

SB355

(11)

Date Referred: April 1, 1992

HOUSE COMMITTEE REPORT FURTHER REFERRALS:

Date of Committee Action: 4/23/92

The FINANCE Committee considered:

SB 355

SENATE BILL NO. 355

REGIONAL ECONOMIC ASSISTANCE PROGRAM

"An Act to extend the Alaska Regional Economic Assistance Program."

RECOMMENDATIONS:

be replaced with _____ the same title
 a new title

have attached amendments(s)

do pass

do not pass

no recommendations

individual recommendations

additional referral to the _____ Committee

ADOPTS: _____ letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal impact DCED

fiscal note(s) _____

zero fiscal note _____

zero fiscal note(s) _____

SIGNING <u>DO</u> PASS	DP	OTHER RECOMMENDATIONS	DNP	NR	AM
<i>Mike Havens</i> NAVAYRE	✓	+			
<i>Eileen P. McKeon</i> Maclean	✓				
<i>Wm. Boyer</i> BOYER	X				
<i>Tom Brown</i> BROWN	✓				
<i>Robert Kopmen</i> KOPMEN	✓				
<i>John Jacko</i> JACKO	X				
<i>Thomas Barnes</i> BARNES	X				
<i>Bob Sharp</i> SHARP	X				
<i>Roll E. Phillips</i> PHILLIPS	✓				
<i>Ronald Larson</i> LARSON	X				
<i>Klan Ulmer</i> ULMER	X				

Mike Havens NAVAYRE
E P McKeon
CHAIRMAN'S SIGNATURE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

FISCAL NOTE

BILL NO. SB 355

Revision Date: _____
 Title: An Act to extend the Alaska Regional
Economic Assistance Program
 Sponsor: Senator Sturgulewski
 Requestor: Senator Sturgulewski

Department Affected: Commerce & Econ. Dev.
 BRU: Economic Development
 Component: _____

COMPONENT SERIAL NO.

	8	0	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS/CLAIMS	0	750.0	750.0	750.0	750.0	0
MISCELLANEOUS						
TOTAL OPERATING	0	750.0	750.0	750.0	750.0	0

CAPITAL						
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REVENUE FUND RESOURCE:						
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FUNDING: (Thousands of Dollars)

GENERAL FUND	0	750.0	750.0	750.0	750.0	0
FEDERAL FUNDS						
OTHER FUND SOURCE:						
TOTAL	0	750.0	750.0	750.0	750.0	0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)

This program is fully funded in the Governor's FY 93 Budget Request. Therefore, the fiscal impact of this bill does not arise until FY 94 and ends with FY 97.

Prepared By: Terry Miller, Development Specialist Phone: 465-2017
 Division: Economic Development Date: 2/15/92
 Approved by Commissioner: Glenn A. Olds Date: 2.7.92
 Agency: Department of Commerce & Economic Development

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legis. Of., and Impacted Agency(ies).

SENATE BILL NO. 355

IN THE LEGISLATURE OF THE STATE OF ALASKA

SEVENTEENTH LEGISLATURE - SECOND SESSION

BY SENATORS STURGULEWSKI, Uehling

Introduced: 1/14/92
Referred: L&C, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act to extend the Alaska Regional Economic Assistance Program."

2 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

3 * Section 1. Section 3, ch. 94, SLA 1988, is amended to read:

4 Sec. 3. AS 44.33.026 is repealed July 1, 1997 [1993].

FISCAL NOTE

STATE OF ALASKA
1992 LEGISLATIVE SESSION

No. 2
Bill Version: SB 355
(S) Publish Date: 2-26-92

Revision Date: 2/24/92
Title: An Act to extend the Alaska Regional
Economic Assistance Program
Sponsor: Senator Sturgulewski
Requestor: Senator Sturgulewski

Department Affected: Commerce & Econ. Dev.
BRU: Economic Development
Component: _____

COMPONENT SERIAL NO.

8	0	1
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EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 93	FY 94	FY 95	FY 96	FY 97	FY 98
PERSONAL SERVICES		195.2	195.2	195.2	195.2	
TRAVEL		30.7	30.7	30.7	30.7	
CONTRACTUAL		35.0	35.0	35.0	35.0	
SUPPLIES		3.0	3.0	3.0	3.0	
EQUIPMENT		5.0	5.0	5.0	5.0	
LAND & STRUCTURES						
GRANTS, CLAIMS	0	750.0	750.0	750.0	750.0	0
MISCELLANEOUS						
TOTAL OPERATING	0	1,018.9	1,018.9	1,018.9	1,018.9	0
CAPITAL						
REVENUE FUND RESOURCE:						

FUNDING: (Thousands of Dollars)

GENERAL FUND	0	1,018.9	1,018.9	1,018.9	1,018.9	0
FEDERAL FUNDS						
OTHER						
FUND SOURCE:						
TOTAL	0	1,018.9	1,018.9	1,018.9	1,018.9	0

POSITIONS:

FULL-TIME	3	3	3	3	3	
PART-TIME						
TEMPORARY						

Estimate of current year impact: None

ANALYSIS (Attach a separate page if necessary.)

SEE ATTACHEE

Post-it brand fax transmittal memo 7671 # of pages 2

To: <u>Sen. Barnett</u>	From: <u>J. Galloupy</u>
Co: <u>Sen. Pouchot</u>	Co:
Dept.:	Phone # <u>x 2500</u>
Fax # <u>465-7069</u>	Fax #

Prepared By: Tom Lawson, Section Chief Phone: 465-2011
Division: Economic Development Date: _____
Approved by Commissioner: Glenn A. Olds
Agency: Department of Commerce & Economic Development Date: 2-24-92

Distribution (by preparer): Leg. Fin., Legislative Sponsor, Requestor, OMB/DBR, Gov. Legl. Ofc., and Impacted Agency(ies).

FISCAL NOTE - SB 355

ANALYSIS:

This program is fully funded in the Governor's FY 93 Budget Request. Therefore, the fiscal impact of this bill does not arise until FY 94 and ends with FY 97.

Full funding of \$50.0 for 15 ARDORs per year is provided. In addition, funding is provided for support staff consisting of two development specialist positions and partial funding for an additional position as well as limited travel and contractual services expenses. These positions are critical to the success of the ARDOR program as they, in effect, serve as extensions of the ARDORs' own limited staffs, enhancing their abilities to develop and implement programs, access available resources and analyze the potential costs/benefits of proposed economic development projects. These services are particularly important to the rural Alaska ARDORs (10 of the 13 now designated) whose limited resources can be more productively channeled if they do not have to maintain this level of expertise "on site."

ARDORs are the critical linkage between local communities and state government for the examination and determination of economic development policy and promotion of economic self-sufficiency. Retention of the three positions is vital as they actively assist each ARDOR and coordinate the functions of the ARDOR program with other division and department programs.

The support budget also allows the Division of Economic Development to facilitate interregional coordination and training through monthly teleconferences and quarterly meetings with ARDOR executives, and an annual statewide workshop for all ARDOR boards and staff.

If funding is not authorized, these positions and supporting coordination programs will be eliminated and the division will be forced to limit its role solely to the administration of the pass through grants referenced above.

TL/dg11394D
022492a

POSITION PAPER

Department of Commerce
& Economic Development

SB 355: "An Act to extend the Alaska Regional Economic Assistance Program."

The Alaska Regional Economic Assistance Program was created in statute in June 1988. The program was designed to facilitate economic development at the regional and local levels by establishing a network of designated public/private economic development organizations. These organizations, which came to be called Alaska Regional Development Organizations (ARDORs), are charged with developing and implementing strategies to encourage economic development within their regions. The program's underlying goal is the creation of private sector employment through local economic development and capacity building. The statute allows up to fifteen ARDORs to be designated statewide and provides matching grants of up to \$50.0 per year to each organization. Administrative support for the program, as well as professional and technical assistance to the ARDORs, are provided by staff of the Division of Economic Development. On the assumption that the ARDORs could become operationally and financially self-sufficient after five years of state support (FYs 89-93), the program was scheduled for repeal in July 1993.

Although some ARDORs have been operational since FY 89, many have come into existence within the last year and two significant regions of the state are still in the process of structuring appropriate organizations. ARDORs now encompass 67 percent of the state's land area and 93 percent of its population. Nearly 200 community and business leaders throughout the state serve on ARDOR boards of directors. While the goal of creating self-sufficient regional entities remains, it is the position of this department that it is in the best interest of the state to continue this modest level of support to a highly successful and popular program that is making a significant contribution to encouraging local responsibility for economic development planning and program implementation.

The department recommends extending the Alaska Regional Economic Assistance Program to July 1997.

Glenn A. Olds
Glenn A. Olds, Commissioner

Date: 2-6-92

TM/dgl1394D-3
020592a

Alaska State Legislature



SENATOR
ARLISS STURGULEWSKI

3111 C STREET, SUITE 550
ANCHORAGE, ALASKA 99503
(907) 561-7615

While in Juneau
STATE CAPITOL
JUNEAU, ALASKA 99801-1182
(907) 465-3818

Senate

MEMORANDUM

April 3, 1992

TO: Representative Mike Navarre
Representative Eileen MacLean
Co-Chairs, House Finance Committee

FROM: Senator Arliss Sturgulewski *al*
Senate District F

I would greatly appreciate your scheduling of Senate Bill 355 which extends the sunset date of the Alaska Regional Economic Assistance Program.

This program encourages the formation of regional development organizations to address economic problems of specific regions of the state and coordinate private and public resources to support regional economic development. In addition, it provides ongoing assistance for local economic diversification and development efforts, encouraging regions to become economically self-sufficient.

Attached is information about Alaska Regional Development Organizations, resolutions of support, and a Division of Business Development fiscal note for FY 1994 - FY 1997. The program is already included in the Governor's FY 1993 budget. This is a successful program and worthy of extension. The Senate passed SB 355 on March 3, 1992 by a vote of 17-1. The House Labor and Commerce Committee moved the bill on March 31.

Please call Richard Rainery of my staff if you have any questions. Thank you.



Southwest Alaska Municipal Conference

Putting Resources to Work For People

3300 Arctic Blvd., Suite 203 • Anchorage, Alaska 99503 • (907) 562-7380 • FAX (907) 562-0438

RESOLUTION 92-4

A RESOLUTION IN SUPPORT OF SENATE BILL NO. 355 AND URGING ADOPTION OF AN AMENDMENT TO INCREASE FUNDING AVAILABLE TO INDIVIDUAL ARDOR PROGRAMS

WHEREAS, authorization of the Alaska Regional Development Organization Program expires in 1993; and

WHEREAS, the purpose of the ARDOR program is to facilitate economic development at regional and local levels by establishing a network of regional development organizations designed to advance local control of economic development efforts and increase the flow and retention of dollars in local economies; and

WHEREAS, the ARDOR program currently provides matching grants of up to \$50,000 per year for financial assistance to each designated regional development organization; and

WHEREAS, the authorizing legislation allows for a maximum of fifteen regional development organizations to be funded in any year; and

WHEREAS, there are fourteen designated and funded regional development organizations now in operating throughout Alaska; and

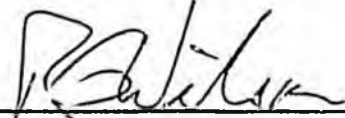
WHEREAS, the \$50,000 level of funding per ARDOR is inadequate for operation as an effective economic development organization; and

WHEREAS, the Alaska Municipal League is in support of increasing the per-ARDOR funding level to \$100,000; and

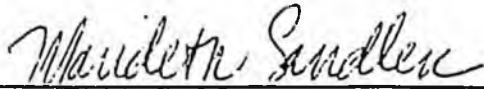
WHEREAS, Senator Sturgulewski has introduced Senate Bill No. 355 to extend the Alaska Regional Economic Assistance Program to July 1, 1997.

NOW, THEREFORE, BE IT RESOLVED, that the Southwest Alaska Municipal Conference urges passages of Senate Bill No. 355 and urges adoption of an amendment to increase the funding level for each ARDOR organization to \$100,000.

PASSED AND APPROVED BY THE SOUTHWEST ALASKA MUNICIPAL CONFERENCE
THIS 19th DAY OF JANUARY, 1992.



Richard G. Wilson, President



Marideth Sandler, Executive Director



**ANCHORAGE
ECONOMIC
DEVELOPMENT
CORPORATION**

February 20, 1992

Honorable Arliss Sturgulewski
Alaska Senate
State Capitol
Juneau, AK 99801-1182

Dear Arliss:

The Anchorage Economic Development Corporation supports Senate Bill 355, an act to extend the Alaska Regional Economic Assistance Program until July 1, 1997.

The ARDOR program is important because it encourages local initiative to foster economic development. The local development entities are best equipped to understand the economic strengths and weaknesses of an area, and to determine the most efficient funding allocation to build on these strengths. In many areas of Alaska, the economic development entities would not exist without the ARDOR program.

For AEDC, the ARDOR program provides a significant component of our annual funding, and without it we would be forced to drop programs that are vital to our efforts to create jobs and diversify the Anchorage and Southcentral economy. AEDC's tourism destination, light manufacturing and seafood development programs are all funded in part by the ARDOR. The successful Ship Creek and Alyeska Ski Resort projects are just two of the projects that were funded in part by ARDOR, and together will combine for almost 650 jobs for the Southcentral region.

The ARDOR program has not only been helpful to AEDC in creating jobs in the Southcentral region, but has also been helpful in establishing essential economic development programs throughout Alaska. This economic development will help to sustain the Alaska economy as the State suffers decreasing revenues and is forced to decrease funding.

Thank you for your consideration of Senate Bill 355.

Sincerely,

Scott E. Hawkins
President

Resolution of the Alaska Municipal League

Resolution No. 92-11

**A RESOLUTION SUPPORTING ADEQUATE FUNDING
FOR THE ALASKA REGIONAL
DEVELOPMENT ORGANIZATION PROGRAM**

WHEREAS, the Alaska Municipal League endorses programs and policies that promote the creation and implementation of community based economic development programs, and

WHEREAS, in 1988 the Alaska Regional Development Organization (ARDOR) program was established within the Alaska Department of Commerce and Economic Development, and

WHEREAS, the purpose of the ARDOR program is to facilitate economic development at regional and local levels by establishing a network of regional development organizations designed to advance local control of economic development efforts and increase the flow and retention of dollars in local economies, and

WHEREAS, the ARDORs are designed to play a critical role in the formulation of state economic development policy and in the delivery of economic and business development services within the regions, and

WHEREAS, the ARDOR program currently provides matching grants of up to \$50,000 per year for financial assistance to each designated regional development organization, and

WHEREAS, the authorizing legislation allows for a maximum of fifteen regional development organizations to be funded in any year, and

WHEREAS, there are fourteen designated and funded regional development organizations now in operation throughout Alaska, and

WHEREAS, the Division of Economic Development within the Department of Commerce and Economic Development, which administers the ARDOR program, estimates that at least fourteen regional development organizations will be operational within the next year.



217 Second Street, Suite 200 • Juneau, Alaska 99801 • Tel (907) 586-1325, Fax (907) 463-5480

February 18, 1992

Position Paper

SB 355 - Extend the Alaska Regional Assistance Program

The Alaska Municipal League supports SB 355, an Act to extend the Alaska Regional Economic Assistance Program until July 1, 1997. In addition, the Alaska Municipal League supports an amendment to the legislation to allow grants of up to 100,000 and requests \$1.4 million in funding for the Alaska Regional Development Organization or ARDOR program (see AML Resolution No. 92-11 attached).

The Alaska Regional Development Organization or ARDOR program under AS 44.33 has been successful in advancing local control of economic development efforts and in increasing the flow and retention of dollars in local economies. Although there are now 14 ARDOR's across the state, many are still in their formative stages. Two areas of the state do not have active ARDOR's but organizational efforts are underway. Additional time and money are needed to ensure the successful development and operation of ARDOR's across Alaska.

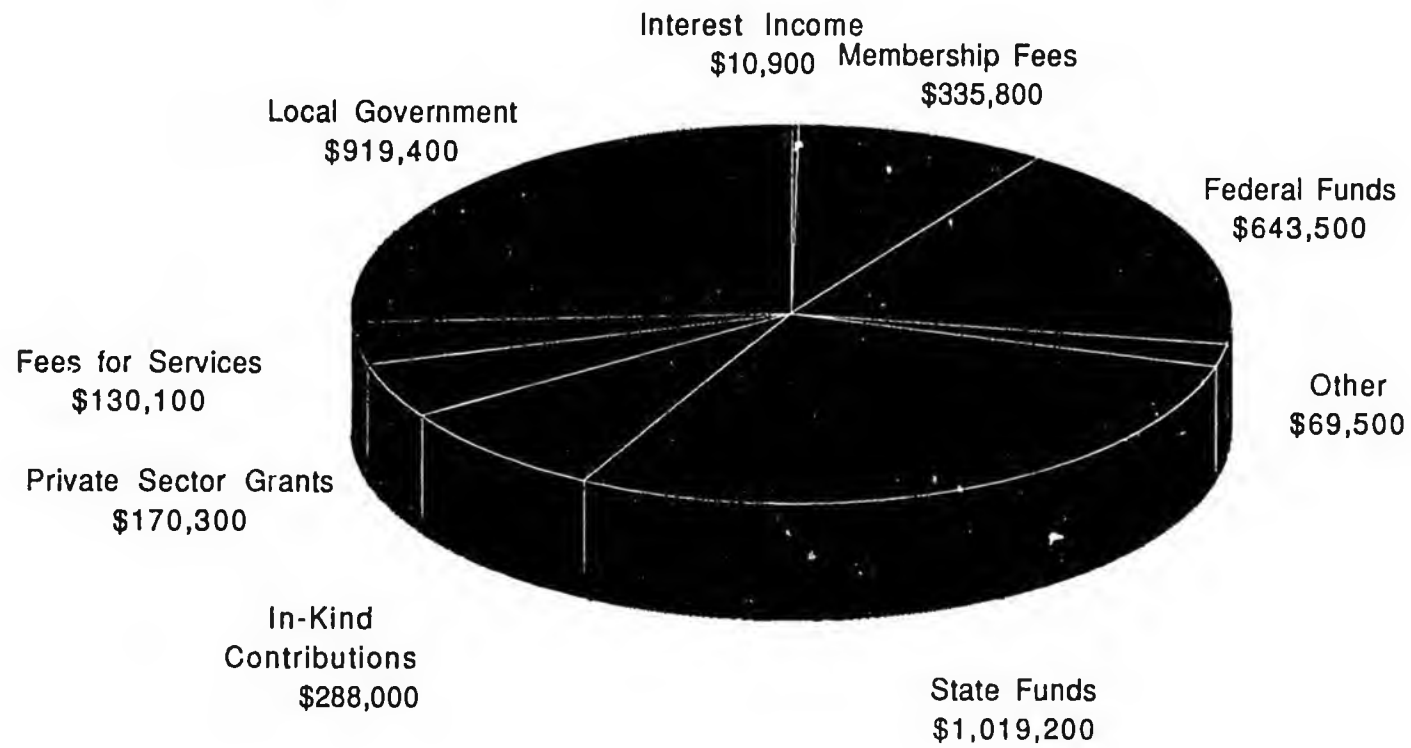
The current program will "sunset" July 1, 1993. Under AS 44.33, the Department of Commerce and Economic Development may provide up to \$50,000 in matching development grants to up to fifteen regional development organizations per year. In FY 92, there is \$617,000 authorized. There are 13 designated and operational ARDOR's receiving state matching funds. With the continuation of the program and continued and increased funding, the state can continue a real, successfully demonstrated, and critical role in the formulation of state economic development policy and in the delivery of economic and business development services within the state.

AML supports SB 355. The League also requests that the legislation be amended to provide for grants of up to \$100,000 under the Alaska Regional Economic Assistance Program and for the program be funded at \$1.4 million in FY 93.

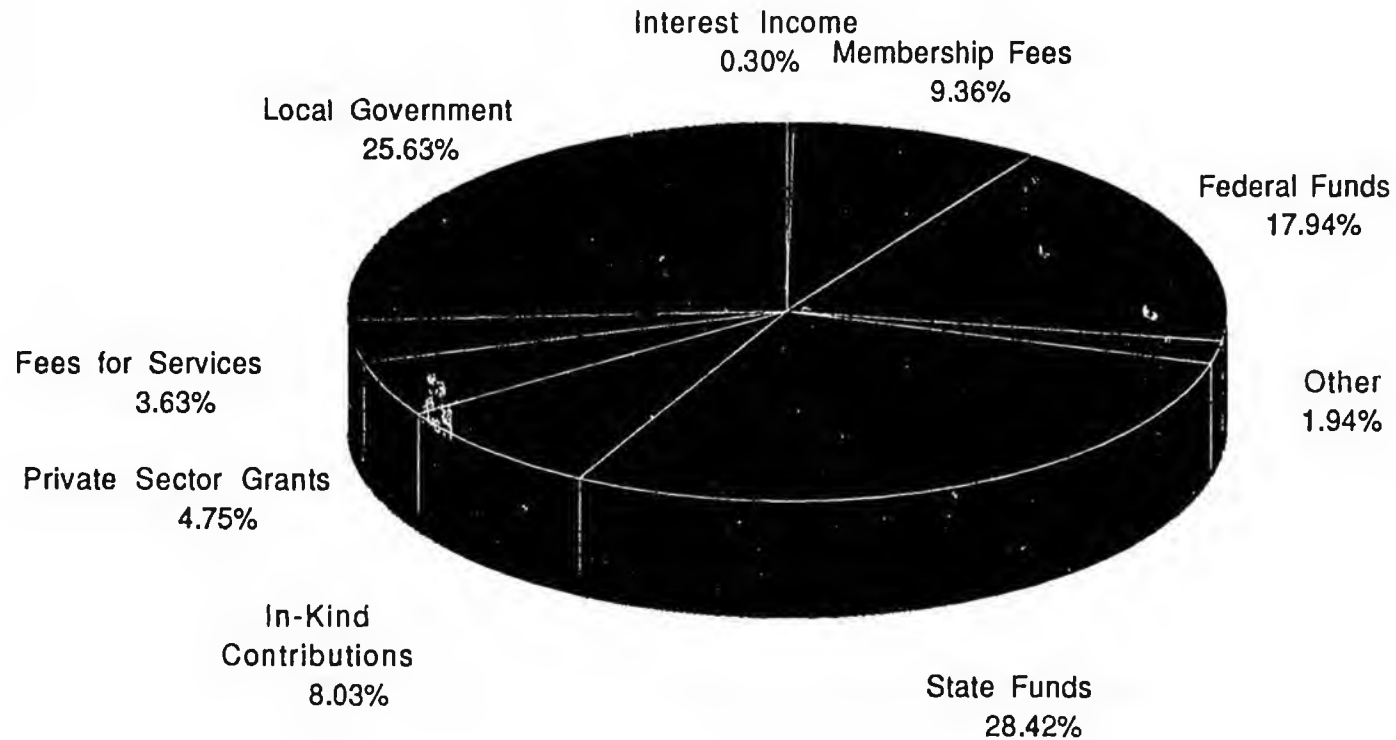
Attachment

c:ardorsb,355

Alaska Regional Development Organizations FY92 Funding Sources



Alaska Regional Development Organizations FY92 Funding Sources by % Contribution

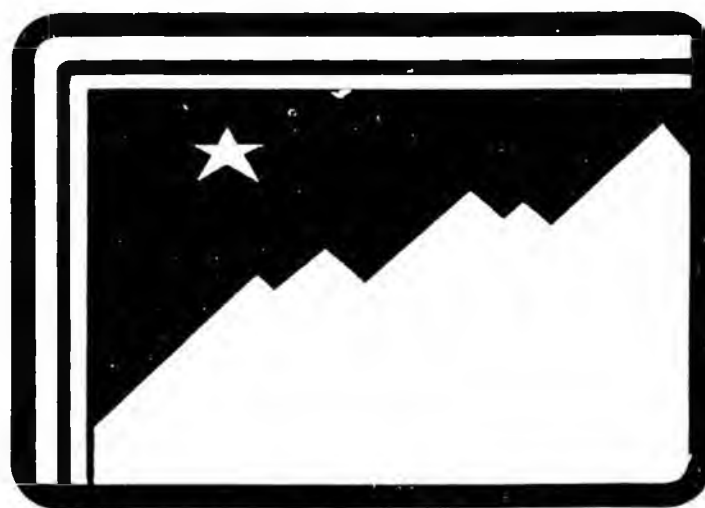


ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS - FY92 FUNDING SOURCES

ARDOR	Designation Date	Federal Funds	Commerce - EDA	Interior - BIA	Agriculture - USFS	HHS - ANA	HUIF - CDBG	EPA	State Funds	DCED - ARDOR	- Other	DCRA - REDI	DEC	DOR	Univ. of AK	Local Government	Membership Fees	Local Communities	Private Sector	Fees For Services	Private Sector Grants	In-Kind Contributions	Interest Income	Other	Budget Totals
	Kenai Peninsula Borough Economic Development Council	2/22/89	80.0				35.0		50.0						47.0	352.3					2.1		3.0		569.4
	Southwest Alaska Municipal Conference	4/6/89	20.0				15.0	31.0	50.0		3.0	130.0						10.0	18.0		23.0			64.0	364.0
	Anchorage Economic Development Corporation	4/11/89							50.0							400.0			257.7	100.0		99.5	5.0		912.2
	Southeast Conference	4/14/89			30.0			40.0	50.0		2.5	50.0				43.0		32.1	18.0			30.0	2.0		316.1
	Northwest Arctic Borough Economic Development Commission	6/28/89							50.0							50.0									100.0
	Bering Straits Economic Council	1/11/90							33.3												34.3	5.0			72.6
	Interior Alaska Economic Development Council	1/31/90					24.9		50.0				37.6	20.0		16.2				30.0	9.8	100.0	0.3	5.0	293.8
	Copper Valley Economic Development Council	11/1/90					20.0		37.5			65.0								0.1	39.8	28.0	0.6	0.5	191.5
	Kuskokwim Economic Development Council	2/15/91				142.7	15.0				0.8	74.0				1.3					3.2	3.1			240.1
	Arctic Development Council	3/1/91					20.0		50.0							26.0					45.0	3.7			144.7
	Lower Kuskokwim Economic Development Council	9/17/91		40.9			15.0	50.0	50.0							10.0									165.9
	Prince William Sound Economic Development Council	11/1/91					34.0		50.0							10.6					13.1	8.7			116.4
	Lower Yukon Economic Development Council	11/1/91					20.0	10.0	50.0							10.0						10.0			100.0
	Funding Source Totals		100.0	40.9	30.0	142.7	198.9	131.0	570.8	3.8	290.0	87.6	20.0	47.0	919.4		42.1	293.7	130.1	170.3	288.0	10.9	69.5		\$3,586.7

Alaska Regional Development Organizations Program

Division of Economic Development
Department of Commerce and Economic Development



ARDOR

SHAPING ALASKA'S FUTURE

9th Floor, State Office Building
Juneau, Alaska 99811
(907) 465-2017

3601 C Street, Suite 724
Anchorage, Alaska 99503
(907) 563-2165

Alaska Regional Development Organizations Program

Division of Economic Development
 Department of Commerce & Economic Development

Revised November 1991

- 1 Keweenaw Peninsula Borough Economic Development District
 - 2 Southwest Alaska Municipal Conference
 - 3 Anchorage Economic Development Corporation
 - 4 Southwest Conference
 - 5 Northwest Arctic Borough Economic Development Commission
 - 6 Bering Straits Economic Council
 - 7 Interior Alaska Economic Development Council
 - 8 Arctic Development Council
 - 9 Kuskokwim Economic Development Council
 - 10 Copper Valley Economic Development Council
 - 11 Lower Kuskokwim Economic Development Council
 - 12 Prince William Sound Economic Development Council
 - 13 Lower Yukon Economic Development Council
- Requested yet unapproved



ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS PROGRAM

The Alaska Regional Development Organizations (ARDOR) Program was established in statute in June 1988. Designed to facilitate economic development at the regional and local levels through a network of designated public/private economic development organizations, the program's underlying goal is the creation of private sector employment through local economic diversification and capacity building. The program reflects the "bottom up" approach to economic development which holds that sound economic development policy arises from local determination of economic development needs and priorities. **The statute allows up to 15 ARDORs statewide and only one organization may be designated within a region.** ARDORs must demonstrate their broad-based public and private sector support and they must prepare a detailed program of work to address regional economic development issues. **Matching grants of up to \$50,000 per year are available to designated ARDORs.** Technical and professional support services are provided to ARDORs by staff of the Division of Economic Development.

ARDOR FACTS

- o 13 ARDORs have been designated since 1989
- o 93% of Alaska's population is represented within ARDORs
- o 67% of Alaska's land area is included within ARDORs
- o Nearly 200 community leaders serve on ARDOR boards of directors
- o ARDOR program costs the state less than \$1.40 per capita
- o ARDORs encourage and support local responsibility for economic development planning and economic self-sufficiency
- o ARDORs are creating new jobs in every region
- o ARDORs are supporting new and expanded businesses in every region
- o ARDORs are supporting business education in Alaska's school systems
- o ARDORs are a critical linkage between local communities and state government for the examination and determination of economic development policy

DESIGNATED ARDORs

- o Kenai Peninsula Borough Economic Development District
- o Southwest Alaska Municipal Conference
- o Anchorage Economic Development Corporation
- o Southeast Conference
- o Northwest Arctic Borough Economic Development Commission
- o Bering Straits Economic Council
- o Interior Alaska Economic Development Council
- o Copper Valley Economic Development Council
- o Kuskokwim Economic Development Council
- o Arctic Development Council
- o Lower Kuskokwim Economic Development Council
- o Prince William Sound Economic Development Council
- o Lower Yukon Economic Development Council

**DESIGNATED ARDORS
POPULATION AND LAND AREA**

<u>Designated ARDOR</u>	<u>Population (est.)</u>	<u>Area (sq. mi.)</u>
Anchorage EDC	237,900	2,000
Arctic Slope DC	8,300	95,000
Bering Strait EC	10,000	26,000
Copper Valley EDC	2,500	17,000
Interior Alaska EDC	75,000	13,100
Kenai Borough EDD	40,800	25,600
Kuskokwim EDC	2,000	16,000
Lower Kuskokwim EDC	12,100	24,000
Lower Yukon EDC	5,500	23,000
NW Arctic Borough EDC	6,100	39,000
Pr. William Sound EDC	7,400	12,750
Southeast Conference	70,000	35,500
SW Alaska Munic. Conference	33,500	62,500
Totals:	511,100	391,450
Base:	550,000	586,000
Total as Percent of Base:	93%	67%

**Alaska Regional Development Organizations
Representative
Economic Development/Capital Projects
January 1992**

Anchorage Economic Development Corporation

Designated: April 11, 1989

- * Ship Creek Basin Redevelopment Project
- * Petroleum Visitors Center
- * Girdwood Water System Expansion/Alyeska Prince Hotel
- * Semiconductor Manufacture/Software Development Industry Promotion
- * Development of Anchorage as a Fish Processing, Transport and Industry Service Center

Arctic Development Council

Designated: March 1, 1991

- * Anaktuvuk Pass Lodge and Visitor Center
- * Business Development Technical Assistance Resulting in the Expansion or Startup of Local Transportation, Retail Grocery, Bed & Breakfast, and Marine Salvage Businesses in Barrow and Pt. Hope

Bering Straits Economic Council

Designated: January 11, 1990

- * Shishmaref Tannery Development & Marketing
- * Geophysical/Geological Mapping of Seward Peninsula
- * Port of Nome Development
- * Norton Sound Aquaculture Association
- * Elim Fish Hatchery
- * Regional Capital Projects Inventory
- * DOD Hazardous Materials Removal Project/Workforce Certification

Copper Valley Economic Development Council

Designated: November 1, 1990

- * Glennallen/Delta Electric Power Transmission Line
- * Copper Valley Summer Theater/Young Entrepreneur Program

Interior Alaska Economic Development Council

Designated: January 31, 1990

- * Alaska Railroad Spur and Loading Dock, Fairbanks
- * Ester Historical Restoration Project

- * Native Heritage Park and Tourism Facility, Nenana
- * Fairbanks Hospital Expansion Project
- * Technical Assistance to Over 472 Businesses and Nonprofits Establishing or Expanding Businesses in Alaska

Kenai Peninsula Borough Economic Development District

Designated: February 22, 1989

- * Development of Kachemak Bay Shellfish Industry
- * Beluga Coal Fields Development
- * Harvest and Marketing of Beetle Killed Timber
- * Paint River Fish Ladder Development Project
- * Kenai Bicentennial Visitor and Cultural Center Development
- * Homer and Seward Port Development Projects

Kuskokwim Economic Development Council

Designated: February 15, 1991

- * Kalskags Gravel Quarry Development and Work Force Training Project
- * Russian Mission Truck Farm Development and Produce Marketing Project
- * Sleetmute Restaurant and Lodging Facility Development

Lower Kuskokwim Economic Development Council

Designated: September 17, 1991

This new ARDOR held its first board of directors meeting in December, 1991. In addition to producing community economic profiles and a regional economic development strategy the ARDOR is presently involved in the following regional development activities.

- * Kuskokwim Fisheries Market Development
- * False Pass Fishery Intercept Issue

Lower Yukon Economic Development Council

Designated: November 1, 1991

This new ARDOR will hold its first board of directors meeting and select an executive director in early February, 1992. The board will chart the course of work for the LYEDC for the following year, including the production of community economic profiles and a regional economic development strategy.

Northwest Arctic Borough Economic Development Commission

Designated: June 28, 1989

- * Upper Kobuk Birch Bark Basket & Dog Sled Cooperative

- * Northwest Arctic Borough Aquaculture Association
- * Expansion of Sikisulaq Springs Hatchery
- * Regional Ecotourism Development Plan (NPS)

Prince William Sound Economic Development Council

Designated: November 1, 1991

This new ARDOR held its first organizational meeting in November, 1991, at which a board of directors was elected and an executive director hired. In addition to commencing work on community economic profiles and production of a regional development strategy, the PWSEDC is involved in the following activities.

- * Valdez Fisheries Association, Value Added Processing Project
- * Technical Assistance to Individual Businesses Throughout Region

Southeast Conference

Designated: April 14, 1989

- * AMHS 20 Year System Plan, Full Funding and Implementation
- * Value Added Salmon Processing Utilizing New Microwavable Can Technology
- * Tongass Land Management Plan, Evaluation, Alternatives, Lobbying
- * Alaska/Canada Access Projects, Taku River and Bradfield Canal

Southwest Alaska Municipal Conference

Designated: April 6, 1989

- * Establishment of Southwest Alaska Tourism Council to Implement Regional Tourism Marketing Program
- * Recycling/Waste Management Studies to Identify Associated Business Opportunities and Implement Reduction Recommendations
- * Research, Education and Lobbying Activities to Insure Shoreside Allocation of Regional Fish Resources

Encouraging ARDOR

Concerned about economic development in your region, but leery of getting involved with yet another government program? Wondering if there's support in your area for a new business and, if so, how to go about financing it? If you're nodding your head yes, you might want to check to see if a regional development agency has been organized in your area. Chances are good that one has and that its staff can help answer your questions.

The Alaska Regional Development Organizations Program was established by state legislators in 1988 in the hope it would foster economic development at a local and regional level – in other words, from the bottom up. The statute allowed for up to 15 ARDORs, each with its own board of directors, office and agenda, to be established statewide.

Since the first programs were designated in 1989, 13 ARDORs have been formed. Together these regional economic development organizations represent 91 percent of the state's population and 67 percent of its area. The Matanuska-Susitna Valley and a large portion of the Interior – excluding Fairbanks – remain unorganized. Those involved with the program hope that will soon change.

The newest ARDORs to join the program are the Prince William Sound and Lower Yukon economic development councils. Both joined the program Nov. 1.

Jayne Sontag, executive director of the Prince William Sound Economic Development Council, sees the organization as a way for communities in the sound to work together on issues affecting them all. In the past, says Sontag, towns and villages in the area have tended to look out for themselves and work independently.

Now there's a means for them to pull together and look at economic issues vital to the entire region. Top priorities for the newly formed ARDOR will be to strengthen the pink salmon industry and to encourage the development of small businesses. It also will work with existing groups to promote tourism.

"I was just very impressed," says Sontag of the cooperative attitude displayed at a recent council meeting. "My board of directors said, 'We've been wanting to do this for 10 years.'"

Those involved with the statewide ARDOR program, including state coordinator Terry Miller, are convinced that building economic development plans from the basement up is the most efficient approach. "We very often have the state come up with a plan and then it trickles down to the local level," says Miller, who's been with the program about two years. "This is a bottom-up approach. People locally know what they need, what they can do and what their resources are."

The program is monitored by the state Department of Commerce and Economic Development. The department approves applications from potential

ARDORs, offers them technical assistance and may allocate up to \$50,000 annually in matching grants to an ARDOR.

Despite the department's involvement, Miller stresses that the program is not another state-run project. Each ARDOR is an independent, incorporated, non-profit organization governed by a volunteer board of directors composed of both public- and private-sector representatives. And coming up with the matching funds necessary to secure a grant forces an ARDOR to muster the regional support necessary to make the program work, says Dan Golden, a development specialist with the department.

"We've really created economic states within the state," says Golden, in explaining the latitude given to each ARDOR. And individual communities within a region are realizing they can accomplish more together than apart.

Although each ARDOR must develop a strategic plan addressing the needs of its area, certain themes are common to most, say Miller and Golden. Everyone, says Miller, is interested in waste management and how to best participate in recycling programs. These subjects are of particular interest to those ARDORs in the Bush. Developing mineral resources, including fishing and timber, also is important to several groups. Tourism is another hot topic.

Donna Tollman, executive director of the Copper Valley Economic Development Council, says tourism development is a major theme in her area. "We've determined we're a pass-through location and not a destination, so we're working on that." Visitors must have a reason to come to the Copper Valley and something to do once they've arrived, says Tollman. Ideas being considered include developing a year-round, eco-tourism industry that attracts ecologically friendly participants such as wildlife observers and photographers, putting on a summer theater production and identifying hiking trails within walking distance of area hotels.

The council, which represents an area that includes Glennallen and Kennicott, wants to improve the region's quality of life by supporting existing businesses, creating employment and encouraging people to start new businesses, says Tollman, owner of a Sears catalog store and a Glennallen clothing store. Residents want to maintain the area's quiet and peaceful atmosphere while strengthening the economy. Gradually, says Tollman, she and the ARDOR board are seeing changes.

"People here are really excited," says Tollman, who emphasizes that the Copper Valley council represents the concerns of the entire region and not just Glennallen. "Slowly but surely we're turning the (initial) skepticism into positive energy. We're really seeing some changes."

– Robin Mackey Hill

State readies Bush for life after oil goes

Grant program plants seeds for future development, jobs

By HAL BERNTON

Daily News business reporter

Along the middle reaches of the Kuskokwim River, villagers looking for more cash to supplement subsistence lifestyles have joined an arts and crafts cooperative.

In the Glennallen area, a day-care center provides a helping hand to rural mothers looking to join the work force.

Floating off the Kenai Peninsula, shellfish farms of oysters and mussels may provide a new source of jobs and income for coastal residents.

These are some of the tiny engines of rural development the state Commerce Department hopes to nurture through a modest \$750,000-a-year program begun in 1989.

The program provides seed grants of \$50,000 that must be matched by another \$50,000 from local sources.

The money is allocated through regional development groups overseen by boards drawn from Native corporations, boroughs, non-profit associations and other local groups.

"It's something that has been happening very quietly, not with a lot of red banners," said Paul Fuhs, state director of economic development.

Much of rural Alaska is heavily dependent on public assistance programs. And state officials say they hope that these regional councils — with strong participation from local leaders — can trigger grass-roots development that may help carry communities into a 21st century when state oil revenue is expected to dwindle and the state pipeline of funds to rural communities might be drying up.

On Friday morning, Fuhs

Please see Page D-6, **SEEDS**

SEEDS: Getting ready for life after oil

Continued from Page D-1

gathered with executive directors of the development groups to review current projects and plans for the future.

In some areas, the development organizations pre-date the 1989 program and are already well-established.

But most of the organizations have been created within the last two years and are just beginning to work with rural residents on new projects.

The following describes projects some councils are pursuing.

Copper River Economic Development Council. Donna Tollman, executive director, said ideas have been "exploding all around us" since the group was formed late last year.

The council set up a day-care center to help mothers who wanted to enter the work force and has targeted power rates — which are some of the highest among Alaska communities connected to highways — as a major stumbling block to new development.

The council also is working on a theater project for summer tourists and a possible Native cultural center in the Glennallen area.

Kuskokwim Economic Development Council. The Aniak-based council faces the stark task of finding development opportunities among the isolated villages of western Alaska.

Jeannie Wooderson, executive director, said the council has formed an arts and crafts cooperative and is looking to develop a mail-order catalog to market products nationwide. The ca-

talog may target Japanese corporations and businesses that frequently give gifts.

The council also is looking at commercial berry operations along the Kuskokwim. The region already has abundant wild blueberry patches, and the council is asking state agricultural officials to enhance the productivity of those patches and to develop commercial strawberry, raspberry and currant production.

Northwest Economic Development Commission. As in the Kuskokwim area, subsistence hunting and fishing remains a major pursuit of many residents in northwest Alaska. And a major goal of the Kotzebue-based council is to find ways to reduce the high cash cost of fuel and other essentials that are brought in from outside.

But opportunities for new economic development also exist.

A new Northwest Alaska hatchery is enhancing river systems with chums, and a regional aquaculture association may be formed to help expand commercial salmon harvests.

And with the increasing popularity of snowmobiles comes a need for village repair shops, according to Bill Spencer, executive director.

Southwest Alaska Municipal Conference. Marideth Sandler, executive director, said the group is working on fishery development projects that would add value to seafood caught locally. The group also is working on recycling projects and "ecotourism" that would spotlight the region's fish and wildlife.

ALASKA

**DEPARTMENT OF COMMERCE
AND ECONOMIC DEVELOPMENT
DIVISION OF BUSINESS DEVELOPMENT**

ALASKA REGIONAL ECONOMIC ASSISTANCE PROGRAM

GUIDELINES

The purpose of the Alaska Economic Assistance Program is to encourage the formation of Alaska Regional Development Organizations (ARDORs) that address the economic problems of specific regions of the state; coordinate private and public resources to support economic development on a regional basis; provide the state with information on regional economic issues and opportunities; and provide assistance to local economic diversification and development efforts to encourage economic self sufficiency among regions of the state.

Matching grants of up to \$50,000 per year for financial and technical assistance will be provided to each regional organization that qualifies.

The program is administered by the Department of Commerce and Economic Development, Division of Business Development. The Department stands ready to assist the Regional Organization in both the organization and operation of the ARDOR by providing information, data and technical assistance. This includes but is not limited to:

1. information, procedures, forms and other materials as required, on how to apply and qualify for Alaska regional development;
2. counseling and technical assistance to the regional economic organization in establishing and operating an Alaska regional development organization program; and
3. available data and information on the region's economy in support of the regional organizational efforts.

APPLICATION PROCEDURES

Applications for ARDOR designation and funding must be submitted on forms provided by the Department of Commerce and Economic Development.

Who May Apply:

The Department will accept applications from any organizations wishing to be designated as an ARDOR for a specific region and receive funding, as long as the applicant meets one of the following criteria:

1. A nonprofit corporation, including a regional Native non-profit corporation;
2. An association which can be composed of municipal governments, chambers of commerce, and/or local or regional development councils; or
3. A body formed by an organized municipality.

An Economic Development District formally recognized by the Economic Development Administration is automatically designated the ARDOR for the region it serves, but the district must still file an application for such designation.

(Revised 3/13/89)

The potentially thorny issues of delineating regions and recommending representative organizations is NOT the role of the state or the department. It makes much more sense that the establishment of regional boundaries and the development of ARDORS occur through local initiative. Each region should consist of communities with similar or related economic problems and opportunities and with the ability to work together to achieve common goals.

Where to Apply:

Division of Business Development
Department of Commerce and
Economic Development
P.O. Box D
Juneau, Alaska 99811
Phone: (907) 465-2017

Division of Business Development
Department of Commerce and
Economic Development
3601 C Street, Suite 722
Anchorage, Alaska 99503
Phone: (907) 563-2165

What to Submit:

Applications for designation as an ARDOR or for funding must be on forms provided by the Department of Commerce and Economic Development, Division of Business Development (see attached).

Application for ARDOR Designation. This application is used by applicants for the designation of an applicant as an ARDOR. In addition to the application form itself, the applicant will be required to submit the following:

1. A map delineating regional boundaries;
2. Regional population information;
3. A list of the membership of the Board of Directors for the ARDOR;
4. Bylaws of the regional organization;
5. Formal resolutions supporting the application;
6. A detailed project proposal and work program; and
7. Copy of the nonprofit incorporation papers.

Application for ARDOR Funding. This application will be used by applicants for funding the ARDOR program. A detailed budget for 12-month project period including identification of the source(s) of non-state matching funds must be included. **For first year funding, a funding application should be submitted with the application for ARDOR designation.**

When to Apply:

Applications for ARDOR designation and funding will be accepted by the department on a year-round basis. Funding applications will be processed on a "first come, first served" basis, until the appropriated funds are depleted.

Review Criteria:

Application for ARDOR Designation. When an APPLICATION FOR ARDOR DESIGNATION is received by the department, it will be evaluated to see if it complies with the program statutes and regulations, summarized below.

1. **Regional Size**—3 AAC 57.040 and AS 44.33.026(a)(2). The regional map and population information submitted must address the following information.

In general the region must form an economically viable unit with shared interests, resources, traditions, and goals. The region must contain the entire area of each municipality within the region and include at least one community with a population of 2,500 or more which serves as a regional supply, transportation, and financial hub. The region must be at least 12,000 square miles in area or have a total area population of 80,000 or more.

If the regional economic center does not include a population of at least 2,500 people, then supplementary information must be provided to justify that there is sufficient population and resources within the region to fulfill the intent of the program.

2. **Board Representation**—3 AAC 57.050 and AS 44.33.026(e). The board membership description should provide evidence that the region's economic, political and social interests are represented. The proposed board of directors should have both public and private sector representation on the board, including elected officials, business, service industries, transportation, labor, professions and educational institutions.
3. **Bylaws and Non-Profit Incorporation Papers**—3 AAC 57.060(a). The bylaws of the organization must be submitted and at a minimum, should describe: purpose of organization, board of directors, election of officers, duties of officers, meetings, and adoption and amendment of bylaws. If the organization has incorporated under the laws of the State of Alaska, a copy of the articles of incorporation should be provided. (Incorporation is not necessary.)
4. **Formal Resolutions supporting the Application**—3 AAC 57.060(a). Copies must be provided of formal resolutions supporting the applicant organization from three-fourths of the municipalities and villages and economic development organizations (such as chambers of commerce, OEDP committees, etc.) within the region. (Only those organizations which can be identified as being directly involved in business development or regional and/or community economic development activities need to pass resolutions.)
5. **Proposed ARDOR First Year Work Program and Budget**—3 AAC 57.090. The department anticipates that there will be more than one approach taken in the accomplishment of the various ARDOR programs. At a minimum the following must be included in the work program and budget: 1) the development of a Regional Development Strategy; 2) the completion of a set of economic profiles for every organized municipality in the region; 3) a detailed description of the work to be accomplished in the first year; 4) identification of the source of the required local match for receipt of the local share; and 5) a line item budget detailing expenditures for the total project.

NOTE: An APPLICATION FOR ARDOR FUNDING should accompany the APPLICATION FOR ARDOR DESIGNATION.

Application for ARDOR Funding. Once an ARDOR has been designated and funded, in subsequent years the ARDOR must annually file an APPLICATION FOR ARDOR FUNDING for continuation of funding. The Department will review the application to determine how well the ARDOR performed in the previous year's work program and will be looking at the details of the proposed work program for the the new year. This will include the review of: 1) the proposed work program for compliance with 3 AAC 57.090 (Functions and Responsibilities) and the ARDOR's Regional Development Strategy; 2) the proposed budget for the next year's program; and 3) identification of the source of the local matching share.

If an ARDOR submits an APPLICATION FOR ARDOR FUNDING for second year funding, the department will be especially interested in the progress being made on the Regional Development Strategy.

ARDOR DESIGNATION DECISION PROCESS

In order to process ARDOR designation applications in as orderly and efficient a manner as possible, the department has established the process described below. It is anticipated that if an APPLICATION FOR ARDOR DESIGNATION is filed with all the necessary information, exhibits and attachments; the application can be approved in approximately 45 days.

1. Application is received by the department.

—Day One—

2. Application is reviewed to see if the information required by regulation has been submitted (see Review Criteria above).

—Department has 10 days to review application—

3. If the department determines the application meets all requirements, Public Notice of Intent to designate an ARDOR is published.

—30 day public review and comment period—

4. If the department finds the application is deficient, competing applications are filed, or substantive objections are received during the public comment period, the application is returned to the applicant with an explanation as to what needs to be done to make the application satisfactory; but the process stops until the concerns are corrected.

Please Note: "It is not the responsibility of the department to mediate conflicts," 3 AAC.57.060(g). Any substantive objections or competing applications must be resolved by the applicant organization and a majority of the parties on record expressing the objections.

5. If there are no substantive objections or challenges registered during the 30 day public review period, the department will designate the applicant as an ALASKA REGIONAL DEVELOPMENT ORGANIZATION and execute a grant agreement.

—Department will sign the designation papers in 5 working days—

ARDOR FUNDING PROCESS

After the ARDOR has received its designation and first year funding, the following procedure will be used for processing an APPLICATION FOR ARDOR FUNDING in subsequent years:

1. at least 60 days prior to the end of its project year, the ARDOR should file an APPLICATION FOR ARDOR FUNDING with the department;
2. the department will review the application to assure compliance with program regulations (see review criteria above); and
3. if the review reveals no areas of concern, a new grant agreement will be executed with the ARDOR prior to the end of the existing project year. This new grant will go into effect upon the termination of the old.

In order for an ARDOR to receive funding, a grant agreement must be signed and executed by the ARDOR and the department.

ARDOR FUNDING POLICIES

Only one organization from a particular region can receive ARDOR grant funds. No more than 15 grants may be awarded by the department in a fiscal year. Grants of up to \$50,000 may be awarded to a designated ARDOR in a fiscal year. Applications for ARDOR funding are processed on a "first come, first served" basis. An organization that receives funding will have a first priority for funding in subsequent years. Nonfunded applications will have the next lower priority for funding in the next state fiscal year. The department, in its discretion, will adjust priorities and lower funding levels requested by previously funded ARDORs, to accommodate nonfunded applications. In FY 89, the department received \$300,000 to fund the program.

Grants are to be matched in cash, on a one-to-one basis with nonstate funds. Twenty percent of the match share, or \$10,000, whichever is less, must be from the municipalities and the private sector with the region. Under special circumstances, the department will review written requests from designated ARDORs to substitute up to twenty percent of the match requirement with in-kind services contributions for the first two years of funding. Such a request should be submitted with the APPLICATION FOR ARDOR FUNDING. The in-kind service contributions may not substitute for the municipalities/private sector contribution requirement listed above.

See 3 AAC 57.070 (Funding Procedures) for additional information.

ARDOR OPERATIONS

ARDORs must maintain an office with regular office hours and retain the equivalent of one full-time professional staff. ARDOR offices are expected to have computers with communication capabilities to access computer bulletin board systems and data bases such as AKBizNET, the Alaska Small Business Development Center electronic bulletin board system.

Designated Alaska Regional Development Organizations

Alaska Regional Development Organizations Program

Department of Commerce and Economic Development
Division of Economic Development

Kenai Peninsula Borough Economic Development District

Designation Date: February 22, 1989
James Elson, Chairman
Stan Steadman, Executive Director
110 Willow Street, Suite 106
Kenai, AK 99611
Phone: 283-3335
Fax: 283-3913

Southwest Alaska Municipal Conference

Designation Date: April 6, 1989
Rich Wilson, President
Marideth Sandler, Executive Director
3300 Arctic Boulevard, Suite 203
Anchorage, AK 99503
Phone: 562-7380
Fax: 562-0438

Anchorage Economic Development Corporation

Designation Date: April 11, 1989
Ron Duncan, Chairman
Scott Hawkins, President
550 West 7th Avenue, Suite 1130
Anchorage, AK 99501
Phone: 258-3700
Fax: 258-6646

Southeast Conference

Designation Date: April 14, 1989
Frank Wallace, President
Jim Kohler, Executive Director
124 West Fifth Street
Juneau, AK 99801
Phone: 463-3445
Fax: 463-5670

Northwest Arctic Borough Economic Development Commission

Designation Date: June 28, 1989
Ross Schaeffer, Chairman
William Spencer, Executive Director
P.O. Box 1110
Kotzebue, AK 99752
Phone: 442-2500
Fax: 442-2930

Bering Straits Economic Council

Designation Date: January 11, 1990
Lonnie O'Connor, President
Yvonne Dazeé, Executive Director
P.O. Box 1849
Nome, AK 99762
Phone: 443-5394
Fax: 443-2409

Interior Alaska Economic Development Council

Designation Date: January 31, 1990
Walter "Wally" Carlo, President
Wendy Warnick, Executive Director
520 Fifth Avenue, Suite 410
Fairbanks, AK 99701
Phone: 459-1310
Fax: 456-1942

Copper Valley Economic Development Council

Designation Date: November 1, 1990
Robert Wilkinson, President
Donna Tollman, Executive Director
P.O. Box 9
Glennallen, AK 99588
Phone: 822-5001
Fax: 822-5009

Kuskokwim Economic Development Council

Designation Date: February 15, 1991
Dennis Thomas, President
Jeannie Wooderson, Executive Director
P.O. Box 207
Aniak, AK 99557
Phone: 675-4418
Fax: 675-4419

Arctic Development Council

Designation Date: March 1, 1991
Conrad Bagne, President
Larry Meadows, Executive Director
P.O. Box 1353
Barrow, AK 99723
Phone: 852-4146
Fax: 852-4147

Lower Kuskokwim Economic Development Council

Designation Date: September 17, 1991
Ted Moses, Chairman
Carl Berger, Executive Director
P.O. Box 219
Bethel, AK 99559
Phone: 543-3521
Fax: 543-3596

Prince William Sound Economic Development Council

Designation Date: November 1, 1991
James Winchester, President
Jayne Sontag, Executive Director
P.O. Box 2353
Valdez, AK 99686
Phone: 835-3775
Fax: 835-2847

Lower Yukon Economic Development Council

Designation Date: November 1, 1991
Andrew Paukan, President
Edwin Glotfety, Executive Director
P.O. Box 9
Emmonak, AK 99581
Phone: 949-1249
Fax: 949-1926