

SCR

21

(7)  
Date Referred: March 10, 1989

FURTHER REFERRALS:

Date of Committee Action: 4-18-89

The LABOR & COMMERCE Committee considered:

SCR 21

SENATE CONCURRENT RESOLUTION NO. 21

Relating to the small business incubator program and to the Matanuska-Susitna Business Development Center Task Force.

RECOMMENDATIONS:

- be replaced with \_\_\_\_\_  the same title
- have attached amendment(s)  a new title
- do pass
- do not pass
- no recommendation
- individual recommendations
- additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

|  |   |
|--|---|
| ATTACHES NEW FISCAL NOTE(s):<br>(Dept)                   | APPROVES PREVIOUS:<br>(Date/Dept)                         |
| <input type="checkbox"/> fiscal impact _____             | <input type="checkbox"/> fiscal note(s) _____             |
| <input type="checkbox"/> <u>zero</u> fiscal note _____   | <input type="checkbox"/> <u>zero</u> fiscal note(s) _____ |
| <input type="checkbox"/> <u>zero</u> with analysis _____ | <input type="checkbox"/> <u>zero</u> fn/analysis _____    |

SIGNING DO PASS:

\_\_\_\_\_ David Douley  
 \_\_\_\_\_ Gruenberg  
 \_\_\_\_\_ Tinkelman  
 \_\_\_\_\_ Leman  
 \_\_\_\_\_ Boucher  
 \_\_\_\_\_ Boyer

SIGNING:  
(Check approp. column)

|               | Do Not Pass | No Rec                              | Amend |
|---------------|-------------|-------------------------------------|-------|
| _____ Collins |             | <input checked="" type="checkbox"/> |       |
| _____         |             |                                     |       |
| _____         |             |                                     |       |
| _____         |             |                                     |       |
| _____         |             |                                     |       |
| _____         |             |                                     |       |
| _____         |             |                                     |       |

\_\_\_\_\_ David Douley

Chairman's signature



United States  
Department  
of Agriculture

Rural  
Electrification  
Administration

Office  
of the  
Administrator

Exhibit 8  
Washington,  
D.C.  
20250

DFK  
302  
Dink  
File

OCT 31 1988

SUBJECT: 7 CFR Part 1709, Subpart B, Rural Economic  
Development Loan and Grant Program

TO: REA Borrowers

Attached for your information is a copy of the subject draft regulation that the Rural Electrification Administration (REA) published in the Federal Register on October 27, 1988. The program will provide zero interest loans and grants to RE Act borrowers for the purpose of promoting rural economic development and job creation projects. If you wish to submit comments, please forward them to Mr. Blaine D. Stockton, Jr., Assistant Administrator - Management, Rural Electrification Administration, Room 4063-South Building, U.S. Department of Agriculture, Washington, D.C. 20250. The Federal Register notice states that comments must be received by November 28, 1988. The comment period has been extended an additional 30 days and closes on December 28, 1988.

*Jack Van Mark*

JACK VAN MARK  
Acting Administrator

Attachment

RECEIVED

NOV 14 1988

MTA REA CERTIFICATION/  
CONTRACT ADMIN. DEPT.

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 21  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: Small Business Incubator Program BRU: Business Development  
Sponsor: Szymanski Components: \_\_\_\_\_  
Requester: Senate Labor & Commerce Committee

EXPENDITURES / REVENUES : (Thousands of Dollars)

| OPERATING         | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       |       |       |       |       |       |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       |       |       |       |       |       |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | 0     | 0     | 0     | 0     | 0     | 0     |

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

FUNDING: (Thousands of dollars)

|               |   |   |   |   |   |   |
|---------------|---|---|---|---|---|---|
| GENERAL FUND  |   |   |   |   |   |   |
| FEDERAL FUNDS |   |   |   |   |   |   |
| OTHER         |   |   |   |   |   |   |
| TOTAL         | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| FULL-TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PART-TIME |   |   |   |   |   |   |
| TEMPORARY |   |   |   |   |   |   |

ANALYSIS: (Attach a separate page if necessary.)

There are a number of existing federal and state grant programs that could provide funding for the small business incubator. Department of Commerce and Economic Development staff have offered to provide technical assistance on this project.

Prepared by: Tom Lawson, Acting Director Phone: 465-2017  
Division: Business Development Date: 3/2/89  
Approved by Commissioner: Larry Mercurieff Phone: 465-2500  
Agency: Department of Commerce & Economic Development Date: 3/2/89

Distribution (by preparer):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

page \_\_\_\_ of \_\_\_\_

SCR 21: SMALL BUSINESS INCUBATOR PROGRAM

Background

The Matanuska-Susitna Regional Economic Development Corporation established the Business Development Center Task Force. The task force has developed a proposal for a small business incubator to serve the Matanuska/Susitna Valley.

The premise behind a small business incubator is to assist new or young firms through a critical growth period. This is accomplished by the incubator offering low cost facilities, technical and administrative assistance, and possibly appropriate financing. The small business incubator concept has been tremendously successful across the country with more than 300 incubators in operation. However, no incubators are operating in Alaska at present.

*\$1,000 from Lawrence*

Analysis of Resolution

The resolution supports the small business incubator concept and the business development efforts of the Matanuska-Susitna Business Development Center Task Force.

The Department of Commerce and Economic Development supports the small business incubator program in concept. Staff have met with task force members and have offered technical assistance as well as identified potential funding sources.

*Larry Mercurieff*  
Larry Mercurieff, Commissioner  
Department of Commerce and Economic  
Development

Date: 3/3/89

LMLW/dgl3470D - *New or young small business thru*  
030389a *critical growth periods*

- *Offering low cost facilities, technical and administrative assistance,*
- *Over - 300 incubators in operation in law 48 - now new -*



# Alaska State Legislature

Senator Mike Szymanski

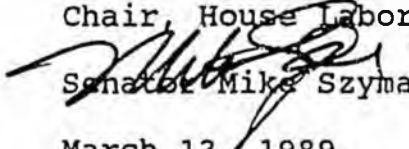
While in Session:  
P.O. Box V  
State Capitol, Room 11  
Juneau, Alaska 99811  
(907) 465-4978/4979  
FAX (907) 465-7652

During Interim:  
3111 C Street, Suite 510  
Anchorage, Alaska 99503  
(907) 561-7617

165 E. Parks Highway  
Legislative Information Office  
Wasilla, Alaska 99687  
(907) 376-MIKE

## MEMORANDUM

To: Representative Dave Donley  
Chair, House Labor & Commerce Committee

From:  Senator Mike Szymanski

Date: March 13, 1989

Subject: Request for Committee Hearing on SCR21  
Small Business Incubator Program

I formally request a hearing be held at your earliest convenience in House Labor & Commerce Committee on Senate Concurrent Resolution 21, A Resolution relating to the organization of a small business incubator program.

Attached are copies of the following backup materials:

Senate Concurrent Resolution 21  
Fiscal Note from the Department of Commerce & Economic  
Development

Position Paper  
Borough Assembly Document, Proposed Budget for Pilot Program  
REDCOR Document, The Matanuska-Susitna Business Development  
Center

The Frontiersman article, dated January 25, 1989  
The Anchorage Times article, dated January 25, 1989  
MEA'S Power Line article, dated December 1988

If you need additional reference material, I have the complete file in my office.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez



# Alaska State Legislature

Senator Mike Szymanski

While in Session:  
P.O. Box V  
State Capitol, Room 11  
Juneau, Alaska 99811  
(907) 465-4978/4979  
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Wasilla, Alaska 99687  
(907) 376-MIKE

## POSITION PAPER

### SCR21

#### A Resolution Related to the Organization of A Small Business Incubator Program

The Regional Economic Development Corporation (REDCOR) has been exploring the feasibility of a Small Business Incubator Program for the Matanuska-Susitna Borough. This type of program has been very successful throughout the lower forty-eight states by providing professional, technical and financial assistance to small businesses during their "start-up" phase.

The Purpose of a Small Business Incubator program is to create jobs and diversify the local economy.

The Borough's economic development and economic stability depends on small businesses. Statistics show that small businesses provide a far greater number of jobs than larger ones do.

The Incubator program will be designed so as not to directly compete with other established local businesses, but rather to bring in new businesses that provide services and products that are needed but not currently provided locally.

The concept of a Small Business Incubator program has received a lot of community support, and small business entrepreneurs have joined together to share their expertise and have established the Matanuska-Susitna Business Development Center Task Force. The Task Force is charged with the overall coordination and administration of the project in addition to its implementation.

SCR21 requests that the Alaska State Legislature support the small business incubator concept and the business development efforts of the Matanuska-Susitna Development Center Task Force.

Senate District E

Mat-Su • So. Anchorage • Bird/Indian • Girdwood • Whittier • Nikiski • Cooper Landing • Hope • Seward • Cordova • Valdez

SCR 21: SMALL BUSINESS INCUBATOR PROGRAM

Background

The Matanuska-Susitna Regional Economic Development Corporation established the Business Development Center Task Force. The task force has developed a proposal for a small business incubator to serve the Matanuska/Susitna Valley.

The premise behind a small business incubator is to assist new or young firms through a critical growth period. This is accomplished by the incubator offering low cost facilities, technical and administrative assistance, and possibly appropriate financing. The small business incubator concept has been tremendously successful across the country with more than 300 incubators in operation. However, no incubators are operating in Alaska at present.

*\$1,600 from donations*

Analysis of Resolution

The resolution supports the small business incubator concept and the business development efforts of the Matanuska-Susitna Business Development Center Task Force.

The Department of Commerce and Economic Development supports the small business incubator program in concept. Staff have met with task force members and have offered technical assistance as well as identified potential funding sources.

*Larry Mercurieff*  
\_\_\_\_\_  
Larry Mercurieff, Commissioner  
Department of Commerce and Economic  
Development

Date: 3/3/89

LM/LW/dgl3470D  
030389a

*New or young small businesses thru  
critical growth periods*

- Offering low cost facilities, technical and administrative assistance,
- Only - 300 incubators in operation in law 48 - now now -

STATE OF ALASKA  
1989 LEGISLATIVE SESSION

BILL VERSION: SCR 21  
PUBLISH DATE: \_\_\_\_\_

FISCAL NOTE

REQUEST:

Revision Date: \_\_\_\_\_ Agency Affected: Commerce & Econ. Dev.  
Title: Small Business Incubator Program BRU: Business Development  
Sponsor: Szymanski Components: \_\_\_\_\_  
Requester: Senate Labor & Commerce Committee

EXPENDITURES / REVENUES : (Thousands of Dollars)

| OPERATING         | FY 89 | FY 90 | FY 91 | FY 92 | FY 93 | FY 94 |
|-------------------|-------|-------|-------|-------|-------|-------|
| PERSONAL SERVICES |       |       |       |       |       |       |
| TRAVEL            |       |       |       |       |       |       |
| CONTRACTUAL       |       |       |       |       |       |       |
| SUPPLIES          |       |       |       |       |       |       |
| EQUIPMENT         |       |       |       |       |       |       |
| LAND & STRUCTURES |       |       |       |       |       |       |
| GRANTS, CLAIMS    |       |       |       |       |       |       |
| MISCELLANEOUS     |       |       |       |       |       |       |
| TOTAL OPERATING   | 0     | 0     | 0     | 0     | 0     | 0     |

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| CAPITAL | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

|         |   |   |   |   |   |   |
|---------|---|---|---|---|---|---|
| REVENUE | 0 | 0 | 0 | 0 | 0 | 0 |
|---------|---|---|---|---|---|---|

FUNDING: (Thousands of dollars)

|               |   |   |   |   |   |   |
|---------------|---|---|---|---|---|---|
| GENERAL FUND  |   |   |   |   |   |   |
| FEDERAL FUNDS |   |   |   |   |   |   |
| OTHER         |   |   |   |   |   |   |
| TOTAL         | 0 | 0 | 0 | 0 | 0 | 0 |

POSITIONS:

|           |   |   |   |   |   |   |
|-----------|---|---|---|---|---|---|
| FULL TIME | 0 | 0 | 0 | 0 | 0 | 0 |
| PARTTIME  |   |   |   |   |   |   |
| TEMPORARY |   |   |   |   |   |   |

ANALYSIS: (Attach a separate page if necessary.)

There are a number of existing federal and state grant programs that could provide funding for the small business incubator. Department of Commerce and Economic Development staff have offered to provide technical assistance on this project.

Prepared by: Tom Lawson, Acting Director Phone: 465-2017  
Division: Business Development Date: 3/2/89  
Approved by Commissioner: Larry Mercurieff Phone: 465-2500  
Agency: Department of Commerce & Economic Development Date: 3/2/89

Distribution (by preparer):

Legislative Finance  
Legislative Sponsor  
Requestor  
Office of Management and Budget  
Impacted Agency(ies)

page \_\_\_\_ of \_\_\_\_

SUBJECT: Small Business  
Incubator Program

For Agenda of: 12/20/88 No. AM88-626

ATTACHMENTS:

| Route to | Dept/Committee/Individual:                                    | Initials: | Remarks    |
|----------|---|-----------|------------|
|          | (Please Review & return when routing complete to: originator) |           |            |
| 1        | Planning Division   |           | Originator |
| 2        | Planning Director   |           |            |
|          | Assessor  |           |            |
|          | Public Works Director   |           |            |
| 3        | Finance Director  |           |            |
| 4        | Attorney  |           |            |
| 5        | Manager   |           | 12/16/88   |
|          | Mayor   |           |            |

SUMMARY STATEMENT:

The Regional Economic Development Corporation (REDCOR) has been exploring the feasibility of a Small Business Incubator Program for the Matanuska-Susitna Borough. This type of program has been very successful throughout the lower forty-eight states by providing professional, technical and financial assistance to small businesses during their "start-up" phase.

The Purpose of a Small Business Incubator program is to create jobs and diversify the local economy.

The Borough's economic development and economic stability depends on small businesses. Statistics show that small businesses provide a far greater number of jobs than larger ones do. Currently, our Borough does

FISCAL ACTION (TO BE COMPLETED BY FINANCE) FISCAL IMPACT? YES OR NO

AMOUNT REQUESTED \$ 8,800.00 FUNDING SOURCE Community Development Activities  
FROM ACCOUNT # 203-610-425.10 PROJECT # N/A  
TO ACCOUNT # N/A PROJECT # N/A

VERIFIED BY: [Signature] CERTIFIED BY: [Signature]

RECOMMENDED ACTION: The REDCOR Small Business Incubator Task Force respectfully request approval of the attached budget.

Approved by: [Signature]  
John Hale, Borough Manager

Inaccurate

not have large scale industrial type facilities; therefore, we have no choice but to depend on the small businesses to help stabilize and diversify our continually declining economy.

The incubator program will be designed so as not to directly compete with other established local businesses, but rather to bring in new businesses that provide services and products that are needed but not currently provided locally and to focus on "value added" type businesses.

The concept of a Small Business Incubator program has received a lot of community support, and small business entrepreneurs are excited about the possibilities of economic growth and diversity this type of facility could bring to the Borough. Attached is additional information for your review.

A Small Business Incubator Task Force has been formed comprised of approximately fourteen members with a wide range of professional and business expertise. The Task Force is charged with the overall coordination and administration of the project through its implementation. The Task Force meets on Thursdays at 5:00 P.M. in the Planning Department's Conference Room.

Economic Development Specialists knowledgeable about incubators recommend that before proceeding with such a project that an analysis of the market potential for an incubator be completed and also that sites of other successful incubator facilities be visited to learn from their success and mistakes.

Most of the work for this program will continue to be done by volunteers and SBI Task Force members. However, there are minimal out-of-pocket expenses that require funding in order to continue with the initial steps of this program. We have confirmed that Federal, State and local grants and other sources of funding are available for implementation and operation of this type of project, and we are continuing our efforts to secure funding through these programs.

THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER

A Small Business Incubator

1. OVERVIEW

The Matanuska-Susitna Regional Economic Development Corporation (REDCOR) has been exploring the benefits of a local small business development program based upon the concept of small business incubation. With the formation of an incubator committee by the Mat-Su Borough and REDCOR in November of 1988 and the recent appropriation of \$16,000 from the Borough's Economic Development Fund, this program is now on the road to becoming a reality. The committee, known as the "Matanuska-Susitna Business Development Center Task Force", is comprised of seventeen members who have a wide range of both private and public sector business expertise (see exhibit 1).

Thus far, the efforts of the Task Force have been relatively low profile: general concept familiarization; development of the mission statement, goals and objectives (see exhibit 2); targeting funding sources; and establishment of a tentative project schedule and budget. Despite this low profile approach, these efforts have already attracted the interest of a number of anxious entrepreneurs with ideas like: hardwood toys; French fries and dehydrated potatoes; gold nugget jewelry manufacturing; reindeer ranching; and gourmet (yuppie) sauerkraut.

The small business incubator concept has been tremendously successful across the country, in many cases turning dying communities into active commercial and industrial centers. Today, over 300 incubators are in operation throughout the lower 48 states, many of which are serving small cities and rural towns with problems much like our own. Like many other rural areas across this nation, the Mat-Su Borough has high unemployment, lacks economic diversification and exports its young people, who leave because there are no opportunities here. The Mat-Su Borough had the highest unemployment rate in

Alaska during 1987 at 18.8 percent.<sup>1</sup> The slight reduction in 1988 to 15.7% was due not to an improved economy but to less people.

Our local business economy is built around providing retail services to the public sector and each other. To illustrate the point, we need only consider the primary local employers: Borough schools; Borough, State and Federal government; utility companies; the hospital; and the grocery chains. Our top 10 employers are government organizations or service companies.

A healthy environment for small business is absolutely essential to effective community development.<sup>2</sup> Unfortunately, in Alaska we have tended to look at small businesses as service or retail outlets only. We rely instead on the "big hits" to drive our economy. There's this dangerous tendency to believe that all we have to do is wait for the oil price to go up, win the Olympic bid, gain a Navy "home" port, or build a natural gas pipeline, then everything will be just fine again.

Like many third world countries, our economy produces little that isn't exported as a raw natural resource. Sometimes all we export is our name. On shelves across America (including Alaska) you can find "Alaska (brand) Fish Fertilizer", complete with a totem pole, the big dipper and Renton, Washington address.

Why is the "Mat-Su Business Development Center" so important to our economic future? Because it is one of our best hopes for employment opportunities now and for stable economic growth in the future. It will help to move us from

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<sup>1</sup> At the same time, Anchorage and Fairbanks had unemployment rates of 7.1% and 11.8% respectively.

<sup>2</sup> Nationally, small business accounts for more jobs than big business, and generates more than half of all major innovations. According to the Small Business Administration, small firms and inventors are 2.4 times more productive per employee and 24 times more productive per research and development dollar.

an economy based upon consumption to one based upon production. It will help change our perception of small business by cultivating the entrepreneurial spirit of our people. This program is aimed at the latent entrepreneur whose dream needs a chance to leave the kitchen table, "cottage industries" whose products should be outgrowing the basements and garages, and seasoned businesses with a vision to expand to national and international export markets.

OK, so what is a "Small Business Incubator"? Simply stated, small business incubation is a flexible method of encouraging the development of new businesses and fostering local economic development. Incubators are facilities in which a number of new and growing businesses operate under one roof with affordable rents, shared services and equipment, and access to a wide range of professional, technical and financial programs. An incubator provides an environment where a new business is assured a maximum chance at successfully surviving the "start-up" phase of its growth cycle. It's sort of a "pressure cooker" for small business development. Some will argue that we don't need to provide a new or growing businesses with floor space and business advice because we have no shortage of vacant floor space in the valley and there are state and federal business programs in existence. If it were that simple, there would be no shortage of new business ventures and employment opportunities today. What the facility provides is somewhat like the role of critical mass in a nuclear reaction.

Our battle for economic strength and vitality will be won with small victories, by encouraging and assisting the entrepreneurial efforts of our greatest natural resource, our people. This will be a broad based effort that harnesses the combined energies and resources of government, private enterprise, community organizations, and educational institutions. The ultimate objective of this program is to give the Matanuska-Susitna region that one elusive ingredient so necessary for long term economic health and stability. That missing ingredient is diversity.

## 2. OBJECTIVE

Because the economic problems we face in Alaska and in the Mat-Su Borough demand swift and decisive action, the Matanuska-Susitna Business Development Center Task Force is seeking immediate financial assistance to launch a six month pilot program by April 1, 1989 to run during the second half of the (federal) fiscal year. During this pilot program period, the Business Development Center will operate in accordance with our adopted mission "to assist new enterprises by providing a dynamic, synergistic environment that nurtures the development of private businesses from conception to ultimate independence while also enhancing and supporting the development of established businesses". The Business Development Center will complete or make significant progress toward meeting the following objectives:

- \* *Establish a tenant targeting and recruitment program that encourages labor-intensive firms to locate in the incubator facility.*
- \* *Provide individualized assistance tailored to fit specific needs of both new and existing businesses.*
- \* *Establish a flexible facility management approach.*
- \* *Establish an advisory board of professionals to provide technical, financial, accounting, marketing and clerical support services to small businesses; develop a public and community support network whereby support services could be provided at a reduced or even no charge.*
- \* *Assist businesses in the preparation of plans and strategies that will increase the likelihood of success.*
- \* *Identify products and services not readily available locally and recruit businesses that would provide them (import substitution).*
- \* *Enhance our region image as a center of productivity by working together with the Mat-Su College (UAA) to implement small business and entrepreneurial education programs.*
- \* *Focus on businesses with a high degree of entrepreneurial spirit and potential for early results that would generate recognition for the region and the "incubator" program.*
- \* *Begin to create marketing outlets for local products and services by developing an aggressive marketing program and providing coordination between local producers and Alaskan, national and international distributors and retailers.*

- \* *In cooperation with existing programs, provide training and placement programs for the<sup>3</sup> local work force that offer shared cost benefits to local businesses.*
- \* *Establish a venture capital advisory group to locate and attract venture capital and provide loan and venture capital packaging assistance.*

Prior to the end of the pilot program period, the Business Development Center will complete a comprehensive market analysis, establish operational standards, and provide a detailed progress report which will accompany any request for continuing project funding.

### 3. GENERAL (TARGET) PROGRAM DESCRIPTION

- 3.1 Concept: The Matanuska-Susitna Business Development Center will be a locally designed incubator where new and small fledgling businesses receive valuable assistance in management, marketing, and financing. The Center will provide cost-efficient space for both office and light assembly/manufacturing type businesses. Administrative shared services such as copying, word processing, bookkeeping, and phone answering will also be available.
- 3.2 Developers: The Center is a joint effort of the local government (Matanuska-Susitna Borough) and the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), a non-profit corporation which is charged with promoting the area to potential business and industrial interests. The Matanuska-Susitna Borough is actively seeking new growth to meet the dual challenges of expanding our region's economic base and creating jobs for our people.

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<sup>3</sup> The American Improvement Matrix (AIM) employment program will work with the "incubator" to provide such services and will coordinate efforts with the JTPA program and future Alaskan Job Corps Center.

- 3.3 Operating Status: The Center is to be a non-profit corporation.
- 3.4 Opening Date: The objective is to incorporate the Center by April 1, 1989 and open a facility by June 1, 1989.
- 3.5 Business Market Area: State, National and International
- 3.6 Possible Funding Sources:
- a) Economic Development Administration (EDA)
  - b) Housing and Urban Development (HUD)
  - c) Rural Electrification Administration (REA)
  - d) Employment and Training Administration (JTPA)
  - e) Farmers Home Administration (FmHA)
  - f) Small Business Administration (SBA)
  - g) State of Alaska: Department of Economic Development
  - h) Mat-Su Borough Economic Development Fund
  - i) Foundation and Corporate Grants
- 3.7 Leasable Space: 10,000 plus square feet
- 3.8 Number of Business Spaces: 15+
- 3.9 Space Usage: Single office to light assembly/manufacturing
- 3.10 Base Rent and Support Services: Office rental charges would begin at about \$150.00 (minimum) per month and vary according to business type and office size. There will be a nominal one time administrative fee (\$25.00) to apply for space or seek consultation. The following services may be included:
- a) Professional Office Environment
  - b) Directory Listing
  - c) Secretarial/Clerical Services
  - d) Word Processing
  - e) Telephone Answering Service
  - f) Janitorial Service
  - g) Utilities
  - h) Copy Machine
  - i) Facsimile (FAX) Machine
  - j) Conference Room with Audio-Visual
  - k) Business (PC) Computer Access and Software
  - l) Postage Machine and Parcel Support Services

- m) Managerial and Technical Assistance with Business Plan Development, Market Research, Financing
- n) Information Center (Library) Use
- m) Bookkeeping Assistance
- o) Shared Light Assembly/Manufacturing Area

3.11 Additional Support Services: Small Business Assistance Network

- a) Mat-Su College (UAA) Educational Programs
- b) Matanuska-Susitna Regional Economic Development Corporation (REDCOR)
- c) Matanuska-Susitna Borough - Planning Dept.
- d) American Improvement Matrix (AIM) Employment Program
- e) Anchorage Center for International Business (ACIB)

3.12 Estimated New Job Creation: 20 (11 inside and 9 outside incubator)

3.13 Tenant Selection Guidelines:

- a) The use of incubator space by retail business is inappropriate due to the nature of the facility and the availability of alternative space in the immediate area. This does not preclude on site retail sale of merchandise produced by program participants.
- b) Prospective tenants currently located in other facilities in the Mat-Su region that are proposing an extension of their existing business will not be accepted. Neither will the Center consider space for a satellite office of business based outside the Mat-Su that is not committed to staffing the office from the local work force. This does not prevent an existing business from occupying space for a new or related venture or from using other services offered by the Business Development Center.
- c) Service and manufacturing businesses that intend to compete exclusively in the local market may be discouraged but not necessarily excluded from incubator space. In keeping with the Center's philosophy to foster strong economic growth and job creation in the Mat-Su region, certain start-up businesses that fall into this category may be identified as types that would benefit from the incubator format without creating hardships for similar existing businesses. The Center acknowledges the facts that (1) not all tenant businesses must be unique in nature and that (2) the growing Mat-Su economy will be able to absorb additions to certain business types.
- d) Preference will be given to businesses that (1) intend to market beyond the confines of the Mat-Su area and Alaska, that (2) make "value added" use of local natural resources, that (3) are unique to the local economy, and/or (4) will employ large numbers of local people. This preference may take the form of prime office space, reduced rents, and subsidized or additional services.

- e) In addition to the other factors mentioned above, manufacturing tenants will be screened with consideration given to the environmental impact of the business as related to the facility's ability to (1) accommodate the movement of materials and people, (2) handle waste, ventilation and noise, and (3) be compatible with other tenants and the surrounding community.

3.14 Informational Contacts:

- a) Correspondence - Matanuska-Susitna Borough Planning Department, Box 1608, Palmer, Alaska, 99645, Attn: Mary Utter
- b) Task Force Chair - Karl Eric Rye, Tel: 907-745-9583
- c) Planning Subcommittee Chair - Jim Gonski, Tel: 907-745-4255
- d) Funding Subcommittee Chair - Erma Perry, Tel: 907-373-1333
- e) Education Subcommittee Chair - Harold Newcomb, Tel: 907-376-5346

4. PROPOSED PILOT PROGRAM SCHEDULE ("C" Indicates complete)

|  |          |
|--|----------|
| <u>C</u> ... Establish Task Force .....                              | 11/15/88 |
| <u>C</u> ... Define Mission, Goals and Objectives .....              | 12/01/88 |
| <u>C</u> ... Prepare Conceptual Program of Work .....                | 12/15/88 |
| <u>C</u> ... Identify possible SBI Locations .....                   | 12/15/88 |
| <u>C</u> ... Gain Assembly Support for Conceptual Plan .....         | 01/30/89 |
| <u>C</u> ... Hold Community Meetings on Conceptual Plan .....        | 01/30/89 |
| _ ... Begin Negotiations for SBI Facility .....                      | 02/15/89 |
| _ ... Conduct Market Analysis .....                                  | 02/28/89 |
| _ ... Prepare Preliminary Financial Feasibility .....                | 02/28/89 |
| _ ... Apply for Federal and/or Other Funding .....                   | 03/15/89 |
| _ ... Obtain Non-Profit Corporate Status for SBI (Organization) .... | 04/01/89 |
| _ ... Assembly Approval of Final SBI Program .....                   | 04/30/89 |
| _ ... Receive Approval of Primary Funding .....                      | 05/01/89 |
| _ ... Open Facility and Implement Pilot SBI Program .....            | 06/01/89 |
| _ ... Provide Detailed Progress Report to Funding Source(s) .....    | 08/31/89 |
| _ ... Begin Full SBI Program Operation .....                         | 10/01/89 |

Matanuska-Susitna Business Development Center Task Force

|  |          |
|--|----------|
| Karl Erik Rye (Project Leader), REDCOR and Matanuska Telephone ..... | 745-9583 |
| Gladys Dixon, Mat-Su Economic Development Corp. (REDCOR) .....       | 373-0831 |
| John Duffy, Mat-Su Borough - Planning Director .....                 | 745-9661 |
| Minnie Fisher, Business and Professional Women's Association .....   | 376-1442 |
| Jim Gonski, Mat-Su College and Financial Resources Group .....       | 745-4255 |
| Ralph Hulbert, Palmer Historical Society .....                       | 745-4586 |
| Don Loesche, REDCOR .....  | 892-7111 |
| John Loyd, Matanuska Telephone - Marketing .....                     | 745-3211 |
| Jim McGowan, REDCOR - Executive Director .....                       | 345-3298 |
| Harold Newcomb, REDCOR and Wasilla Realty .....                      | 376-5346 |
| Erma Perry, AIM Youth Employment Program .....                       | 373-1333 |
| Bruce Scott, Matanuska Electric .....                                | 745-3231 |
| Dave Soulak, Palmer City Manager .....                               | 745-3271 |
| John Stein, Wasilla City Mayor .....                                 | 373-9055 |
| Bruce Strand, Key Bank .....   | 373-6100 |
| Mary Utter, Mat-Su Borough Planning Dept. ....                       | 745-9664 |
| Chuck Vancura, Valley Hospital .....                                 | 745-4813 |

Planning Sub-committee

Jim Gonski (chair)  
 John Duffy  
 Don Loesche  
 Karl Rye  
 Dave Soulak  
 Mary Utter

Funding Sub-committee

Erma Perry (chair)  
 Gladys Dixon  
 Ralph Hulbert  
 Jim McGowan  
 Bruce Strand  
 Mary Utter

Education Sub-committee

Harold Newcomb (Chair)  
 Minnie Fischer  
 John Loyd  
 Bruce Scott  
 John Stein  
 Mary Utter  
 Chuck Vancura



Box 873542, Wasilla, AK 99687

January 9, 1989

## THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER

### A Small Business Incubator

#### Mission Statement

The Matanuska-Susitna Business Development Center mission is to assist new enterprises by providing a dynamic, synergistic environment that nurtures the development of private businesses from conception to ultimate independence while also enhancing and supporting the development of established businesses.

#### Goals and Objectives

##### 1. Job Creation & Retention

- A. Establish a tenant targeting and recruitment program that encourages labor-intensive firms to locate in the incubator facility.
- B. Provide individualized assistance tailored to fit specific needs of both new and existing businesses.
- C. Maintain a flexible facility management approach.
- D. Provide a complete program of professional, technical, financial, accounting, marketing and shared office support to tenants.
- E. Assist businesses in the preparation of plans and strategies that will increase the likelihood of success.

##### 2. Economic Diversification

- A. Promote businesses that would diversify and strengthen the local economy and help the local businesses maintain a competitive edge by providing products and services not currently available.
- B. Support and foster indigenous new businesses.

**3. Fill Gaps Identified in the Local Economy**

- A. Identify products and services not readily available locally and recruit businesses that would provide them.
- B. Encourage firms that specialize in "import substitution" products and services.
- C. Encourage businesses that capitalize on local products and natural resources.
- D. Encourage and promote local businesses that commit to "local hire" practices.
- E. Promote the export of "value added" natural resource products.

**4. Enhance Community's Image as a Center of Productivity**

- A. Implement aggressive outreach marketing and education programs.
- B. Capitalize on public relations opportunities.
- C. Sponsor periodic trade shows.
- D. Focus on businesses with a high degree of entrepreneurial spirit and potential for early results that would generate recognition for the region and the incubator program.
- E. Support the well planned development of industrial parks and commercial facilities.

**5. Create Marketing Outlets for Community Products and Services**

- A. Implement an aggressive marketing program for local products and services.
- B. Provide assistance and coordination between local producers and state, national and international distributors and retailers.

**6. Expand the Local Tax Base**

- A. Encourage firms to locate, expand and/or startup in the area.
- B. Encourage state and local government to offer incentives to businesses (particularly "value added" resource product industries) that locate, expand and/or startup in the area.
- C. Encourage and support the development of large-scale projects, i.e., Hatcher Pass Ski Resort, Wishbone Hill Coal Development, and Point MacKenzie Port projects.

- D. Enhance and maintain high quality lifestyle to attract people to locate to the area.
- E. Provide educational and training programs that develop a competitive work force.

**7. Create Local Investment Opportunities in High-Growth Companies**

- A. Sponsor periodic venture capital conferences and enterprise forums.
- B. Establish a venture capital advisory group to locate and attract venture capital.
- C. Provide loan and venture capital packaging assistance.
- D. Assist businesses to "go public" through the issuance of stocks and bonds or creation of limited partnerships.

**8. Assist in Meeting Capital Needs**

- A. Encourage low interest loans with flexible repayment plans, i.e., depending on earnings/profits.
- B. Encourage debt-equity investment programs, short-term notes on accounts receivable, etc.
- C. Secure state, federal and local grant funding wherever available.
- D. Encourage businesses that have low to moderate start-up capital requirements.
- E. Develop a public and community support network whereby support services could be provided at a reduced or even no charge.

Kaye

Exhibit 3

JOHN C STEVENS MISSISSIPPI CHAIRMAN

|                                  |                                |
|----------------------------------|--------------------------------|
| ROBERT C BYRD WEST VIRGINIA      | MARY O MATFIELD OREGON         |
| WILLIAM PROXMIRE WISCONSIN       | TID STEVENS ALASKA             |
| DAHME E MOULTE HAWAII            | LOWELL P WICKER JR CONNECTICUT |
| ERNEST F HOLLINGS SOUTH CAROLINA | JAMES A MCCLURE IDAHO          |
| LAWTON CHILES FLORIDA            | JAKE GARN UTAH                 |
| J BENNETT JOHNSTON LOUISIANA     | THAD COCHRAN MISSISSIPPI       |
| QUENTIN N BURDICK NORTH DAKOTA   | ROBERT W GASTEN JR WISCONSIN   |
| PATRICK J LEAHY VERMONT          | ALFONSO M D'AMATO NEW YORK     |
| JIM BASSER TENNESSEE             | WARREN RUDDMAN NEW HAMPSHIRE   |
| DENNIS ONDRECHN ARIZONA          | ARLEN SPECTER PENNSYLVANIA     |
| DALE BUMPERS ARKANSAS            | PETE V DOMINICI NEW MEXICO     |
| FRANK R LAUTENBERG NEW JERSEY    | CHARLES E GRASSLEY IOWA        |
| TOM HARCHER IOWA                 | DON NICHALES OKLAHOMA          |
| BARBARA A MIKULSKI MARYLAND      |                                |
| HARRY REID NEVADA                |                                |

United States Senate  
 COMMITTEE ON APPROPRIATIONS  
 WASHINGTON, DC 20510-6025

*Bus Dev. Center*

FRANCIS J SULLIVAN STAFF DIRECTOR  
 J KEITH KENNEDY MINORITY STAFF DIRECTOR

December 17, 1987

*Kaye-Kitchell*

Leo C. Kaye  
 HC 30 Box 12934  
 Wasilla, Alaska 99687

Dear Leo:

Thanks for your letter concerning the establishment of a Small Business Incubator in the Mat-Su Valley.

I have contacted the Small Business Administration on your behalf to obtain any additional information on sources of start-up funds and advice for organizing a Small Business Incubator. I will keep you informed of any developments.

I appreciate your comment expressing support for ANWR. I will continue to do all I can at the federal level to permit environmentally sensitive exploration and development of the Arctic National Wildlife Refuge's coastal plain.

With best wishes,

Cordially,

*Ted Stevens*  
 TED STEVENS

MATANUSKA-SUSITNA BOROUGH  
ASSEMBLY RESOLUTION SERIAL NO. 89- 020

A RESOLUTION OF THE ASSEMBLY OF THE MATANUSKA-SUSITNA BOROUGH SUPPORTING  
THE CONCEPT OF A SMALL BUSINESS INCUBATOR PROGRAM

WHEREAS, the Matanuska-Susitna Borough residents and businesses continue to be adversely affected by the current economic recession; and

WHEREAS, a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Borough's economic development and economic stability depends primarily on small businesses; and

WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the Matanuska-Susitna Borough Assembly believes that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Assembly of Matanuska-Susitna Borough supports the concept of a Small Business Incubator Program; and

PASSED AND APPROVED by the Assembly of the Matanuska-Susitna Borough this 17 day of January, 1989.

Dorothy A. Jones  
Dorothy A. Jones, Borough Mayor

ATTEST:

Linda Dahl  
Linda Dahl, Borough Clerk

Reso 89-020

MATANUSKA-SUSITNA BOROUGH  
PLANNING COMMISSION RESOLUTION 89-16

A RESOLUTION OF THE PLANNING COMMISSION OF THE MATANUSKA-SUSITNA BOROUGH  
SUPPORTING THE CONCEPT OF A SMALL BUSINESS INCUBATOR PROGRAM

WHEREAS, the Matanuska-Susitna Borough residents and businesses continue to be adversely affected by the current economic recession; and

WHEREAS, a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Borough's economic development and economic stability depends primarily on small businesses; and

WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the Matanuska-Susitna Borough Planning Commission believes that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Planning Commission of the Matanuska-Susitna Borough supports the concept of a Small Business Incubator Program; and

PASSED AND APPROVED by the Planning Commission of the Matanuska-Susitna Borough this 16<sup>th</sup> day of January, 1989.

John Duff  
John Duff, Planning Director

ATTEST:

Mary Utter  
Mary Utter, Planning Clerk

A RESOLUTION OF THE CITY OF PALMER  
PLANNING AND ZONING ADVISORY COMMISSION

A RESOLUTION OF THE PLANNING AND ZONING ADVISORY COMMISSION OF THE CITY OF PALMER SUPPORTING THE SMALL BUSINESS INCUBATOR PROGRAM DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER TASK FORCE.

WHEREAS, residents and businesses within the City of Palmer and Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, through the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Task Force proposes to establish a Small Business Incubator facility within the City of Palmer; and

WHEREAS, the City and Borough economic development and stability depends primarily on small businesses; and

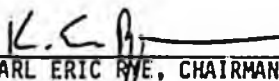
WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the City of Palmer Planning and Zoning Advisory Commission believes that every effort should be made to improve and stabilize the City and Borough economy.

NOW, THEREFORE, BE IT RESOLVED that the Planning and Zoning Advisory Commission of the City of Palmer supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force; and

BE IT FURTHER RESOLVED that the Commission urges the support of the Palmer City Council for the Small Business Incubator concept and the Task Force.

Passed and approved by the Planning and Zoning Advisory Commission of the City of Palmer this 12th day of January, 1989.

  
KARL ERIC RYE, CHAIRMAN

  
DAVID L. SOULAK, CITY CLERK

RESOLUTION: NO. 89-1

A RESOLUTION OF THE MAT-SU CONVENTION AND VISITORS BUREAU SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER TASK FORCE.

WHEREAS, Tourism in the borough has slowed due to lack of infrastructure including businesses with a high degree of entrepreneurial spirit; and

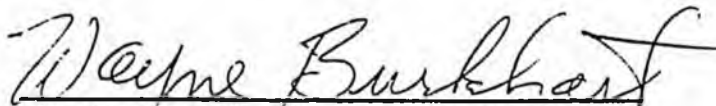
WHEREAS, visitors to Alaska seek our local products, natural resources and 'Alaska Grown'; and

WHEREAS, the visitor industry is in need of hospitality training programs that develop a competitive work force; and

WHEREAS, tourism on an international level is assisting in the creation of a 'GLOBAL ECONOMY'!

NOW, THEREFORE, BE IT RESOLVED that the MAT-SU CONVENTION AND VISITORS BUREAU supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force.

PASSED and APPROVED by the MSCVB  
January 26, 1989.

  
Wayne Burkhardt, President MSCVB



## CITY OF WASILLA

290 E. HERNING AVE.  
WASILLA, ALASKA 99687  
PHONE: 373-9050

### RESOLUTION NO. WR89-06

A RESOLUTION OF THE CITY COUNCIL OF WASILLA, ALASKA SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER TASK FORCE

WHEREAS, residents and businesses within the City of Wasilla and Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, through the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), a group of concerned local professional and private citizens of the Borough have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development and implementation of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversify the local economy; and

WHEREAS, a Small Business Incubator facility will provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Task Force will be seeking to establish a Small Business Incubator facility in the Wasilla area; and

WHEREAS, the City and Borough economic development and stability depends primarily on small businesses; and


WHEREAS, Federal, State and local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the Wasilla City Council believes that every effort should be made to improve and stabilize the City and Borough economy.


NOW, THEREFORE BE IT RESOLVED that the Wasilla City Council supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Development Center Task Force.

I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 23 day of January, 1989.

ATTEST:

  
\_\_\_\_\_  
Erling P. Nelson, C.M.C.  
City Clerk

APPROVED:

  
\_\_\_\_\_  
John C. Stein, Mayor

(Seal)

A RESOLUTION OF THE PALMER CHAMBER OF COMMERCE BOARD OF DIRECTORS SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSUTNA BUSINESS DEVELOPMENT CENTER TASK FORCE

---

WHEREAS, residents and businesses within the Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, Under the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), concerned local professionals and private citizens have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversity the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

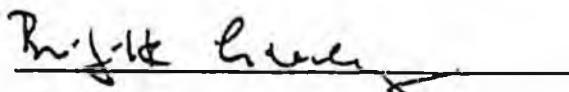
WHEREAS, the Borough's economic development and stability depends primarily on small businesses; and

WHEREAS, Federal, State and Local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, the Palmer Chamber of Commerce believes that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Palmer Chamber of Commerce supports the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force.

PASSED AND APPROVED by the Palmer Chamber of Commerce Board of Directors this 18th of January, 1989.

  
\_\_\_\_\_  
Brigitte Lively, President

**A RESOLUTION OF THE MAT-SU DEMOCRATS (DISTRICT 16) SUPPORTING THE SMALL BUSINESS INCUBATOR CONCEPT AND THE DEVELOPMENT EFFORTS OF THE MATANUSKA-SUSUTNA BUSINESS DEVELOPMENT CENTER TASK FORCE**

---

WHEREAS, residents and businesses within the Matanuska-Susitna Borough continue to be adversely affected by the current economic recession; and

WHEREAS, Under the leadership of the Matanuska-Susitna Regional Economic Development Corporation (REDCOR), concerned local professionals and private citizens have joined together to share their expertise; and

WHEREAS, the Matanuska-Susitna Business Development Center Task Force was established in November, 1988; and

WHEREAS, the purpose of this Task Force is to provide assistance and expertise in the development of a Small Business Incubator Program; and

WHEREAS, the purpose of a Small Business Incubator Program is to create jobs and diversity the local economy; and

WHEREAS, a Small Business Incubator facility would provide professional, technical and financial assistance to small businesses during their "start-up" phase; and

WHEREAS, the Borough's economic development and stability depends primarily on small businesses; and

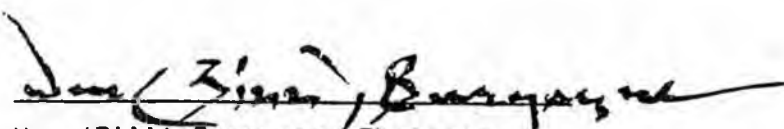
WHEREAS, Federal, State and Local funding sources are available for implementation and operation of Small Business Incubator facilities; and

WHEREAS, District 16 Democrats believe that every effort should be made to improve and stabilize the Borough's economy.

NOW, THEREFORE, BE IT RESOLVED that the Mat-Su Democrats (District 16) support the Small Business Incubator concept and the development efforts of the Matanuska-Susitna Business Development Center Task Force; and

BE IT FURTHER RESOLVED in order to assist in the establishment of a Small Business Incubator Program in the Matanuska-Susitna Borough, individual members of the Mat-Su Democrats have donated the sum of \$300.00 dollars to REDCOR for express use by the Task Force.

PASSED AND APPROVED by the Mat-Su Democrats January 12, 1989.

  
Wm. (Bill) Burgoyne, Chairman

NOTE:  
A Similar Resolution of the District 16 Republic was passed, but the copy has yet to be rec

# ices rk

It answers questions in the wholesale market. Retailers were watching closely to see what majors were doing. It points out that the majors are raising prices," said one union owner. "The way up, but it's history. They could go down."

and some retail gasoline under \$2 since Oct. 7, when the majors dropped their price to 1.02 to 99.7 cents. The price hike hurts the Alaska economy, mainly based on oil production.

Prices could reflect a world oil price reduction agreement by OPEC. Alaska crude is \$17.50 on the spot market after dropping to



FRONTIERSMAN/PISTON IMAGES

Gas prices are looking up and so may the state economy.

# Business incubator gets funds

## Assembly votes to spend \$16,000

By ERIC TROYER

The Mat-Su Borough Assembly voted last week to spend \$16,000 to help start a small business incubator program.

Of the total amount \$5,000 is earmarked for a preliminary market analysis and \$11,000 is for three people to visit other incubator programs. The funding was passed 6-1 with Assemblyman Ted Smith dissenting.

"I'm not comfortable with \$11,000 to send a bunch of people Outside to some unspecified locations that may or may not help the program," he said.

Smith made a motion to cut the \$11,000, but no one would offer a second so the motion died.

After the vote, Borough Planning Director John Duffy said the people would probably visit incubator programs in Pueblo, Colo., Everett, Wash., and Portland, Ore. The planning department will manage the funds.

Assemblyman Norm Levesque said if started the program would be the first of its kind in Alaska.

"Maybe for once we'll show some leadership," he said.

Assemblywoman Eleanor Malapanes pointed out that once started the program could be eligible for some federal funds.

The incubator program has been championed by the Regional Economic Development Corporation. The program's goal is to help small businesses get started by providing professional, technical and financial assistance.

REDCOR has a 14-member task force that is studying the idea of the program. Two members of the task force as well as a member of the borough will visit the other incubator programs.

The market analysis will help determine how much and what kind of space and expertise is needed for the program.

The Assembly also voted unanimously to support the concept of a "Forest Stewardship Agreement Act" proposed by REDCOR, stepping away from actually supporting the act. Forest stewardship is management of timber as a renewable resource.

Assemblywoman Rose Palmquist said she was concerned that backing away from the act might slow down legislation on forest stewardship.

But Smith, a former state forestry department head, argued that the bill had a number of problems and needed to be refined.

"I don't think this bill is the one we should specifically support," he said.

# Program gets disaster test

and of like the fire during its fire drills late if you wait unhappens," said Lt. of the Alaska National

disaster emergency is located on Bogard the state Division of Services shares a with the Alaska National Representatives of departments were on

hand to pretend that a disaster like the 1986 Mat-Su flood had struck part of Alaska.

Cowper kicked things off at 10 a.m. on Saturday when his voice emerged from the mobile homes which serve as headquarters for the Division of Emergency Services.

"We have him on Memorex, as opposed to real life," Haller said.

The tape recorded message was

carried through MTA telephone lines to the Emergency Broadcast System, which includes dozens of radio and television stations and RATNET, the Rural Alaska Television Network.

For the first time, the test included a toll-free telephone number which listeners were encouraged to call, so that officials could tell just how well their disaster test worked.

# Bears join Trooper program

zes, dressed in caps with hearts on their with ribbons around

John Murphy, head detachment, has all bears at work.

of an accident on the way on my way to The woman had two with her, two and d... an Anchorage ived and he had two trunk. As soon he s to the children they talking and playing her while I finished c with their mother." rough Mayor Dor- and other officials ears of their own at ent.

times I could use it Jones said, laugh-

is 85 miles a day na to her office in as often come across

accidents. "There's nothing worse than seeing a child who is scared, crying and unsure of what's going on," she said. "Buddy Bears will help."

The Palmer Emblem Club, an affiliate of the Elks, is helping to coordinate the program in the Valley.

The program's organizers plan to collect enough bears to last a year. Already close to 500 bears and a variety of other small stuffed animals, including a small child's donation of her baby doll and blanket, have been contributed.

The Buddy Bear Patrol accepts donations of new or like-new teddy bears under 12 inches tall. Other small stuffed animals are accepted, Olson.

Vivian Heilman at the Caboose Lounge recently issued a challenge to all Mat-Su bars to meet or beat her pledge of 100 bears for the patrol. "It's working," she said. "they're starting to respond."

She is already on her way to her first 100 bears. "I cleaned out my kids' closets and came up with 28 bears!"

Donated bears can be dropped off in a collection basket near a display window in the mall. Each morning the bears are collected and placed in the window.

Other collection points around the borough include Blossoms & Bygones in Palmer (where another window will be filled with donations), the Cottonwood Creek Public Safety Building, Sutton Fire Hall, Wasilla Fire Hall, Sunshine Clinic at Mile 98 Parks Highway, Willow Elementary, the EastLake Mall in Big Lake, and MTA's offices in Palmer and Wasilla.

Monetary contributions to the program are also accepted. Send contributions to: Mat-Su Buddy Bear Patrol, C/O Palmer Emblem Club 338, P. O. Box 516, Palmer 99645.

# Business

## Group eggs on business incubator program

By BILL KELDER  
Times Valley Bureau

WASILLA — In an attempt to revitalize the Matanuska-Susitna Borough's sagging economy, the Regional Economic Development Corp., or Redcor, is trying to start a small business incubator program in the borough.

"One thing we've found in our research is that it is better to start small, grow and keep growing, than it is to start big," said Karl Rye, a planner for the Matanuska Telephone Association and a member of Redcor's board of directors.

— The incubator program is designed to

help new businesses get started by providing a location, and business and marketing expertise and advice.

The program has been established in several U.S. communities and has been successful, Rye said.

"It's a very complex program that can be greatly successful," said Mike Siemlon, the federal Small Business Administration's director of business development in Anchorage. He said only about 10 percent of new businesses in America succeed, "but under the incubator program they have something like a 75 percent success rate."

Essentially, he said, the incubator program is run by businesses and other people in a local community. "The degree of success depends to a large extent on the competence and commitment of those people," Siemlon said. "It also usually requires a long-term investment on the part of the community sponsoring the program, and seed money for a capital fund that is dedicated to the project."

Rye said the incubator program is still in the conceptual stage. Even so, he convinced the Matanuska-Susitna Borough Assembly last week to approve \$18,000 in seed money for the project. The money is

allocated to the borough's planning department, which will oversee how it is spent on the incubator project.

"We've contacted Gov. Steve Cowper's office on this and Sen. Ted Stevens' office in Washington, D.C., and both have expressed support for the concept," Rye said Tuesday.

Working with Rye is Erma Perry. Perry directs the Valley's AIM (American Improvement Matrix) program, a non-profit operation that tries to train and place young adults and minorities in permanent jobs.

See Business, page D-8

## Business: Manufacturing in community

Continued from page D-4

"We've talked to Sen. Stevens about the possibility of using the AIM program here in conjunction with the small business incubator program. He was very positive about the possibility of getting some additional federal funding for the program because of that," Perry said. "Stevens has his staff working on it now."

What Rye and Perry hope to do is locate an empty site in the borough that would serve as the start-up facility for the program.

"We would place new businesses in the facility, where they would share the lease at low rates, and share office equipment and supplies to help keep their initial overhead down to get them started," Rye said. "They

would also have access to a wide range of professional, technical and financial programs.

"The bottom line is that the incubator program is nothing more than people in a community helping to stimulate their economy by encouraging new businesses to start up there," Rye said.

Perry said the federal AIM program could help even more if it's possible to work the two programs together.

Under the AIM program, training costs are paid by the program, along with part of an employee's workman's compensation payments.

Rye said a panel would be formed to take business ideas from the community and recommend which should be part of the program. He said the new businesses would not compete with

existing businesses.

"We're not looking at taking another piece out of the Mat-Su borough's economic pie, we're looking at trying to make that pie bigger," he said.

Initially, Rye hopes the program can help get a small manufacturing business, or a number of them, going in the borough. "But we'll listen to any good proposal," he said.

The incubator program draws on the experience and expertise of the people in the community it serves, Siemlon said. "If they know what they're doing, the program can work fine. If not, well . . ."

By focusing the program's initial efforts on manufacturing, Rye said he hopes to turn the Valley's economy around. "It

will help us move from an economy based upon consumption to one based upon production," Rye said. "And it can provide job opportunities, on a small scale, much quicker than some of the large development projects that have been proposed."

The incubator concept is supported by the Palmer Chamber of Commerce, the borough and the Palmer Planning Commission.

Siemlon said Alaskans will have an opportunity to learn more about the incubator program in March. Mary Jean Rynn, the executive director of Evergreen Development Co. in Seattle, will give a daylong seminar on the incubator program at the Anchorage Hilton Hotel on March 2.



# ME A's POWER LINES



Vol. III, No. 34

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December 1988

## *Program could create new jobs*

# ME A considers 'incubating' businesses

**M**EA is in negotiations with a Mat-Su development corporation to see if the co-op's former headquarters building could be used to house a small-business incubator program, designed to develop new businesses and create jobs.

The co-op's Board of Directors on Nov. 15 directed staff to negotiate an agreement with the Mat-Su Regional Economic Development Corp. (REDCOR) to rent or lease MEA's office building on East Elmwood Avenue in downtown Palmer. But directors also said that other, better offers for the building, if any, should be brought before the board.

General Manager Jim Palin said the empty building costs MEA approximately \$56,000 a year in depreciation, interest payments, insurance and maintenance costs. The building, which is for sale, has been vacant since MEA moved in July 1987 into a new headquarters building adjacent to the Palmer Industrial Park.

According to information provided the board by REDCOR representative Karl Rye of Palmer, incubators are facilities in which a number of new and growing businesses operate under one roof, sharing services and equipment. The businesses pay low rents, at least

initially, and have access to a wide range of professional, technical and financial programs intended to help them succeed.

Rye said REDCOR intends to approach the Mat-Su Borough Assembly, the state and local businesses to obtain the funding for a local small-business incubator program. Although there are



ME A Vice President Barbara J. "Tamie" Miller of Wasilla receives her Director's Certificate from National Rural Electric Cooperative Association (NRECA) Executive Director Bob Bergland. Miller completed 15 hours of NRECA courses on planning, finance and management to earn the certificate.

not yet any in Alaska, incubator programs are in place throughout the Lower 48.

Incubators may be "start-up" firms, or may include a mix of new and growing businesses — research and development, assembly and light manufacturing, advanced technology, service and retail. Rye said that service or retail firms that would directly compete with established local businesses usually are not considered for incubation projects.

To help them succeed, the businesses usually share a wide range of office facilities and services, the cost of which may be too burdensome for a business struggling to get on its feet. These shared services may include secretarial support, automated office equipment, maintenance and security services, day care programs, utility costs and telecommunication equipment or even laboratory equipment and facilities.

Incubator tenants also receive professional assistance in developing or modifying a business plan, on accounting and taxes, financing, planning and research, marketing and advertising, exporting, procurement contracts and other legal matters.

## *To have safe holidays, you better 'watts' out*

**D**uring one of the most joyous times of the year, people have lost their homes, and sometimes their lives, by failing to keep safety at the forefront of their holiday celebrations, said MEA Safety Director Al Stevens.

"MEA wants you to have a joyful season, not a tragic one," he said. "Christmas trees placed too close to baseboard heaters or fireplaces have made their owners homeless. You should place the tree away from any heating or drying sources, and make sure it doesn't block any doorways or exits."

Stevens offered these other holiday safety tips:

Dried-out trees and needles are ex-

tremely flammable, so select a fresh tree. The butt should be sticky with sap. (To test, scrape the bottom with a knife.) Keep the tree fresh by mounting it in a water-holding stand. If you use an artificial tree, make sure it is fire-resistant.

Use only lights and electrical cords that bear the "UL" marker, which indicates they meet safety standards. Inspect light strings and cords for fraying, bare wire, loose connections and broken sockets. "Light sockets and strings are so hard to repair, you're probably better off replacing them," Stevens says.

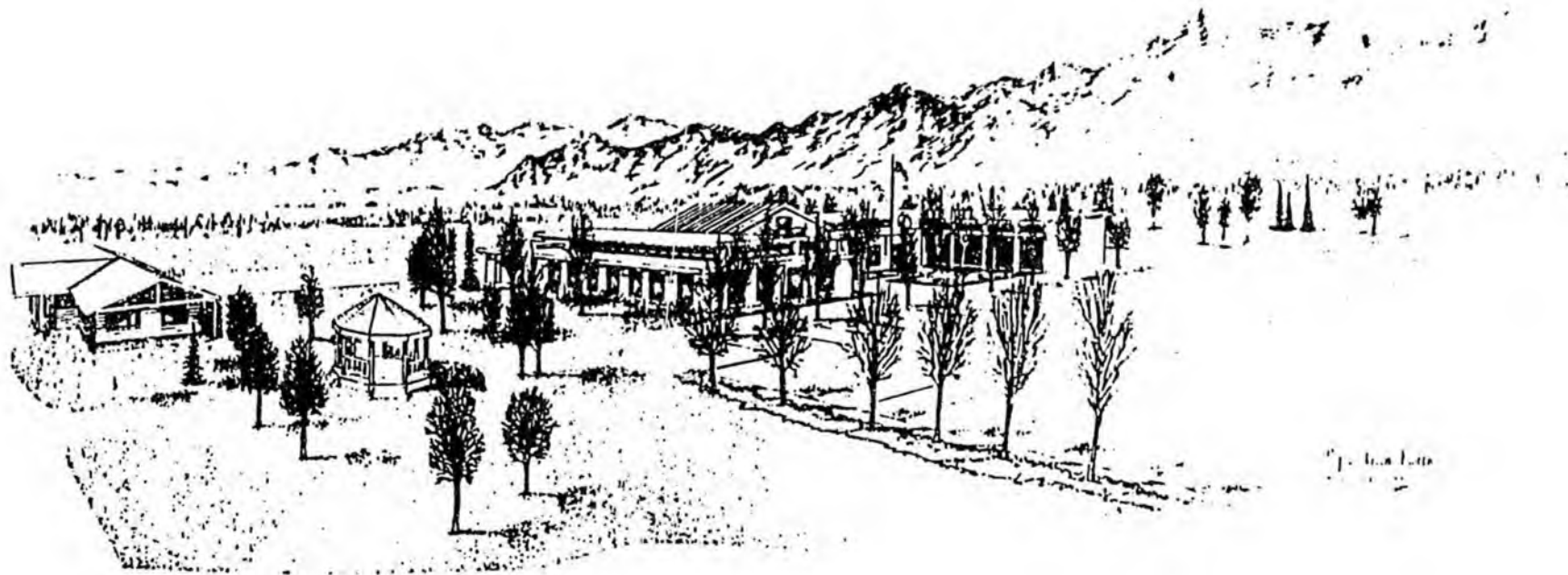
If you have a metal tree, use only indirect lighting. If lighting cords are

placed directly on metal trees, they can become "charged" and dangerous.

Use only fireproof or fire-resistant decorations. Don't decorate your tree with small ornaments that look like food or candy, but aren't; small children might eat them.

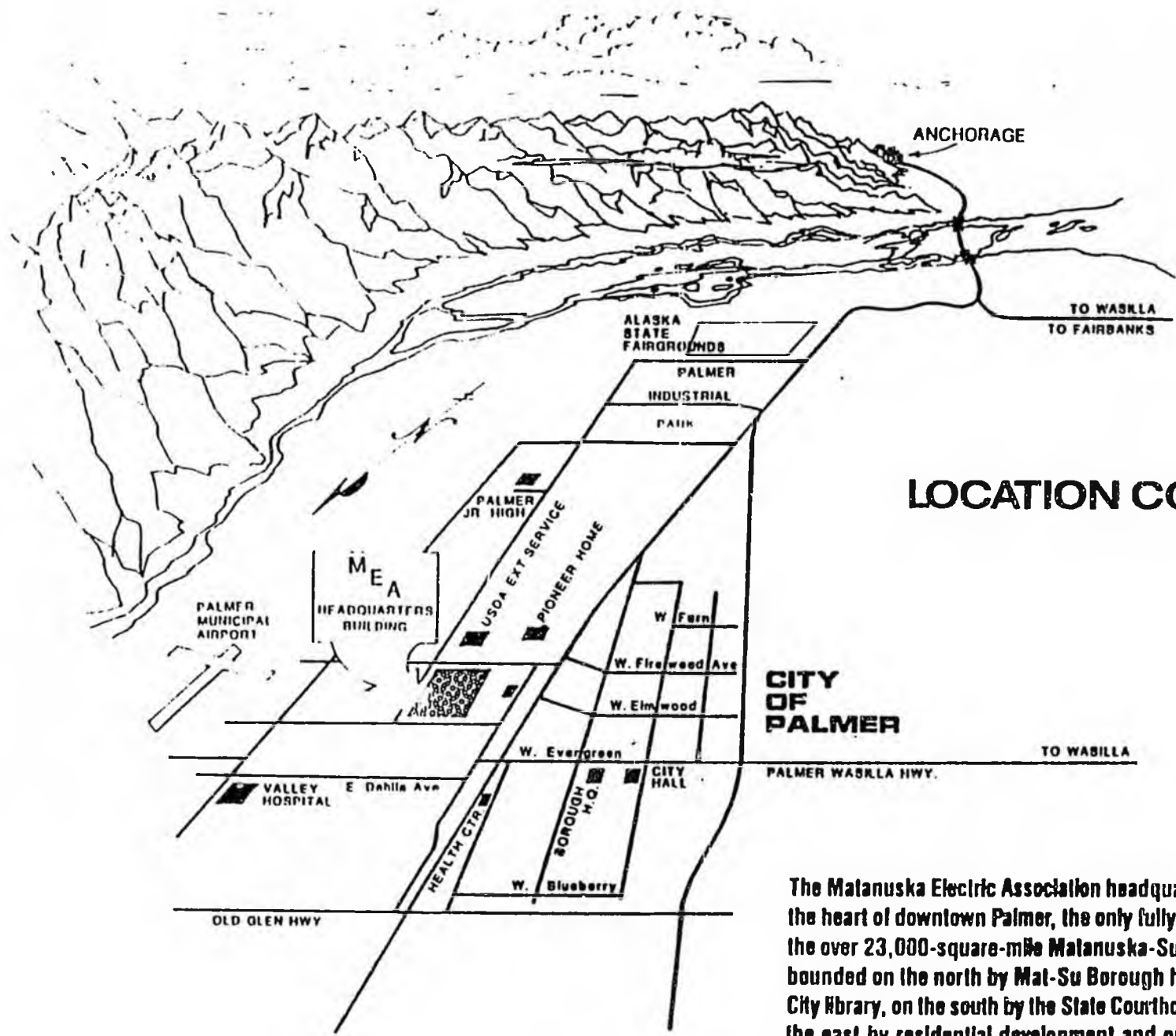
Dispose of wrapping paper safely. Tossing it into stoves and fireplaces is dangerous. The paper flares easily and burns "hot," and has caused household fires.

As a final safety precaution, you might consider unplugging light cords when no one is around to guarantee that all's well — particularly if you have active pets that could be tempted to knock over the tree.



**GRAPHIC B**

**An illustrated design for the entry way, landscaping and gazebo for public use.**

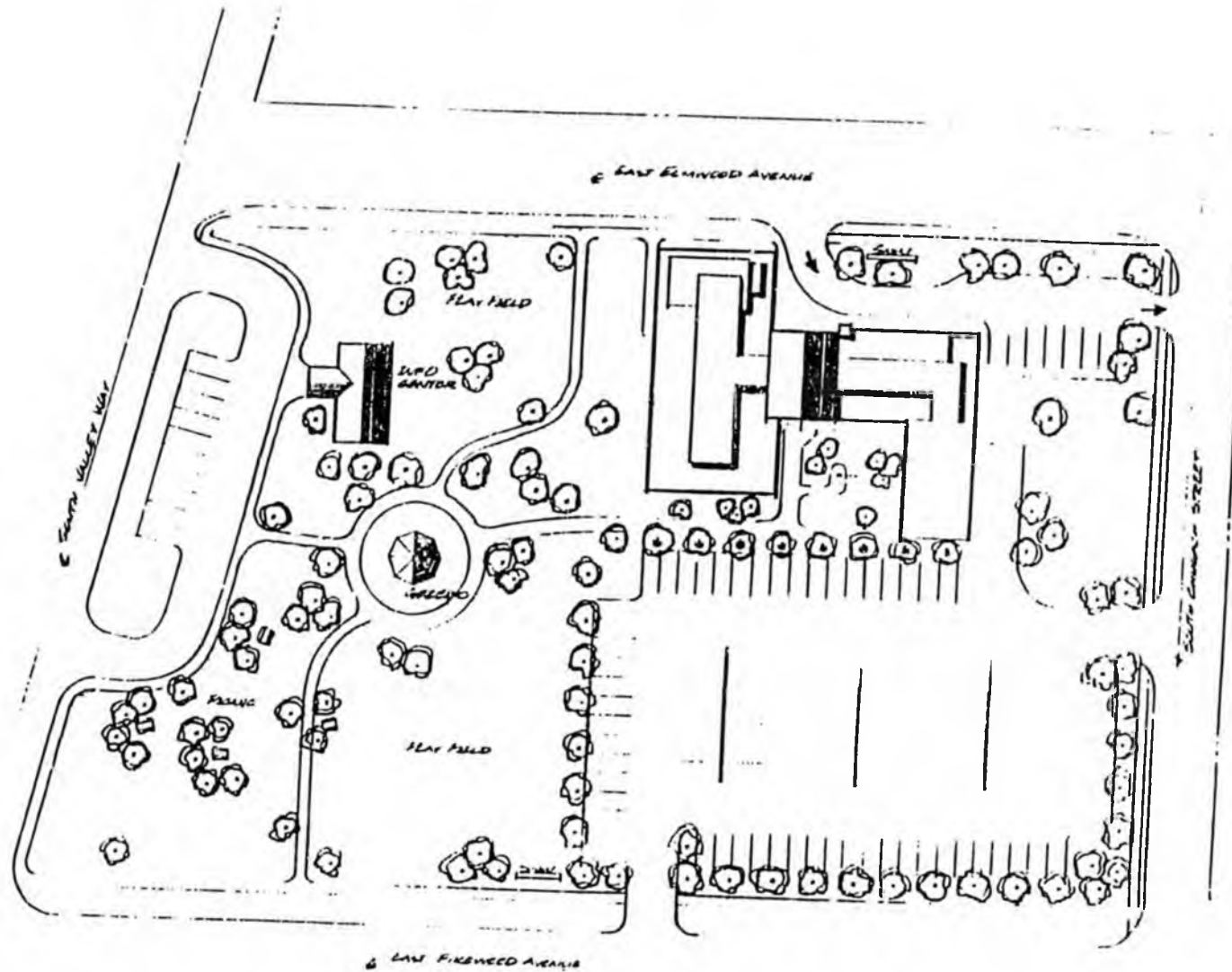


## LOCATION COUNTS

**CITY OF PALMER**

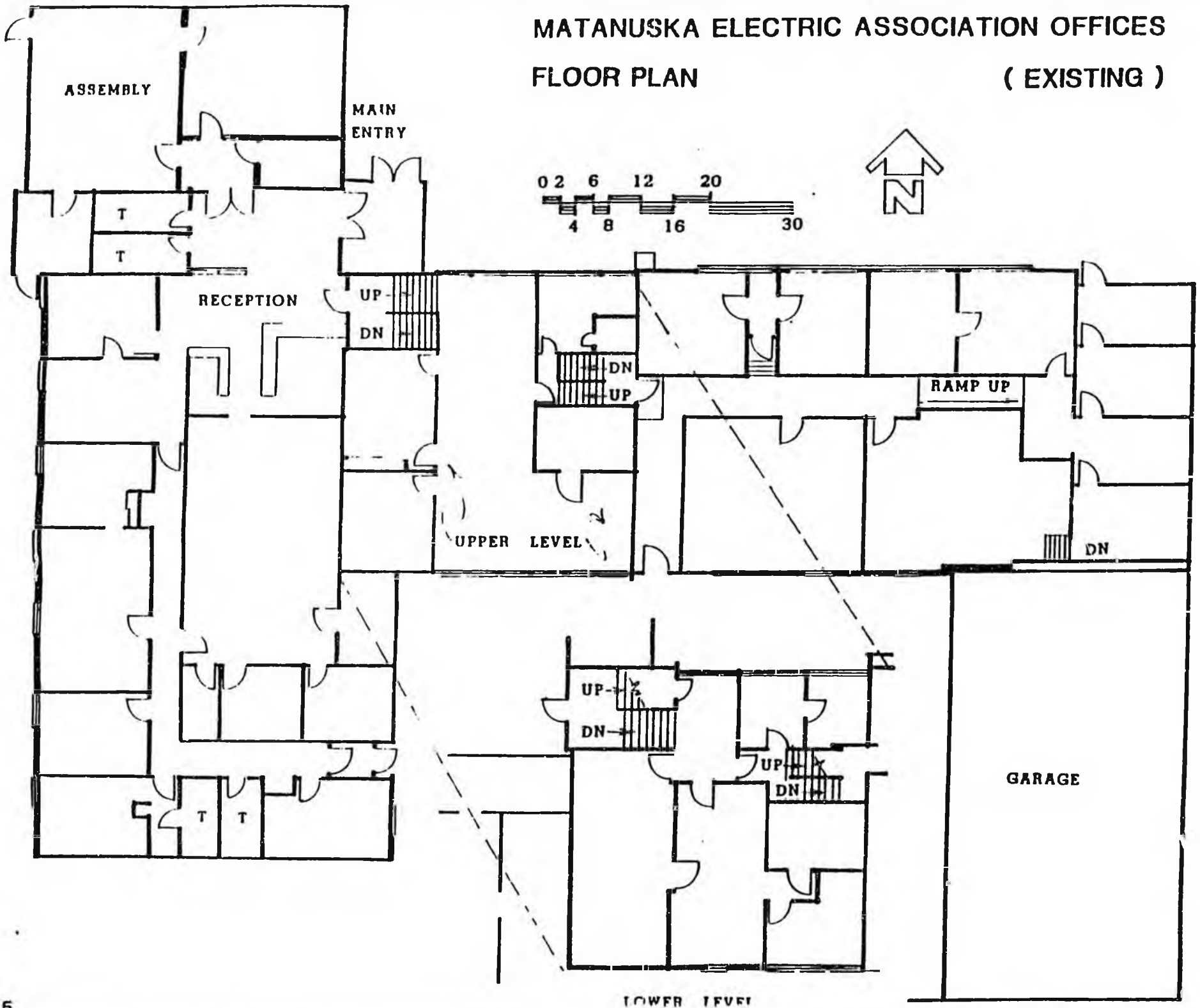
The Matanuska Electric Association headquarters building is located in the heart of downtown Palmer, the only fully serviced home rule city in the over 23,000-square-mile Matanuska-Susitna Borough. The site is bounded on the north by Mat-Su Borough headquarters and the new City Library, on the south by the State Courthouse and Pioneer Home, on the east by residential development and on the west by the Palmer Visitor Information Center and downtown business district.

The Glenn Highway is the major north-south road.



**AN ADAPTIVE REUSE OF MAT. ELECTRIC ASSOC. BUILDING**

MATANUSKA ELECTRIC ASSOCIATION OFFICES  
FLOOR PLAN  
( EXISTING )





United States  
Department  
of Agriculture

Rural  
Electrification  
Administration

Office  
of the  
Administrator

Exhibit 8  
Washington,  
D.C.  
20250

DFK  
JAR  
Dink  
File

OCT 24 1988

SUBJECT: 7 CFR Part 1709, Subpart B, Rural Economic  
Development Loan and Grant Program

TO: REA Borrowers

Attached for your information is a copy of the subject draft regulation that the Rural Electrification Administration (REA) published in the Federal Register on October 27, 1988. The program will provide zero interest loans and grants to RE Act borrowers for the purpose of promoting rural economic development and job creation projects. If you wish to submit comments, please forward them to Mr. Blaine D. Stockton, Jr., Assistant Administrator - Management, Rural Electrification Administration, Room 4063-South Building, U.S. Department of Agriculture, Washington, D.C. 20250. The Federal Register notice states that comments must be received by November 28, 1988. The comment period has been extended an additional 30 days and closes on December 28, 1988.

*Jack Van Mark*

JACK VAN MARK  
Acting Administrator

Attachment

RECEIVED

NOV 14 1988

MTA REA CERTIFICATION/  
CONTRACT ADMIN. DEPT.



# Representative Dave Donley, Chair House Labor & Commerce Committee

SUBJECT OF MEETING:

HB 96  
HB 284  
SCR 21  
SB 82

HB 168  
HB 13  
SSR 41

HB 166

DATE: 4-18-89

PLACE: C#17

| NAME               | REPRESENTING       | BUSINESS/PERSONAL MAILING ADDRESS    | ZIP   | (H) PHONE | (W) PHONE | DO YOU WANT TO TESTIFY? | WHAT SUBJECT WHICH BILL? |
|--------------------|--------------------|--------------------------------------|-------|-----------|-----------|-------------------------|--------------------------|
| ✓ ED CRANE         | CFAB               | 5260 LUPIN PL. ANC                   | 99507 | 562-7556  | 276-2007  | (Y) N                   | SB 82                    |
| ✓ Bob Bartholomew  | DOTMPF             | P.O. Box 2 Juneau                    |       | 463-3237  | 465-3911  | (Y) N                   | HB 284                   |
| ✓ Tom Lawson       | DCED               | PO Box 0 Juneau                      | 99811 |           | 465-2012  | Y (N)                   | SCR 21 Available for Q   |
| ✓ Paul Roller      | D.O.F              | Pouch D "                            | 99811 |           | 465-7515  | (Y) N                   | SCR 41                   |
| ✓ MARTHA FISCHBACH | SELF               | Box 34496, JUN                       | 99803 | 364-2675  | 465-8528  | (Y) N                   | HB 96 - Vet              |
| ✓ ROFAUNK HORSCHER | Assoc Fencel A.S.A | 10360 Nigh Rd                        | 99515 | 522-1155  | 522-5289  | (Y) N                   | HB 284                   |
| ✓ Karl OHL         | Sen. Zharoff       | P.O. Box V, Juneau                   | 99811 |           | 465-3473  | (Y) N                   | SB 82                    |
| ✓ Resa Terrell     | A.G.C. of Alaska   | 134 No. Franklin                     | 99801 | 584-1741  |           | (Y) N                   | HB 284                   |
| ✓ Randall Burns    | Dept. of Commerce  | P.O. Box D-211<br>Juneau, AK 99811   |       |           | 465-2535  | (Y) N                   | HB 96                    |
| ✓ Dean Paddock     | Self               | Box 20312<br>Juneau 99802            |       | 788-14231 | 463-4970  | (Y) N                   | SB 82                    |
| ✓ Scott Burgers    | AML                | 217 2nd St Suite 200<br>Juneau 99801 |       |           | 6-1325    | (Y) N                   | HB 284                   |