

There is currently no definition for “economic development” in Title 29, which is problematic for municipalities when attempting put “tools” in place to assist with local economic development planning, including local economic diversification and small business development strategies.

FYI, the term “economic development” occurs in just five sections under Title 29, as follows:

1. **Eminent domain under [AS 29.35.030](#).** A 2006 amendment added language prohibiting eminent domain taking of private property for economic development (with exceptions); for this purpose, the definition of “economic development” was given the meaning in [AS 09.55.240](#). We do not propose applying our new definition for “economic development” to this section relating to eminent domain.
2. **Expenditure of borough revenues under [AS 29.35.110](#).** Boroughs and cities in Alaska need the ability to pass-through state and federal grants targeting economic development – such as those received during the COVID-19 public health emergency – on an areawide basis while working cooperatively through an agreement. The new definition for “economic development” would apply to this section.
3. **Second class borough powers under [AS 29.35.210](#).** This section enables second class boroughs to exercise “economic development” powers on a nonareawide basis. Working to ensure existing industries remain in an area is as important for its economic health as attracting new industries to a municipality. The new definition for “economic development” would apply to this section.
4. **Comprehensive planning under [AS 29.40.030](#).** The new definition for “economic development” would apply to this section, which describes the components of a municipality’s comprehensive plan.
5. **Optional exemptions and exclusions under [AS 29.45.050](#).** Economic development should be defined more broadly to allow local governments to incentivize businesses not only to make initial investments within municipalities, but also to maintain current operations. The new definition for “economic development” would apply to this section.

Prepared by Fairbanks North Star Borough