

**ALASKA STATE LEGISLATURE  
HOUSE SPECIAL COMMITTEE ON ECONOMIC DEVELOPMENT,  
INTERNATIONAL TRADE AND TOURISM**

April 30, 2003

5:18 p.m.

**MEMBERS PRESENT**

Representative Cheryll Heinze, Chair  
Representative Lesil McGuire, Vice Chair  
Representative Nancy Dahlstrom  
Representative Vic Kohring  
Representative Sharon Cissna  
Representative Harry Crawford

**MEMBERS ABSENT**

Representative Pete Kott

**COMMITTEE CALENDAR**

OVERVIEW BY THE ANCHORAGE ECONOMIC DEVELOPMENT CORPORATION RE:  
PROMOTING ANCHORAGE AS A PLACE TO LIVE AND DO BUSINESS

**TAPES**

03-11, SIDE(S) A

**CHAIR CHERYLL HEINZE** convened the meeting of the House Special Committee on Economic Development, International Trade and Tourism at 5:18 p.m. Present at the call to order were Representatives Heinze, Kohring, Cissna, Dahlstrom, and Crawford. Representative McGuire arrived shortly thereafter.

**SUMMARY OF INFORMATION**

LARRY CRAWFORD, President and Chief Executive Officer, Anchorage Economic Development Corporation (AEDC), introduced himself and provided some background into the achievements and aims of the corporation. Noting that AEDC is a nonprofit organization whose aim is to expand and diversify Anchorage's economy, he also said AEDC members serve as ambassadors to the world to promote business, travel, and economic development in Alaska. Mr. Crawford offered compact disks (CDs) containing a PowerPoint presentation to all members of the committee. He said much of the "outside world" maintained some misconceptions regarding the Anchorage airport and the city of Anchorage in general, and that

he felt strongly that it was important to dispel these misconceptions.

REPRESENTATIVE CISSNA noted that Paul Fuhs had proposed something regarding Fire Island.

MR. CRAWFORD responded that Fire Island was indeed an asset.

CHAIR HEINZE mentioned that committee members would all like to travel and promote Alaska, and asked if members of the committee might be able to have more CDs.

MR. CRAWFORD agreed that AEDC would be happy to provide ample CDs to the committee in an effort to dispel the common misconceptions surrounding Alaska as a place to live, visit, and do business.

CHAIR HEINZE mentioned that the Council of State Governments is planning to come to Anchorage in the fall of 2003, and suggested that they also should have copies of the CDs to promote Alaska. She then asked if AEDC was specifically targeting any areas to promote Alaskan business.

MR. CRAWFORD responded in the affirmative, stating that Asia is the number-one focus. He suggested that on their routes to other locations, flights should be via Anchorage, where they can easily stop for refueling, thus enabling them to carry a larger payload.

CHAIR HEINZE responded with the idea that on their return trip they might carry Alaskan products such as fish and geoducks, and stated that in the Asian market the demand for geoducks is huge.

REPRESENTATIVE CRAWFORD offered that in the near future, with the increased use of the Anchorage airport facilities, perhaps there could be light assembly [manufacturing outfits] in place. He suggested that if the facilities are built, the business will come.

MR. CRAWFORD responded that yes, "we" can provide the necessary goods and services if there is interest. He also mentioned that 66 percent of the Anchorage airport operating dollars come from air cargo, and that some carriers will use the Fairbanks airport as well.

CHAIR HEINZE asked if the Anchorage airport subsidizes the Fairbanks airport.

MR. CRAWFORD responded that the Anchorage airport subsidizes the Fairbanks airport at approximately \$6 million a year.

REPRESENTATIVE McGUIRE mentioned that former Representative James had once had a bill dealing with the subject of the airport, and that the governor may be in favor of supporting an airport commission.

CHAIR HEINZE inquired if there were any nonmilitary warehouses at the airport at the present time.

MR. CRAWFORD responded that no, at present there are no nonmilitary warehouse, but given the demand, they could easily and quickly be put into place.

MITCHELL GRAVO, Lobbyist, stated that this would be a capital-appropriations issue, and that they had drawn up a letter addressed to the finance committee that would be distributed to all Anchorage legislators as well as Matanuska-Susitna legislators for signature; this letter is a request for funding for Global Logistics Marketing. Mr. Gravo mentioned that there have been four phases to the program, and that now they are in phase four.

REPRESENTATIVE KOHRING asked how much money was being requested, and what the money would be used for.

MR. CRAWFORD responded that AEDC is funded 40 percent by the private sector and 60 percent by the public sector; that the money would go toward funding of AEDC's operations; that in the four phases, \$150,000 was utilized; and that it was expected that now, in the fourth and final stage, the same sum will be needed.

REPRESENTATIVE KOHRING asked for an example of some projects that have proven successful in the past.

MR. CRAWFORD responded that they have been successful in bringing Fed-Ex and UPS [United Parcel Service] business to Anchorage.

JOE GRIFFITH, Board Member, Anchorage Economic Development Corporation, added that in addition to these examples, there is a small high-tech company of 25 employees, as well as another small company that employees 19 Alaskans.

CHAIR HEINZE added that the company called Tasty Fries is looking to the Alaskan seafood industry to do business.

#### **ANNOUNCEMENTS**

There were no committee announcements.

#### **COMMITTEE ACTION**

The committee took no action.

#### **ADJOURNMENT**

There being no further business before the committee, the House Special Committee on Economic Development, International Trade and Tourism meeting was adjourned at 5:45 p.m.

NOTE: The meeting was recorded and handwritten log notes were taken. A copy of the tape(s) and log notes may be obtained by contacting the House Records Office at State Capitol, Room 3, Juneau, Alaska 99801 (mailing address), (907) 465-2214, and after adjournment of the second session of the Twenty-Third Alaska State Legislature this information may be obtained by contacting the Legislative Reference Library at (907) 465-3808.