A of Alaska Mental Health Trust land exchange. SEC worked on tariff relief efforts. SEC worked on Red Cedar language so that timber sales showing a deficit are no longer allowed. SEC continued to work with industry and the State of Alaska on timber supply issues. SEC supported State's Petition & USFS preferred alternative to exempt the Tongass from the Roadless Rule. SEC joined a Coalition of 21 associations & businesses in providing comments on the DEIS. SEC urged USFS to adopt exception language created by the Citizens Advisory Committee. SEC advocated for improved Forest management and has been working for revisions to the 2016 Tongass Forest Plan to assure road access for mining, renewable energy, and restoration of the transportation and utility system land to maintain transportation corridors. Staff testified before the U.S. House Resources Subcommittee in D.C. **Project Champion:** Bryce Dahlstrom Vice President Viking Timber.



Goal: Develop a collaborative regional visitor marketing effort to provide more marketing opportunities, improve brand awareness, strengthen marketing reach, and widen regional coverage of information. **Progress:** Tourism is growing significantly in Southeast. In 2019, 40 cruise ships visited the region, carrying 1.36 million passengers on 577 voyages. With this growth, there have been major efforts to create supporting infrastructure, including port and dock investments in Ketchikan, Juneau, and Hoonah. In 2019, SEC supported CCTHIA and Sealaska Heritage's efforts to promote cultural tourism in the region, hosting a Destination Southeast: community development, sustainability and growth forum. SEC also hosted Southeast Cruise Port Association and Regenerative Tourism discussions. Southeast Conference has an active Visitor Industry Committee. **Project Champion:** KC Hostetler, Alaska Airlines.