

S C R

21

SENATE COMMITTEE REPORT

FIRST COMMITTEE OF REFERRAL

Date of 5-DAY NOTICE 2/23/87
IN ACCORDANCE WITH UNIFORM RULE 23

FURTHER

**FISCAL NOTE(S) MUST BE ATTACHED
IN ACCORDANCE WITH AS 24.08.035

DATE TURNED INTO OFFICE 3/3/89

2/21/89

Mr. President:

Labor and Commerce Committee considered SCR 21

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

and recommended:

replace with CS _____ same title

attached amendment(s) and new title

_____ letter of intent adopted

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

FISCAL NOTE(S) attached zero

fiscal impact

appropriation no FN attached

Gov. FN introduced w/ bill

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Signature]
[Signature]

[Signature] No Rec
[Signature] No Rec

[Signature]
Chairman signature and recommendation

Committee backup attached

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
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REVENUE	0	0	0	0	0	0
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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)

SCR 21: SMALL BUSINESS INCUBATOR PROGRAM

Background

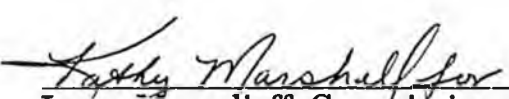
The Matanuska-Susitna Regional Economic Development Corporation established the Business Development Center Task Force. The task force has developed a proposal for a small business incubator to serve the Matanuska/Susitna Valley.

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.

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, Commissioner
Department of Commerce and Economic
Development

Date: 3/3/89

LM/LW/dgl3470D
030389a



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) 465-2652

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

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

BOROUGH ASSEMBLY DOCUMENT
CONTROL & AM/IM FORM

Resolution No. 11-89
11/15/89
Matanuska-Susitna Borough
P. O. Box 1608
Palmer, Alaska 99645-1608

SUBJECT: Small Business Incubator Program

For Agenda of: 01/17/89

No. AMBY 034

ATTACHMENTS: Background information on Small Business Incubator program.

Route to:	Dept/Committee/Individual (Please review & return to originator)	Initials	Remarks
1	REDCOR	JK	Originator
2	Planning Director Borough Assessor Public Works Director	TR	
3	Finance Director Borough Attorney	JK	
4	Borough Manager Mayor		

STATEMENT: The Regional Economic Development Corporation (REDCOR) has been exploring the feasibility of a small business incubator program for the Matanuska-Susitna Borough (MSB). The small business incubator program has been very successful throughout the nation by providing professional, technical and financial assistance to small businesses during their "start-up" phase and has therefore been helpful in creating employment opportunities and diversifying local economies.

FISCAL ACTION (TO BE COMPLETED BY FINANCE) FISCAL IMPACT? (YES/NO)
 AMOUNT REQUESTED \$16,000 FUNDING SOURCE FY89 Budget - Economic Dev. Act.
 FROM ACCOUNT # 203 610 422 10 PROJECT # 4/1
 TO ACCOUNT # 203 610 422 20 PROJECT # 7/1
 VERIFIED BY: [Signature] CERTIFIED BY: Jensen
 DATE: 1-9-89 DATE: 1-9-89

RECOMMENDED ACTION: REDCOR respectfully recommends that the Borough Assembly fund the small business incubator program from the Economic Development fund in the amount of \$16,000. The funds would be used to: complete a preliminary market analysis to be done by a consultant (\$5,000). Travel costs for three persons (two REDCOR representatives and one Borough representative) to visit three sites (\$11,000). The Planning Department would managed the grant.

APPROVED BY: [Signature]
John Hage, Borough Manager

The MSB's economic development and stability depends to an extent on small businesses. Federal statistics indicate that small businesses create a greater number of employment opportunities than corporations.

The small business incubator program could be designed so as to directly compete with other established local businesses but to create new businesses that may provide services and products not needed but not currently provided locally and that also focus on "added" type businesses.

REDCOR has formed a task force on the small business incubator which is comprised of fourteen members who have a wide range of expertise. REDCOR has discussed the small business incubator with small business entrepreneurs who are supportive of the program. Additional information on the small business incubator program attached for your review.

Prior to developing a small business incubator program, however, necessary to complete an analysis of the market potential for a business incubator as well as visit successful incubator facilities in order to learn from their mistakes and successes. REDCOR, in respectfully requests that the Borough Assembly designate funds for market analysis of the Borough and for travel costs to visit such small business incubators. A list of funding options is presented for your consideration.

Option 1: Total Cost: \$16,000.

Completion of a preliminary market analysis to be done by a consultant \$5,000. Travel costs for three persons (two REDCOR representatives and one Borough representative) to visit three sites: \$11,000.

Option 2: Total Cost: \$7,333.

Completion of a preliminary market analysis to be done by the Planning Department out of the Department's existing budget. Travel costs for REDCOR representatives: \$1,333. A Borough representative from the Planning Department would travel to the sites but those costs would be paid out of the Department's existing budget.

Option 3: Total Cost: \$0.

Completion of a preliminary market analysis to be done by the Planning Department funded by the Department's existing budget. After completion of the preliminary market analysis an in-depth telephone survey would be developed by the Planning Department. The telephone survey would be developed jointly by the REDCOR Small Business Incubator Task Force and the Planning Department. At the conclusion of the market analysis and telephone survey a determination would be made on the need for on-site visits.

 FAX TRANSMITTAL MEMO
 TO: Carmen - Sen. Dymally
 DEPT: _____ FAX #: 465-2652
 FROM: Mat-Su PHONE: 745-9664
 CO: Borough FAX #: _____
 Post-It brand fax transmittal memo 7571

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United States
Department
of Agriculture

Rural
Electrification
Administration

Office
of the
Administrator

Exhibit 8
Washington,
D.C.
20250

37-10 DFK
322
7-1-88
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.



THE MATANUSKA-SUSITNA BUSINESS DEVELOPMENT CENTER

A Small Business Incubator

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.¹ 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.² 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

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

² 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 the³ 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.

³ 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

4. PROPOSED BUDGET FOR PILOT PROGRAM

(Not ready for publication as of 2/2/89)

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	MARK O MATTHEW OREGON
WILLIAM PROXMIRE WISCONSIN	TED STEVENS ALASKA
DANIEL E HOLLYE HAWAII	HOWELL P WELCHER JR CONNECTICUT
ERNEST F HOLLINGS SOUTH CAROLINA	JAMES A MCCLURE IDAHO
LAWTON CHILES FLORIDA	JAKE GARN UTAH
J BENNETT JOHNSON LOUISIANA	THAD COCHRAN MISSISSIPPI
QUENTIN N BURDICK NORTH DAKOTA	ROBERT W EASTEN JR WISCONSIN
PATRICK J LEAHY VERMONT	ALFONSI M DAMATO NEW YORK
JIM BASSER TENNESSEE	WARREN RUDMAN NEW HAMPSHIRE
DEMME DICONCINI ARIZONA	ARLEN SPECTER PENNSYLVANIA
DALE BUMPERS ARKANSAS	PIE V DOMENICI NEW MEXICO
FRANK R LAUTENBERG NEW JERSEY	CHARLES E GRASSLEY IOWA
TOM HAREN IOWA	DON NICLES OREGON
BARBARA A MIKULSKI MARYLAND	
HARRY REID NEVADA	

United States Senate

COMMITTEE ON APPROPRIATIONS
WASHINGTON, DC 205 10-6025

Bus. Dev. Center

FRANCIS J SULLIVAN STAFF DIRECTOR
J KEITH BENEDEY MINORITY STAFF DIRECTOR

December 17, 1987

K. Sullivan

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 the 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 16th 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.

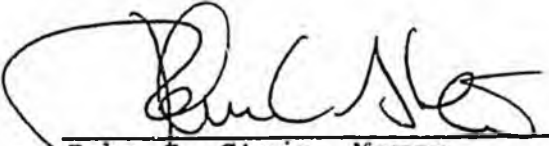
I certify that a resolution in substantially the above form was passed by a majority of those voting at a duly called and conducted meeting of the governing body of the City of Wasilla this 23 day of January, 1989.

ATTEST:

APPROVED:



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



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

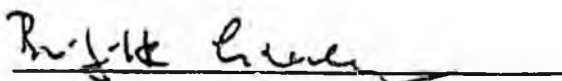
WHEREAS, the Borough's economic development and stability depends primarily on small businesses; and

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

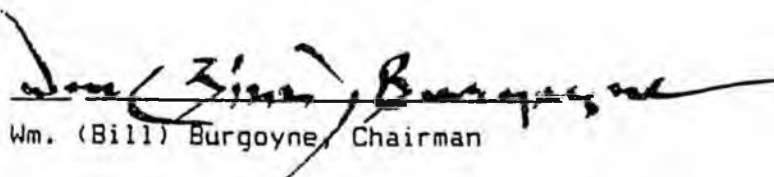
WHEREAS, Federal, State and Local funding sources are available for implementation and operation of Small Business Incubator facilities; and

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 from the District 16 Republicans was passed, but the copy has yet to be received

ices rk

It answer questions in the wholesale markets were watch- osely to see what ors were doing. s out that the majors prices," said one lation owner. "The the way up, but it's story. They could go w."

nd some retail gaso- under \$1 since Oc- 7, when the major pped their price to 1.02 to 99.7 cents. he price hike burrs it could be a good Alaska economy, narily based on oil ction.

Prices could reflect a world oil prices fol- lution agreement by artel. Alaska crude or \$17.50 on the spot ck after dropping to



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

rogram gets disaster test

d of like the fire de- ing its fire drills late if you wait un- happens," said Lt. of the Alaska Nation-

disaster emergency is located on Bogard the state Division of Services shares a with the Alaska Na- Representatives of arments 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 Tele- vision Network.

For the first time, the test included a toll-free telephone num- ber which listeners were encour- aged 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 uh ribbons around

John Murphy, head detachment, has al- e bears at work.

or an accident on the ay on my way to he woman had two n with her, two and .d... an Anchorage ived and he had two rnk. 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-

ls 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 contribut- ed.

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

Vivian Heilman at the Caboose Lounge recently issued a chal- lenge 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 dona- tions), the Cottonwood Creek Public Safety Building, Sutton Fire Hall, Wasilla Fire Hall, Sun- shine 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 incubator gets funds

Assembly votes to spend \$16,000

By ERIC TROYER

FRONTIERSMAN STAFF

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

Of the total amount \$5,000 is earmarked for a preliminary mar- ket analysis and \$11,000 is for three people to visit other incuba- tor 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 loca- tions 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 Plan- ning Director John Duffy said the people would probably visit incu- bator 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 Mal- apanes pointed out that once start- ed the program could be eligible for some federal funds.

The incubator program has been championed by the Regional Eco- nomic 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 unani- mously to support the concept of a "Forest Stewardship Agreement Act" proposed by REDCOR, step- ping away from actually support- ing the act. Forest stewardship is management of timber as a re- newable 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 forest- ry 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.

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 Siemion, 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," Siemion 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 \$16,000 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, Siemion 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.

Siemion 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.



MEA's POWER LINES



Vol. III, No. 34

Published by Matanuska Electric Association, Inc.

December 1988

Program could create new jobs

MEA considers 'incubating' businesses

MEA 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



MEA 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

During 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.

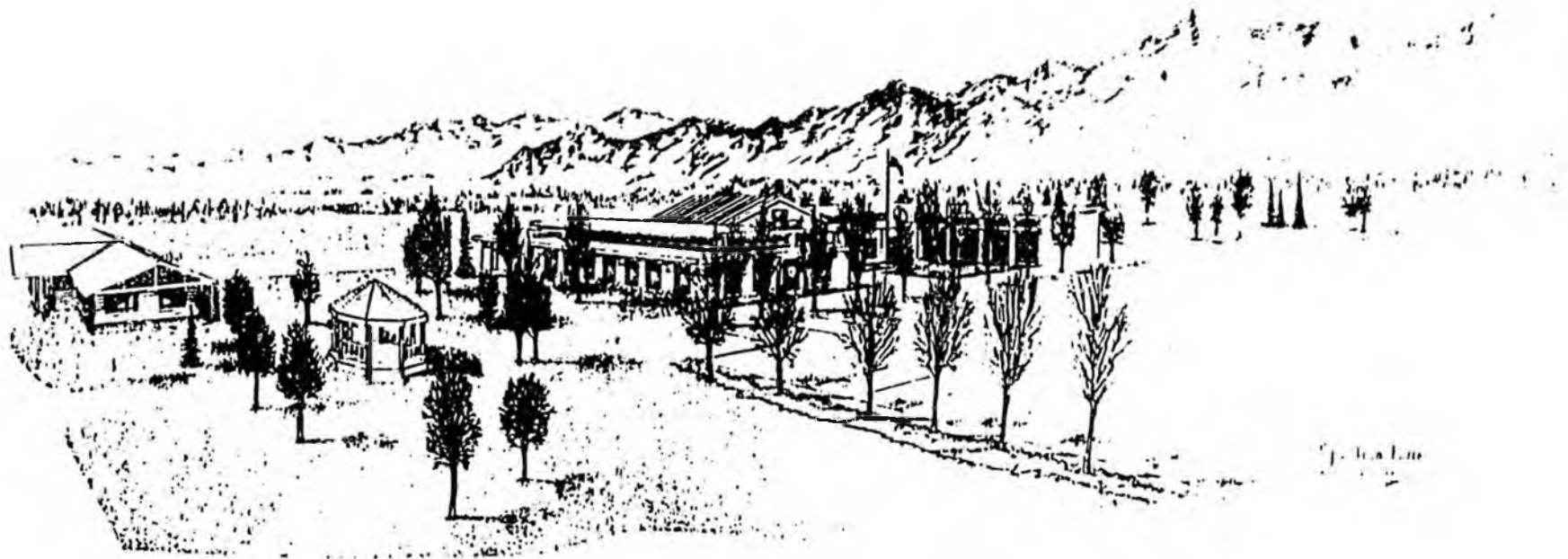
If you have a metal tree, use only indirect lighting. If lighting cords are

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.

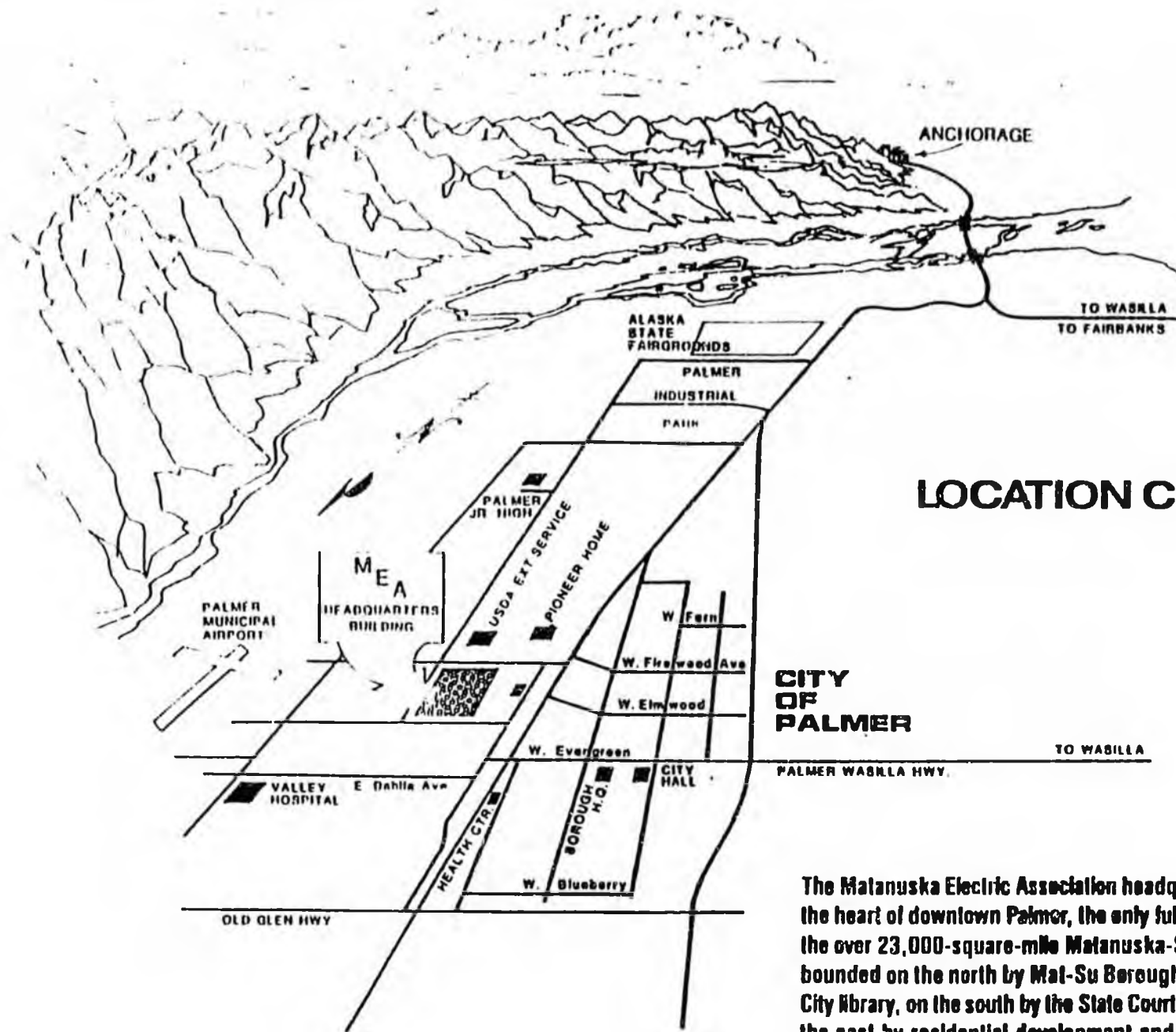
Dispose of wrapping paper safely. Tossing it into stoves and fireplaces is dangerous. The paper flares easily and burns "hot," and has caused household fires.

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.

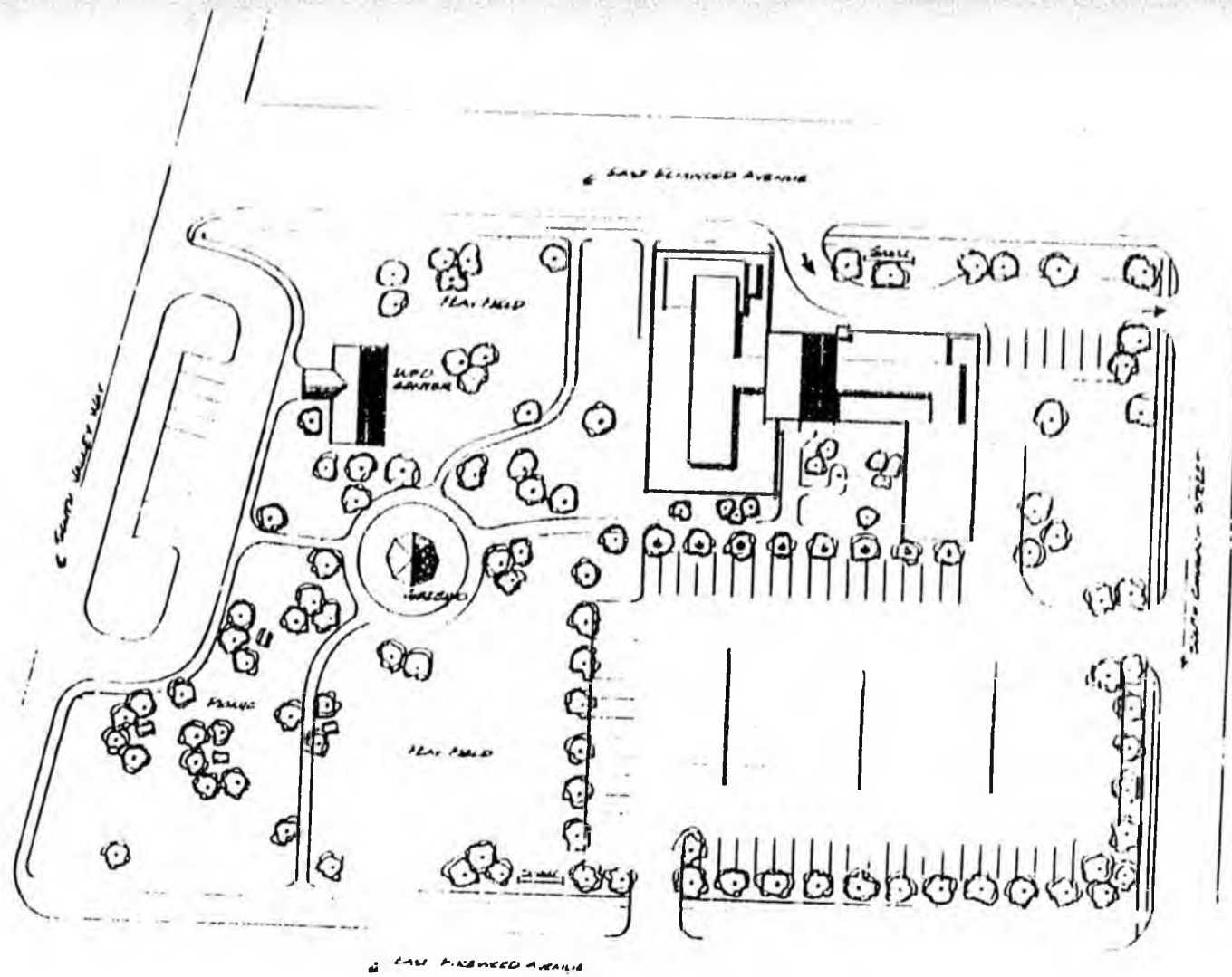


LOCATION COUNTS

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 arterial in and out of Palmer. This highway carries traffic from Palmer and nearby Wasilla northeast to the infamous Alaska Highway, and 50 miles south to Anchorage, Alaska's largest city and transportation hub.



AN ADAPTIVE REUSE OF MAT. ELECTRIC ASSOC. BUILDING

MATANUSKA ELECTRIC ASSOCIATION OFFICES FLOOR PLAN (EXISTING)

