

SB

142

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/18/93

FURTHER:

DATE TURNED INTO OFFICE: 4-8-93

The Finance Committee considered SENATE BILL NO. 142

"An Act relating to the Alaska regional economic assistance program; and providing for an effective date."

and recommends:

- replace with _____ CS _____ (FINANCE)
- or adopt previous _____ CS SB 142 (CRA)
- attaches amendment(s)

- same title
- new title
- technical title change (HB only)

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

NEW FISCAL NOTES

Department	Date	Zero	Fiscal
DC&ED	3/18/93		\$250.0

PREVIOUS FISCAL NOTES

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

DO PASS:

George Taylor Jr

1. Should DO PASS

OTHER RECOMMENDATIONS:

Tyler Kelly - No Rec

Sen. Nung - No Rec

Steve Pison - No Rec

2. Love Peace. 10/22

F I S C A L N O T E

Revision Date: 4/8/93 Affected Agency: DC&ED
 Title: Regional Economic Assistance Program BRU: Economic Development
 Sponsor: Senator Jacko Components: N/A
 Requestor: Sen. Phillips Comp.Ser.No.:

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants, Claims	250.0	250.0	250.0	250.0	250.0	250.0
Miscellaneous						
TOTAL OPERATING	250.0	250.0	250.0	250.0	250.0	250.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (THOUSANDS OF DOLLARS)

General Fund	250.0	250.0	250.0	250.0	250.0	250.0
Federal Fund						
Other						
TOTAL	250.0	250.0	250.0	250.0	250.0	250.0

POSITIONS:

Full-Time						
Part-Time						
Temporary						

Est. of FY93 impact: 0.0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

Prepared By: Tru Pearce Date: 4/8/93
 Co-Chair Pearce Senate Finance Committee Phone: 465-4993

Prepared By: Frank Date: 4/8/93
 Co-Chair Frank Senate Finance Committee Phone: 465-3709

CS FOR SENATE BILL NO. 142(CRA)

IN THE LEGISLATURE OF THE STATE OF ALASKA

EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

Offered: 3/18/93
Referred: FINANCE

Sponsor(s): SENATOR JACKO

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the Alaska regional economic assistance program and to
2 regional development organizations; and providing for an effective date."

3 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

4 * Section 1. AS 09.17.050(a) is amended to read:

5 (a) Unless the act or omission constituted gross negligence, a person may not
6 recover tort damages for personal injury, death, or damage to property for an act or
7 omission to act in the course and scope of official duties, from one of the following:

8 (1) a member of the board of directors or an officer of a nonprofit
9 corporation;

10 (2) a member of the board of directors of a public or nonprofit hospital,
11 or a member of a citizen's advisory board of any hospital;

12 (3) a member of a school board of a school district;

13 (4) a member of the governing body, a commission, or a citizen's
14 advisory committee of a municipality of the state;

CSSB 142
Section by Section Analysis

This bill makes three changes to the Alaska Regional Economic Assistance Program, more commonly known as the ARDOR (Alaska Regional Development Organizations) program in the areas: of limiting civil liability of regional development organizations board members and staff; exempting contracts between state agencies and regional development organizations from the state procurement process; raising the state grant funding cap to regional development organizations from \$50,000 to \$100,000 per year and providing flexibility in state grant match requirements based on the capability of each organization to raise matching funds.

Section 1. This section amends the Code of Civil Procedure, Limitations on Civil Liability Section AS 09.17.050(a), to add "a member of the board of directors, an officer, or an employee of a regional development organization," to the list of certain directors and officers with limited liability as follows: "unless the act or omission constituted gross negligence, a person may not recover tort damages from personal injury, death, or damage to property for an act or omission to act in the course and scope of official duties."

Section 2. This section amends the Code of Civil Procedure, Limitations on Civil Liability Section AS 09.17.050(c) to define regional development organizations referred to in the Section 1 amendment above as the same definition in the ARDOR statute AS 44.33.026(e)(2):

"regional development organization" or "organization means a nonprofit organizations or non profit corporation formed to encourage economic development within a particular region of the state that includes the entire area of each municipality within that region and that has a board of directors that represents the region's economic political, and social interests.

Section 3. This section amends the Public Contracts, State Procurement Code, General Provisions Section AS 36.30.850(b) to add to the list of exemptions from the state procurement process: "contracts entered into with a regional development organization." In addition, regional development organization used in this section is given the same meaning as AS 44.33.026(e)(2) described in Section 2 above.

Section 4. This section amends the Alaska Regional Economic Assistance Program Section, more commonly referred to as the ARDOR (Alaska Regional Development Organizations) program AS 44.33.026(c) to allow state grant match funding of up to \$100,000 (instead of \$50,000) per ARDOR per year. It also authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from non-state sources. The match requirement of state ARDOR grant funds to non-state funds may not exceed a one-to-one ratio.

Section 5. This section establishes the effective date of the act as July 1, 1993.

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EIGHTEENTH LEGISLATURE - FIRST SESSION

BY THE SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

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7 omission to act in the course and scope of official duties, from one of the following:

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9 corporation;

10 (2) a member of the board of directors of a public or nonprofit hospital,
11 or a member of a citizen's advisory board of any hospital;

12 (3) a member of a school board of a school district;

13 (4) a member of the governing body, a commission, or a citizen's
14 advisory committee of a municipality of the state;

1 (5) a member of the board of directors, an officer, or an employee
2 of a regional development organization.

3 * Sec. 2. AS 09.17.050(c)

4 (c) In this section,

5 (1) "nonprofit corporation" means a corporation that qualifies for
6 exemption from taxation under 26 U.S.C. 501(c)(3) or (4) (Internal Revenue Code);

7 (2) "regional development organization" has the meaning given in
8 AS 44.33.026.

9 * Sec. 3. AS 36.30.850(b) is amended by adding a new paragraph to read:

10 (30) contracts entered into with a regional development organization;
11 in this paragraph, "regional development organization" has the meaning given in
12 AS 44.33.026.

13 * Sec. 4. AS 44.33.026(c) is amended to read:

14 (c) To qualify for a grant, a regional development organization must match the
15 grant by providing an amount of money from nonstate sources for the project. The
16 department shall establish by regulation a formula that determines the amount
17 of the match required under this subsection based upon the capability of each
18 organization to generate money from nonstate sources. The amount of match
19 required may not exceed [THAT EQUALS] the amount of grant money to be used
20 for the project. The total amount of grant money provided to an organization during
21 a fiscal year may not exceed \$100,000 [\$50,000].

22 * Sec. 5. This Act takes effect July 1, 1993.

CSSB 142
Section by Section Analysis

This bill makes three changes to the Alaska Regional Economic Assistance Program, more commonly known as the ARDOR (Alaska Regional Development Organizations) program in the areas: of limiting civil liability of regional development organizations board members and staff; exempting contracts between state agencies and regional development organizations from the state procurement process; raising the state grant funding cap to regional development organizations from \$50,000 to \$100,000 per year and providing flexibility in state grant match requirements based on the capability of each organization to raise matching funds.

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Section 5. This section establishes the effective date of the act as July 1, 1993.

CSSB 142
Sponsor Statement
Senator George Jacko
Senate Finance Committee
April 6, 1993

The ARDOR (Alaska Regional Development Organizations) program was established in statute in 1988 and with implementing regulations became effective in early 1989. Since then 13 ARDORs have been designated, five in the last two years. An anticipated fourteenth ARDOR is being organized in the Matanuska-Susitna Borough.

This bill makes three changes to the Alaska Regional Economic Assistance Program, more commonly known as the ARDOR (Alaska Regional Development Organizations) program:

- raising the state grant funding cap to regional development organizations from \$50,000 to \$100,000 per year and providing flexibility in state grant match requirements based on the capability of each organization to raise matching funds;
- exempting contracts between state agencies and regional development organizations from the state procurement process; and
- limiting civil tort liability of regional development organizations board members and staff.

Currently, the statute (AS 44.33.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with non-state funds. Experience with the ARDORs has indicated that the level of funding is inadequate and that raising matching funds, especially for the rural ARDORs, is difficult. The ARDOR program is virtually the only state program in rural Alaska that provides regions with the means to work towards economic self sufficiency. Each public/private ARDOR board guides its region in the development and implementation of a regional development strategy. Unfortunately, the reality of funding shortfalls often subverts these regional goals. In fact, all of the rural ARDORs have stated that time spent "chasing" donations and various grant funds necessary for operating expenses, has seriously reduced the capabilities of the executive directors to accomplish the board directed work plans. Priorities necessarily get shifted from meeting the board's regional strategies to satisfying the granting agency's criteria to secure the much needed funds. This situation has led to staffing and programmatic problems in some ARDORs, unnecessarily limiting the success of the ARDORs.

This bill amends the statute to allow state grant funding of up to \$100.0 per ARDOR and authorizes the Department of Commerce and Economic Development to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from non-state sources. The department has indicated that they envision a matching fund formula that would ease match requirements, especially favoring rural areas.

The two other proposed changes make it easier for various state agencies to work and cooperative with ARDORs as well as protecting ARDORs from legal harassment regarding tort damages.

The ARDOR statute and implementing regulations recognize the special relationship of a designated ARDOR with state government to coordinate economic development programs and activities. However, at present an ARDOR will encounter difficulty in working with state agencies on various projects due to state purchasing regulations. The proposed procurement exemption allows an ARDOR to contract directly with state agencies to conduct feasibility studies, marketing programs and other economic development activities without encountering delays and roadblocks associated with procurement regulations.

With regard to legal issues, the amendment proposed here simply limits the legal liability of "a member of the board of directors, an officer, or an employee of a regional development organization," except in the case of gross negligence, "a person may not recover tort damages from personal injury, death, or damage to property for an act or omission to act in the course and scope of official duties."

If the legislation passes with a zero fiscal note or is not passed, the opportunities for rural ARDORs to lead their regions towards economic self sufficiency will continue to be unnecessarily burdensome.

SB 142: "An Act relating to the Alaska regional economic assistance program."

The department is neutral on this bill.

The ARDOR (Alaska Regional Development Organizations) program was established in statute in 1988 and with implementing regulations became effective in early 1989. Since then 13 ARDORs have been designated, eight in the last two years. An anticipated fourteenth ARDOR is being organized in the Matanuska-Susitna Borough. Currently, the statute (AS 44.33.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. This legislation amends the statute to allow state grant funding of up to \$100.0 per ARDOR and authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from non-state sources.

If this legislation is passed, the department envisions a matching fund formula that would ease match requirements and especially favor rural areas. A total of \$1,400.0/year would be necessary for the 13 existing ARDORs and one anticipated new ARDOR.


Paul Fuhs, Commissioner

3/12/93
Date

dg/120pp.ed

ASSOCIATION OF ALASKA ARDORS

RECOMMENDATIONS TO THE HOUSE AND SENATE ECONOMIC TASK FORCES

The legislature's opportunities to spur job creation and economic growth:

1. Consolidate economic development in one lead state agency, supported by locally-based regional development organizations (ARDORs). The present situation is confusing to consumers as well as providers.
2. Increase financial support of the ARDOR program (through SB 142 and HB 198), which would be matched locally. Additionally, provide support of intra-regional development efforts (such as Southwest Alaska Small Processors, Interior Rivers Arts and Crafts Coop, regional tourism marketing groups).
3. Approve the proposed economic development fund as indicated in SB 154 introduced by Jacko and other legislators, and have it administered on a regional level by the ARDORs to promote village to village interaction, and coordination with local small business needs.
4. Provide adequate funding for management and development of those capital resources which are already developed, such as commercial fisheries, to maximize long-term financial benefit to state, municipalities, and Alaska residents.
5. Appropriate increased funding for small business technical assistance to go into rural areas to work one-on-one with residents. It is clear that rural residents are definitely interested in starting small businesses, but the type of assistance they have requested is on a very basic level. Our experience has taught us that what is needed is to educate people on how to be a business person, how to set up a business, bookkeeping, how to market, and to understand the difference between wholesale and retail, etc.
6. Establish a revolving loan or other type of small (medium) loan fund or other source of capitalization to provide seed money for start-up rural value-added seafood and other small businesses to move through initial marketing and other hurdles.
7. Increase the capitalization of the Rural Development Investment Fund loan program for developed small businesses.

8. Increase the dollar resources for support of regional rural tourism development efforts. Current visitor demographics point to more affluent, adventurous visitors traveling to the state looking for the more remote, nature-based opportunities offered by rural areas. This would support the cooperative efforts already established by ARDORS between governments, businesses, and Native organizations. Ways in which ARDORS and other regional tourism marketing councils support new visitor industry businesses and create jobs are by providing hospitality training, marketing seminars, establishing visitor centers, and producing regional marketing travel planners and videos. Working individually and in isolation, rural businesses and villages are unable to make significant gains, but working together they can compete with more established visitor destinations.

Barriers to be removed:

1. Lessen the difficulties experienced by small processors in working through Department of Environmental Conservation regulations and reduce the bonding requirements.
2. As mentioned above, there are some effective economic development programs and resources offered by numerous agencies. However, it is hard for the public to figure out who offers what.
3. Encourage banks to support rural economic development in the following ways:
 - o changing their credit card merchant policies to support catalog sales/telemarketing and sales via modem.
 - o making financial services available in smaller hub communities (i.e. Sand Point, Aniak, St. Mary's).
 - o encouraging rural banking branches to overcome a perception of the high risk of providing financing to rural applicants
4. Improve coordination between the state agencies and banks when providing financing to rural applicants, such as using the same loan forms and not requiring unneeded information.



SOPHIE STATION HOTEL

1717 University Avenue • Fairbanks, Alaska 99709

Phone: (907) 479-3650 • Fax: (907) 479-7951

April 1, 1993

Senator Drue Pearce
Capitol Rm 423
Juneau, Alaska 99801

Senate Bill #148

Dear Senator Drue Pearce,

This letter is to encourage your support of the aforementioned Bill.

As it is not possible for a corporation of the government to compete equally and fairly against free market, I support the effort to define activities of The Alaska Railroad Corporation. Further, as Alaska Railroad Corporation currently plans to construct a hotel in Fairbanks during the summer of 1993, I recommend swift action by our Legislators that this Bill may be passed this session.

I look forward to hearing of your yes vote on this Bill.

Thank you.

Sincerely,

A handwritten signature in cursive script that reads "C. Schultz".

Catherine Schultz
General Manager

Lower Kuskokwim
Economic Development Council
P. O. Box 219
Bethel, Alaska 99559
(907) 543-5967
(800) 478-3521 within Alaska

April 1, 1993

Senator Steve Frank
Senator Drue Pearce
Co-chairs, Finance Committee
Alaska State Legislature
Juneau, AK 99811

Dear Sens Frank & Pearce:

I am writing to request your support of SB 142, which provides funding for regional economic development organizations (ARDOR's) and changes the match requirement in order to receive an annual legislative appropriation.

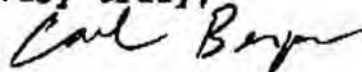
The ARDOR programs serve as 'front line' organizations to provide information and direct services to small business owners and those interested in entering into or expanding their businesses. Twelve organizations operate around the state and are supervised by local boards of directors, made up of businessmen and community and village leaders who volunteer their time and experience in helping others.

These programs also leverage non-state funds together with the legislative grants to create additional operating funds. Last year the ARDORs collectively leveraged \$570,000 of state dollars to \$3.6 million for all the programs, a sevenfold increase.

ARDORs collect economic information and distribute it for each region of the state and assist with the completion of written economic profiles of communities in their region.

Your support of this legislation will allow the continued operation of ARDOR programs statewide.

Very truly,



LOWER KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL
Carl Berger, Executive Director

P.S. When is the hearing scheduled for this bill?

**Kodiak
Area
Native
Association**



402 Center Avenue
Kodiak, Alaska 99615
Phone (907) 486-5725

M E M O

TO: (✓) Senator Steve Frank, Co-chair, Senate Finance Committee
 (✓) Senator Drue Pearce, Co-chair, " " "
 (✓) Senator George Jacko, Vice-Chair
 () Senator Tim Kelly
 () Senator Steve Rieger
 () Senator Bert Sharp
 () Senator Jay Kertulla

FROM: KODIAK ISLAND NATIVE ASSOCIATION
 Kelly Simeonoff, Jr., President

DATE: 4/1/93

RE: Committee Substitute SB 142

On behalf of the constituents of the Kodiak Area Native Association, and as a member of the Southwest Alaska Municipal Conference, I urge you to pass SB 142 which will increase funding to SWAMC and other regional ARDORS in Alaska.

This funding is critical to the continuance of programs and services vital to the continued economic development of SWAMC. Such locally-based ARDORS, governed by local Boards of Directors, work toward developing small businesses, value-added processing opportunities and tourism development. These are not state jobs but non-profit employees.

We are faced with limited financial resources yet are the front-line link to many community development projects. We work hand-in-hand with other economic development agencies to provide opportunities and services to our constituents.

For the benefit of rural economic development; for the continued efforts of self-sufficiency in our Native villages; and to assure the maintenance of programs through SWAMC and other ARDORS I ask you to pass this legislation.

March 30, 1993

TO: Members of Senate Finance
FROM: Borge Larsen, Mayor
RE: Support State Funding to SWAMC

The City of False Pass supports the bill SB 142 which will be considered by the Senate Finance Committee on Saturday, April 3 at 2:00 PM. This bill concerns SWAMC and others ARDORS.

SWAMC and additional regional development organizations are not State agencies. They are essential non-profit organizations which provide a link between private, state and federal economic development resources and local residents and small businesses to facilitate economic development. Small communities like False Pass rely on these non-profit organizations to provide economic growth information unavailable otherwise. We would not be able to afford that research on our own.

SB 154 should also be considered as it allows state agencies to directly contract with SWAMC and ARDORS for assistance. SWAMC is more cost-efficient in obtaining local input and local data.

Thank you.



City of False Pass

P.O. Box 50 • False Pass, Alaska 99583-2350
Telephone (907) 548-2319 • Fax (907) 548-2214

110 S. Willow St., Suite 106 • Kenai, Alaska 99611 • (907) 283-3335 FAX (907) 283-3913



KENAI PENINSULA BOROUGH

**ECONOMIC
DEVELOPMENT
DISTRICT, INC.**

March 15, 1993

George Jacko
Alaska Senate
State Capitol
Juneau, AK 99801-1182

RE: SB 142

Dear Senator Jacko:

As Chairman of the Kenai Peninsula Borough Economic Development District (EDD), the ARDOR for our area, I would like to give my endorsement to Senate Bill 142.

The ARDOR program stands as a credit to the vision of the Alaska State Legislature. It set in motion a local/state partnership for economic development which has allowed the EDD to make substantial progress toward accomplishing its job retention and creation goals. However, there is still much to be done.

By expanding the financial input of the state into this program, the EDD will have the ability to leverage local, federal, and private dollars many times the amount of the state contribution and allow us to maintain the momentum that has been started. Please encourage your colleagues to support this legislation.

If I may be of assistance in explaining the accomplishments of the EDD or ARDOR Program in detail, please do not hesitate to contact me.

Sincerely,

A handwritten signature in cursive script, appearing to read 'James A. Elson', is written over the typed name and title.

James A. Elson
Chairman



City of False Pass

P.O. Box 50 • False Pass, Alaska 99583-2350
Telephone (907) 548-2319 • Fax (907) 548-2214

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**Kodiak
Area
Native
Association**

402 Center Avenue
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Phone (907) 486-5725

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For the benefit of rural economic development; for the continued efforts of self-sufficiency in our Native villages; and to assure the maintenance of programs through SWAMC and other ARDORS I ask you to pass this legislation.

CITY OF UNALASKA

P.O. BOX 89
UNALASKA, ALASKA 99685
(907) 581-1251
FAX (907) 581-1417



April 2, 1993

Senator George G. Jacko, Jr.
Vice-Chairman
Senate Finance Committee
Alaska State Legislature
Room 125
State Capitol
Juneau, AK 99801-1182

Dear Senator Jacko:

We urge you to pass SB 142, relating to the Alaska Regional Development Organization (ARDOR), out to the full Senate. We feel ARDORs are of vital importance to rural areas in the development of locally based economic projects, such as small business development, tourism development, and the promotion of value-added processing.

This legislation is vital to our area and we urge your support.

Sincerely,

A handwritten signature in cursive script that reads "Frank V. Kelly".

Frank V. Kelly
Mayor

TEL No.

APR- 1-93 THU 18:16 AK EMPLOYMENT SVC, GLENN, 9878225526

Apr 02, 93 14:20 P.05

Theresa Absher
P.O. Box 192
Copper Center, Alaska 99573

April 2, 1993

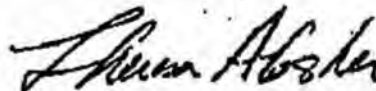
Senate Finance Committee:

I would like to take this opportunity to express my complete and wholehearted support of SB 142. As a board member of Copper Valley Economic Development Council, Inc. and as an employment service professional, I have first hand knowledge of the many things CVEDC does for our community.

Our region, like much of Alaska, suffers from high unemployment and a lack of industrial base to support good long term employment. In an area which sometimes seems to be supported mainly by government employment and welfare the ARDOR program, with its commitment to promote entrepreneurship, encourage existing businesses and attract new businesses to our area, is the first to offer viable alternatives and self-sufficiency. With this assistance many new enterprises and job opportunities are being created.

At this time CVEDC has run into what appears to be an almost insurmountable obstacle: funding. The only way for CVEDC to continue operating and meeting expenses to take on more and more projects, limiting staff time and ability to get on with the primary business at hand. While these projects are worthwhile and will have long term positive effects, they are a secondary purpose of CVEDC. The additional amount of funding requested in SB 142 is of paramount importance in seeing that CVEDC continues its work, the work of making our community independent and self-supporting.

Sincerely,

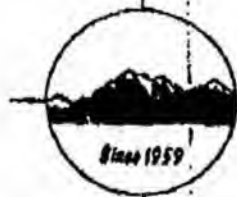


Theresa Absher, Board Secretary
Copper Valley Economic
Development Council

TEL No.

Apr 02, 93 14:18 P.02

R- 2-93 FRI 10:14



Copper Valley Construction Company

Mile 187 Glenn Highway
P.O. Box 165
Glennallen, Alaska 99588
Fax (907) 822-3255
(907) 822-3252

April 2, 1993

Re: **SB 142** to increase state funding for the ARDORs

Attn: Senate Finance Committee

Dear Sirs:

I urge you support the bill (**SB 142**) to increase funding of the ARDOR to \$100,000 annually.

Increasingly the ARDOR groups are asked to administer State of Alaska programs and to provide information and background research to various agencies. As the ARDOR's roles are expanding the State of Alaska should provide basic stable funding so these tasks can be accomplished along with ARDOR's original purpose of promoting local economic development.

As a business woman, community member and president of the local ARDOR (Copper Valley Economic Development Council), I would like to emphasize the importance of the grass root stimulus of the ARDOR groups.

Please support this bill.

Sincerely,

COPPER VALLEY CONSTRUCTION COMPANY


Carol R. Neeley
Corporate Officer

cc: Copper Valley Economic Development Council

COPPER VALLEY ECONOMIC DEVELOPMENT COUNCIL, INC.
P.O. Box 9
Glennallen, Alaska 99588

March 15, 1993

RECEIVED

Senator George Jacko
Room 125
State Capital Building
Juneau, AK 99801-1182

Dear Senator Jacko:


The Copper Valley Economic Development Council, Inc., and ARDOR organization, would like to thank you for sponsoring SD142. This legislation is critical to the success of the ARDOR programs particularly in the rural regions, where we do not have a corporate base from which to derive funding to keep our doors open.

We have tremendous economic development potential in rural Alaska, if we could devote ourselves full time to assisting small businesses with their technical needs. Currently we are spending too much of our time raising funds or taking on projects that take us away from development projects and planning.

The ARDOR program is working in the Copper Valley and with continued support from the Senate, we should be able to make a major difference in our regions.

Again, thank you for your support. We are willing to aid in whatever efforts you best feel would assist in seeing this legislation pass.

Sincerely,



Donna Tollman
Executive Director



ARDOR

SHAPING ALASKA'S FUTURE

Ph. (907) 822-5001 - Fax (907) 822-5009

COPPER VALLEY ECONOMIC DEVELOPMENT COUNCIL, INC.
P.O. Box 9
Glennallen, Alaska 99588

April 1, 1993

Senate Finance Committee:

Tomorrow, the Senate Finance Committee will hear SB142. Prior to that hearing, the Copper Valley Economic Development Council would like to stress the importance of this bill to the entire state and most importantly the private citizens and businesses within the state of Alaska.

We have had our doors open for almost two years and the demand for our services increases on a daily basis. Currently we are serving 38 clients who are developing business plans; in the process of creating over 35 jobs in the next three months, completing a major tourism film project, removing junk cars from the region, working on a tourism destination project with Lake Louise, producing the "Glenn and Allen Show", JTPA training and developing a summer youth employment program.

In addition, we are being asked to provide tremendous amounts of information to state and federal agencies for planning purposes. We want to be able to accommodate these requests, however, we are forced to take time out from projects that create jobs and infrastructure in our regions to raise money to pay our rent and phone bills. Raising funds in rural areas is extremely difficult, because we do not have large corporations doing business in our regions.

The fiscal note attached to this bill, needs to remain in order for the ARDOR programs to effectively continue their operations. Please do not make us another organization that comes and goes, ultimately losing our credibility in our regions. We have made huge strides promoting an economic turn around in this region.

Please allow us to continue this very important function, support SB142 with the fiscal note attached. We appreciate your efforts on our behalf.

If we may answer any questions, please give us a call.

Sincerely,



Donna Tollman
Executive Director



ARDOR

SHAPING ALASKA'S FUTURE

Ph. (907) 822-5001 - Fax (907) 822-5009



April 2, 1993

The Honorable George Jacko
State Capitol
Capitol Room 125
Juneau, AK 99801-1182

(VIA: FACSIMILE)

Dear Senator Jacko,

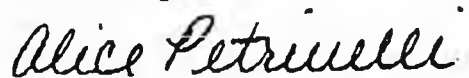
I am writing in support of increased funding for the Southwest Alaska Municipal Conference SB142.

The Aleut Corporation feels that SWAMC contributes to the southwest community in many ways. They provide a forum when there is an exchange of ideas to improve the chances of discussing community problems, and work on solutions together to benefit all communities.

SWAMC encourages unity among all communities, thus enabling leaders and others to work together.

SWAMC also works with state and federal agencies, to provide information needed to make decisions regarding the local communities.

Sincerely,



Alice Petrivelli

**KODIAK
CHAMBER
OF COMMERCE**

P.O. Box 1485, Kodiak, Alaska 99615

(907) 486-5567

FAX: (907) 486-7605

Senator George Jacko
Room 125
State Capitol
Juneau Ak. 99801-1182

Dear Senator Jacko,

The Board of Directors of the Kodiak Chamber of Commerce wish to add their support to the committee substitute of SB 142. The Kodiak Chamber of Commerce has been an active supporter of the Southwest Alaska Municipal Conference (SWAMC) for many years through its membership and as a participant in many of the development programs run by SWAMC.

SWAMC is an Alaska Regional Development Organization (ARDOR) and is funded in part by the State of Alaska through the Department of Commerce and Economic Development. Additional funding comes from membership fees and grants. The ARDOR programs are locally based economic development organizations designed to provide assistance in small business development, promotion of value-added processing and tourism development. The ARDORS are the front line in community development, providing an important link between private, state, and federal economic development resources. Many State of Alaska agencies rely on the ARDORS to facilitate development of state programs in the many remote communities in their regions.

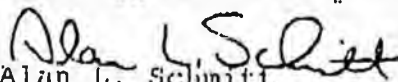
Currently there is only a limited amount of funding available to the ARDORS. Consequently, the ARDORS spend an inordinate amount of their time fund raising just to keep the doors open. Obviously this limits the amount of time that can be spent on the "meat and potatoes" of economic development. Rural areas, without municipalities and boroughs, have limited financial resources available to tap for the necessary funding to run their programs. Without increased matched funding from the State, the ARDORS will not succeed in their mandate of providing economic development in their regions.

For these reasons the Board of Directors of the Kodiak Chamber of Commerce would urge your support of SB142. We believe that the ARDOR program is one that allows communities to take an active role in broadening the economic base vital to their very survival. The additional funding should be considered an investment in the future economic health of the various regions of the state.

Dedicated to Kodiak's Future

Your careful attention and thoughtful consideration of SB142 is sincerely appreciated.

Yours in economic prosperity,


Alan L. Schmitt
President.

- cc: Senator Fred Zharoff
- Representative Cliff Davidson
- Senator Drue Pearce
- Senator Steve Frank
- Senator Tim Kelly
- Senator Steve Rieger
- Senator Bert Sharp
- Senator Jay Kerttula

KING SALMON FISHING

RAFTING & SIGHTSEEING



LINE CAMP

DEAN & PENNY SAWYER

P.O. BOX 255

GLENNALLEN, ALASKA 99588-0255

(907) 822-3508

RENTAL UNITS
CAMPINGHUNTING & FISHING
GROCERIES - SUPPLIES

4/1/93

To Senate Finance Committee:

This letter is to ask your support for the fiscal note attached to SB 142. I am as well, Barry Goldwater Conservative Republican and Wally H. Jack Coghill & Harley Oldbey can attest to that. I've kicked around Alaska since 1969 asking for more business development & help for the businessmen instead of the bureaucrats.

Here in Copper River Country, The Copper River Economic Development Corporation - has been doing just that - giving entrepreneurs a leg up instead of stepping on them. Common people, support the fiscal note on SB 142. Any questions, call me.

Dean Sawyer

Alaska State Legislature

Telephone Number:
(907) 465-4942

FAX Number:
(907) 465-2997

Session Address:
State Capitol, Room 125
Juneau, Alaska 99801-1182



Chair:
Rules Committee

Vice-Chair:
Finance Committee

Member:
Judiciary Committee
Legislative Council

Senator George Jacko

MEMORANDUM

TO: Senator Randy Phillips, Chairman
Senate Community and Regional Affairs Committee

FROM: Senator George Jacko

DATE: March 10, 1993

SUBJECT: Scheduling Request for SB 142

I respectfully request the scheduling of Senate Bill 142 in your committee at your earliest convenience.

SB 142 amends the Alaska Regional Development Organizations (ARDOR) program to allow state grant funding up to \$100,000 per ARDOR. It also authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from non-state sources.

Currently, the statute requires that each ARDOR receive no more than \$50,000 per year, and this amount must be matched on a one-to-one basis with nonstate funds.

Attached are the fiscal note and position paper from the Department of Commerce and Economic Development.

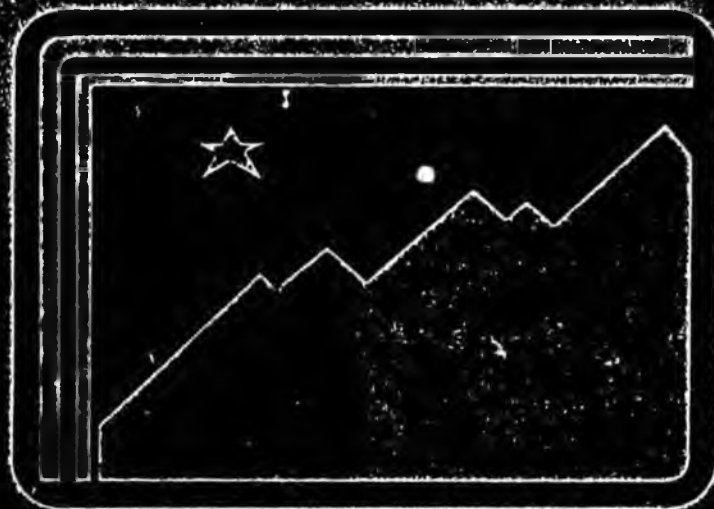
Should you have any questions please contact Rona Sorensen of my staff at 4942. Thank you for consideration of this request.

Attachment

SB 142

Alaska Regional Development Organizations Program

Division of Economic Development
Department of Commerce and Economic Development



ARDOR

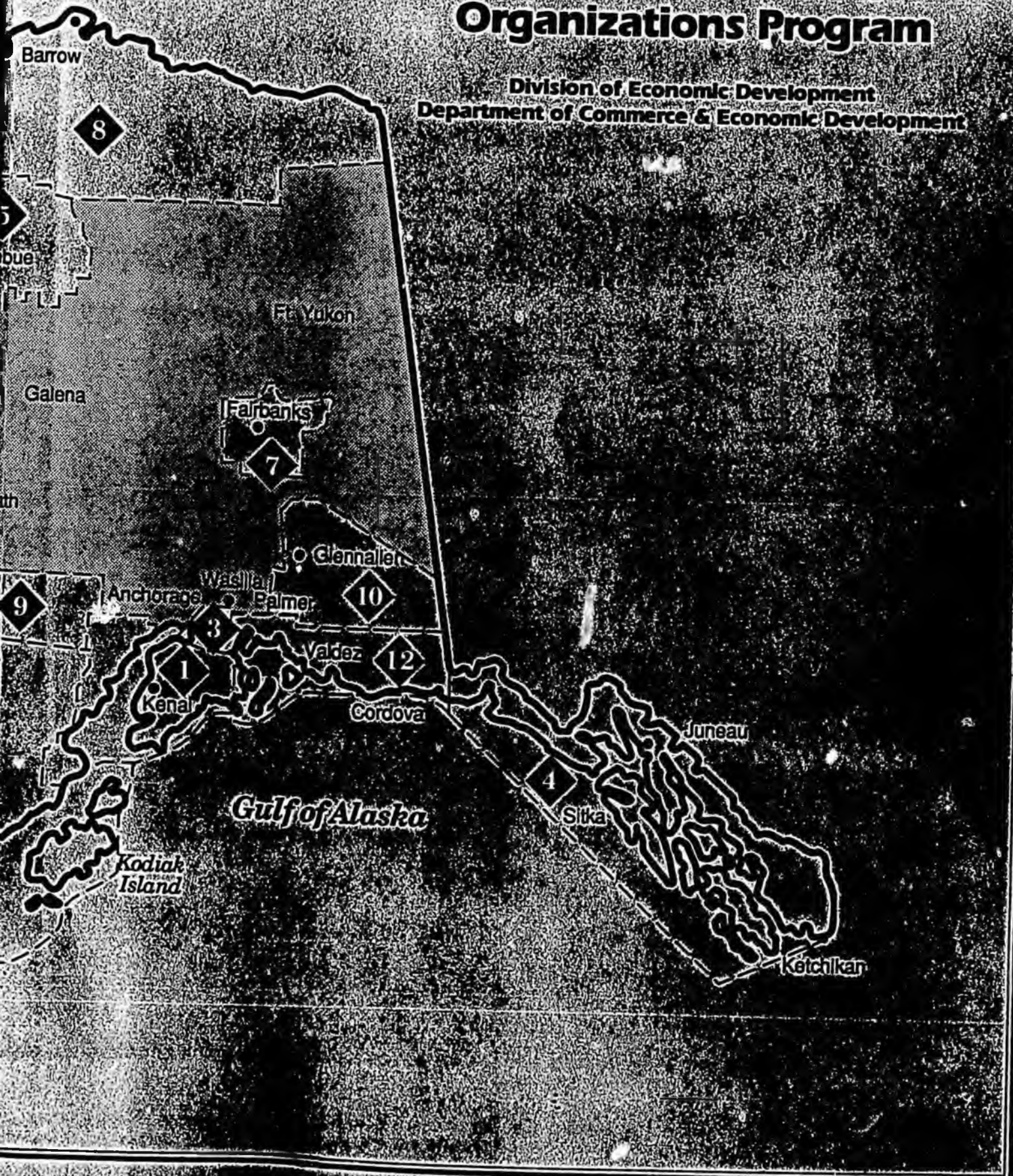
SHAPING ALASKA'S FUTURE

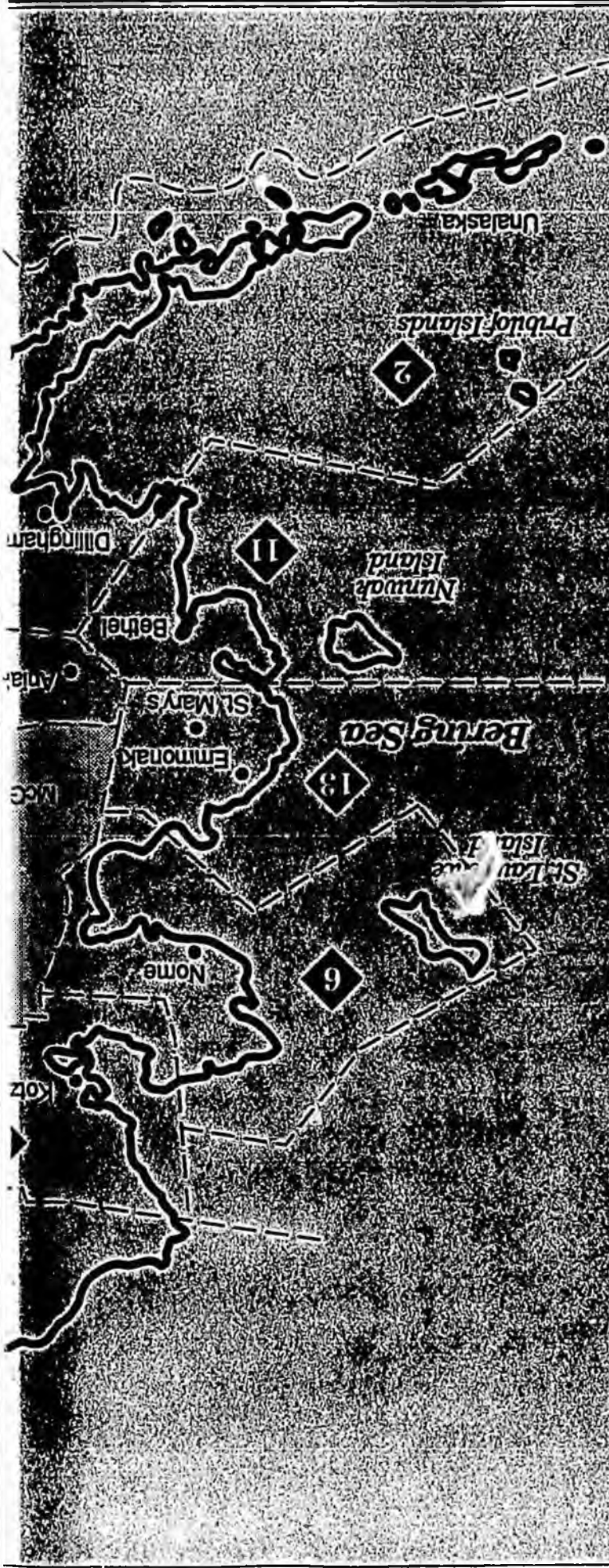
9th Floor, State Office Building
Juneau, Alaska 99801
(907) 465-2017

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

Alaska Regional Development Organizations Program

Division of Economic Development
Department of Commerce & Economic Development





- 1 Kena Peninsula Borough Economic Development District
 - 2 Southwest Alaska Municipal Conference
 - 3 Anchorage Economic Development Corporation
 - 4 Southeast 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
- Regions not yet organized

Designated Alaska Regional Development Organizations
Alaska Regional Development Organization 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 South 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
Mandeth 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
Tennys Owens, Chairperson
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
Stuart Denslow, 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
Reggie Cleveland, Chairman
William Spencer, Executive Director
P.O. Box 1110
Kotzebue, AK 99752
Phone: 442-2500 Fax: 442-2930

Bering Strait Economic Council

Designation Date: January 11, 1990
Stan Anderson, President
Yvonne Dazee, Executive Director
P.O. Box 1849
Nome, AK 99762
Phone: 443-5394 Fax: 443-2605

**Interior Alaska Economic
Development Council**

Designation Date: January 31, 1990
Walter "Wally" Carlo, President
Henry Cole, Executive Director
P.O. Box 71330
Fairbanks, AK 99707
Phone: 451-1110 Fax: 456-1842

**Copper Valley Economic
Development Council**

Designation Date: November 1, 1990
Carol Neeley, 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
Ariak, AK 99557
Phone: 675-4418 Fax: 675-4419

Arctic Development Council

Designation Date: March 1, 1991
Conrad Bagne, President
Don Schindler, 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: 543-3586

**Prince William Sound Economic
Development Council**

Designation Date: November 1, 1991
Helen Wade, President
Jayne Sontag, Executive Director
P.O. Box 2353
Valdez, AK 99686
Phone: 835-3775 Fax: 835-5770

**Lower Yukon Economic
Development Council**

Designation Date: November 1, 1991
Andrew Paukan, President
Executive Director
P.O. Box 210
Emmonak, AK 99581
Phone: 949-1314 Fax: 949-1928



Arctic Development Council

P.O. Box 1353 • Barrow, Alaska 99723
Telephone: (907) 852-4146 • Fax: (907) 852-4147



Don Schindler, Executive Director

Board of Directors and Officers

President: Conrad Bagne
Arctic Slope Regional Corp.

Vice President: Bob Hacharek
North Slope Borough

Secretary: David Baker
Inesco, Inc.

Treasurer: Robin Harrison
National Bank of Alaska

Director: Dale Stotts
Ukpeagvik Inupiat Corporation

Director: Mayor Donald Long
City of Barrow

Director: Judith Bandel
Mark Air

The Arctic Development Council was incorporated in March, 1991, as an Alaska Regional Development Organization. Representing the largest borough in the state with its large rural constituency poses unique challenges to this organization. The Arctic Development Council is now devising a Regional Development Strategy that will respond to these challenges with initiatives that are appropriate to the values and life-styles of the people of this region.

The mission of the Arctic Development Council is to build a sustainable regional economy by cultivating people-centered economic development, encouraging citizen leadership, and promoting healthy human and natural environments.

Examples of projects now underway include:

- Preparation of a financing package for potential tourism projects at Anaktuvuk Pass.
- Submission of a Rural Economic Development Initiative grant application for a comprehensive study of tourism opportunities within the North Slope region.
- Establishment of regional marketing councils for the arts and for tourism opportunities available in the North Slope region.
- Assisting the City of Barrow with an economic feasibility study assessing an "ice free" boat harbor and the potential for tying into the proposed Northern Sea Route.
- Providing one-on-one consultations and technical assistance for start-up business planning, research and financing efforts, as well as coordinating entrepreneurial training efforts with the local college.
- Seeking federal Economic Development District designation, allowing increased recognition and funding opportunities from federal agencies for public works projects throughout the region.

Planned Projects

The Arctic Development Council is presently engaged in finalizing its Regional Development Strategy. Activities the Council will undertake will fall within four general categories. Some of the anticipated projects include:

• • • • •
Operations

- Complete and publish economic profiles for all villages within the region.
- Develop funding sources to insure continuing economic developmental efforts.
- Coordinating economic development planning efforts with North Slope Borough Planning Department.
- Plan and execute Annual North Slope Regional Economic Development Conference.

• • • • •
Capital Improvements

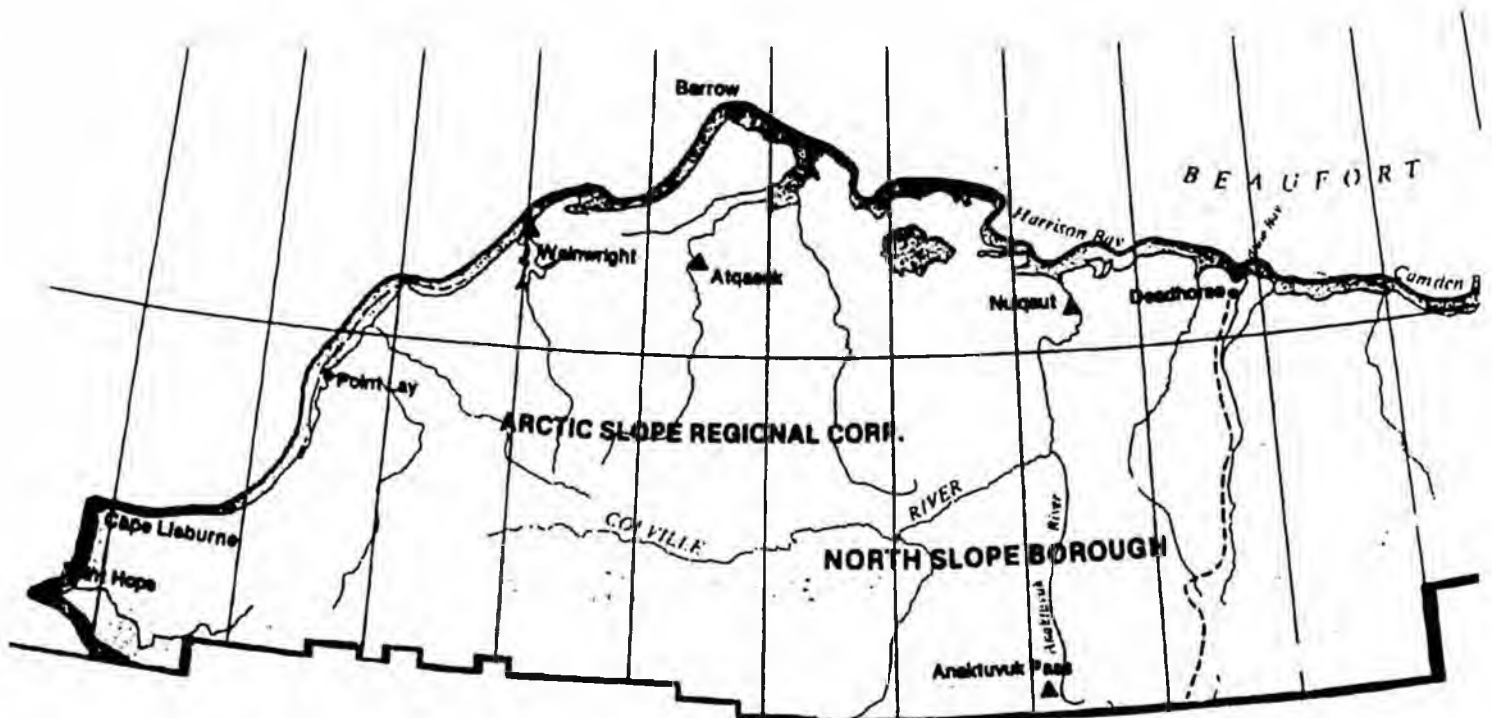
- Work with villages to identify and prioritize capital projects.
- Promote development of a regional museum/cultural center in Barrow.
- Explore needs of Pt. Lay for expansion of its store facility.
- Promote development of a small boat harbor in Barrow and work with the city to identify available funding sources.

• • • • •
Resource Development

- Expand the potential for tax incentives for businesses employing residents of the North Slope Borough in the exploration and development of natural resources.
- Promote a sound regulatory climate that provides adequate environmental protection while accommodating resource development.
- Encourage capital investments that will provide infrastructure needed for natural resource development, for example, a road from tidewater to the Northwest Arctic coal fields.

• • • • •
Small Business Assistance

- Encourage privatization of government services that could be provided by more cost-effective private businesses.
- Explore the possibility of forming a Small Business Investment Company for providing loans to start-up and expanding businesses.
- Explore the potential for establishing marketing and promotion system for individuals wanting to sell handicrafts and artwork on a statewide basis.





ANCHORAGE
ECONOMIC
DEVELOPMENT
CORPORATION

The ARDOR Representing the Anchorage Area

Corporate Mission: *The Anchorage Economic Development Corporation exists to implement programs that will encourage growth and diversity in the Anchorage economy, provide a stable economic climate, and increase the standard of living of Anchorage residents. The Corporation will focus on marketing and project facilitation programs that create nonoil and nongovernment jobs that improve the asset value of real property and businesses and enhance the quality of life for Anchorage residents.*

The AEDC seeks to combine the resources and support of both the public and private sectors in Anchorage for the purpose of economic development. It has been involved with several successful projects and accomplishments. An explanation of the AEDC's role in each of these is provided below.

Federal Express

The AEDC worked with the State of Alaska and Municipality of Anchorage to create a package of incentives to attract Federal Express to Anchorage. Other cities being considered were Portland, Oregon; Seattle, Washington; and Fairbanks, Alaska.

A major stumbling block to Federal Express locating its international cargo sorting and handling facility in Anchorage was poor soil quality at the Anchorage International Airport and the large expense required to prepare the site for construction. Another issue was the availability of trained custom clearance personnel in Anchorage. In response, the AEDC negotiated an economic development contract with Federal Express that included a \$500,000 municipal grant for site preparation and training expenses in exchange for a commitment to build a \$10 million facility at the airport.

Seibu Alaska, Inc.

The AEDC negotiated a development agreement with Seibu Alaska that called for

Seibu to develop the Alyeska Resort into an international destination resort in exchange for the AEDC providing \$6.1 million for water and sewer improvements in Girdwood. Seibu Alaska committed to reactivate previously suspended plans to expand the Alyeska Resort, and committed to a full scale, all-season, international resort when the AEDC was successful in its request to the 1990 Alaska Legislature for the \$6.1 million. Seibu broke ground on the project last spring, and has expanded the scope of the project from its first estimate of \$50 million to more than \$70 million. The expected completion date is set for December 1993.

United Parcel Service

The AEDC teamed with the Anchorage Chamber of Commerce, municipal officials and state legislators to help UPS win a new air cargo route from the U.S. to Japan. The AEDC intervened in U.S. Department of Transportation administrative law proceedings and presented a case for the UPS-Anchorage bid. AEDC officials obtained letters of support for the UPS-Anchorage bid from key Anchorage legislators and from the Anchorage Assembly. UPS was successful in winning the route over Emery Worldwide, which would have used Fairbanks as their gateway. As a result of winning this route, UPS has established Anchorage as its international air cargo sorting hub and invested more than \$8 million.

Ship Creek Development Project

The AEDC, authorized by the Alaska Railroad and the Municipality of Anchorage, marketed the Ship Creek Basin and Waterfront Development project to domestic and international developers. Two proposals were received from qualified U.S. developers. LoPatin & Company was ultimately selected. The AEDC negotiated a development agreement with the Alaska Railroad, and the Railroad let a master lease to LoPatin. The AEDC was granted its request for \$2.5 million in road and bridge improvements for the area by the Alaska Legislature in 1990, and \$5.5 million in 1991. At this time, most of the project is still at the planning stage.

Buy Alaska Program

The AEDC teamed with the Anchorage Chamber of Commerce and the University of Alaska Small Business Development Center to launch this economic development program. The AEDC calculated that shifting 10% of goods and services currently purchased Outside will boost Alaska's economy by \$700 million annually. The three organizations contributed funding and in-kind support, while an additional \$500,000 was raised from private businesses to support the program. The result was a major statewide advertising campaign that continues to run, as well as a buyer-seller match operation housed at the University of Alaska Small Business Development Center. To date, 37 matches and \$2.26 million in new or retained investment has been made.

Sea-Land Incentive Rate

The AEDC and Sea-Land Freight Service, Inc. have established an economic development incentive designed to encourage the formation and expansion of manufacturing in Alaska. The incentive, a reduced "backhaul" shipping rate, is offered through the AEDC. The rate allows certain Alaska manufacturers to ship manufactured products by container to the Lower 48 or Pacific Asia at special incentive rates. This incentive rate applies for at least three years for each new venture. It is designed to serve as an "infant industry" policy that will help Alaska manufacturers take advantage of market opportunities outside of Alaska.

Legal Status

AEDC is a private, not-for-profit Alaska corporation established in 1987 to bring the public and private sectors of Anchorage together into a single economic development vehicle. The corporation's members are approximately 132 Anchorage firms that invest annually in its operations.

AEDC Board of Directors

*Ms. Tennys B. Owens, Chairman
Artique Ltd.*

*Mr. Michael E. Stone, Vice Chairman
KPMG Peat Marwick*

*Mr. Phil A. Thingstad, Secretary/Treasurer
Carpenters Union, Local 1281*

*Mr. Dennis C. Bird
Federal Express Corp.*

*Mr. Michael F. Brady
Ken Brady Construction Co., Inc.*

*Mr. Ronald A. Duncan
General Communication, Inc.*

*Mr. Ken J. Gain
Equivest Realty Advisors*

*Mr. David L. Highers
Chugach Electric Association*

*Ms. Mary K. Hughes
Hughes, Thorsness, Gantz, Powell & Brundin*

*Mr. Michio Kobayashi
Seibu Alaska Corp.*

*Mr. Max J. Lowe
Regal Alaskan Hotel*

*Mr. Robert C. Penney
Penco*

*Mr. B. John Shipe
National Bank of Alaska*

*Mr. Michael F. Smith
Exxon Company, USA*

Ex-officio Members

*Honorable Pat Abney
Anchorage Assembly Member*

*Honorable Dick Trainl
Anchorage Assembly Member*

*Honorable Kay Brown
Alaska State Legislature*

*Honorable Drue Pearce
Alaska State Legislature*

*Mr. L. Crawford
Municipality of Anchorage*

*Mr. Gerald E. Grilly, Past Chairman
Anchorage Daily News*

*Mr. G. Wilson Hughes, Past Chairman
General Communication, Inc.*



KENAI PENINSULA BOROUGH ECONOMIC DEVELOPMENT DISTRICT, INC.

The ARDOR for the Kenai Peninsula

The goal of the Kenai Peninsula Borough Economic Development District, Inc., (EDDI) is to foster economic growth by developing and implementing a Borough-wide program to retain and create employment and complement community and individual development initiatives. The EDD was designated as a District by the U.S. Economic Development Administration (EDA) in 1988 and as an Alaska Regional Development Organization (ARDOR) in 1989.

EDD NAMED OUTSTANDING DISTRICT FOR 1992

★★★★

EDA honored the EDD in December with the **Outstanding Local Economic Development Program in the Seattle Region** (Alaska, Washington, Oregon, Idaho, California, Arizona, Nevada, Hawaii, and Pacific Islands). This recognition stands as a credit to the vision of the Alaska State Legislature which set in motion a local/state partnership for economic development through the ARDOR program.

The award recognized the innovation and diversity of the EDD's Overall Economic Development Program. Several programs and projects currently administered by the EDD include:

- Tourism Development
- Timber Resource Utilization
- Shellfish and Fisheries Enhancement
- Borough-Wide Health Care Plan
- Local Revolving Loan
- Business Assistance and Training
- Japanese Sister City

The EDD was also recognized by the National Association of Development Organizations (NADO) by receiving the prestigious "Innovation Award" for its work with the Kenai Peninsula Health Care Advisory Council. EDD's Chairman, James Elson, and Executive Director, Stan Steadman, attended NADO's Annual Meeting to receive the award.

The Board of Directors are an intricate part in accomplishing the mission of the EDD through their leadership and administration of projects and programs. The close partnership the Board has with local industries and governments has allowed the EDD to respond quickly and effectively to opportunities.

★★★★

EDD STAFF

Stanley R. Steadman, Executive Director
 Michael J. Sims, Director of Business Development
 Aleja J. DeVito, Research Specialist/Project Coordinator
 Sherry C. Biggs, Administrative Assistant
 Susan E. St. Clair, Clerk/Typist

\$\$ HEALTH COUNCIL BLAZES NEW GROUND \$\$

Where is the buck going to stop and when will someone take charge of the cost and access crisis in the American health care system?

The Health Care Advisory Council of the Kenai Peninsula believes that a share of that buck belongs to citizens right at the local level and has stepped forward to offer an innovative solution.

In January of 1992, the Kenai Borough Assembly established the thirty-member Council with representation from a broad cross-section of citizen and industry sectors and health care professionals. The Council is charged with investigating options for increasing access to the health care system and making it affordable. After long hours of work and collaboration between area residents and recognized health care system experts, the Council has drafted a borough-wide health care plan. If approved, the plan will be the first of its kind in the nation.

The plan emphasizes early intervention and preventive care and would extend the benefits of a

The Plan emphasizes early intervention and training.

large group insurance policy to all Borough residents. A network of providers would cooperate through a competitive, managed care system. Costs of care would be paid by the plan from fees collected from employers or individuals.

Working through its legislative delegation, the Council is hoping to achieve recognition and a demonstration grant from the Alaska Legislature to prove that a public/private partnership in this pioneering effort could yield tremendous benefits for other jurisdictions across the State. The initial monies are needed to educate the public and obtain professional input to achieve the best possible product and would provide matching monies for a variety of foundation grants. The health plan is designed to be self supporting once it is implemented.

\$\$\$\$\$\$\$\$



BOROUGH/JAPAN SISTER RELATIONSHIP OPENS WORLD OF POSSIBILITIES

Sister government relationships are seen by experts as a key to opening up international trade opportunities. With this in mind, municipal governments in the Kenai Peninsula Borough have been particularly aggressive in establishing sister relationships in Russia and Japan. In 1992, the EDD participated with the Borough Mayor's office in a visit to and the formalization of a sister government relationship with the city of Akita, Japan.

Akita is a city of approximately 300,000 residents on the northern tip of Honshu Island. While the population far exceeds that of the Borough, the two governments share common industries, including fisheries and timber. Also, they share strong interests in expansion of local visitor industries, desire for cultural exchanges, and appreciation for one another's accomplishments within their business and professional sectors.

As an initial focus for exchange, a joint research project involving fisheries experts from both areas has been designed to see if Pacific Sandfish, a non-commercial fish found in Alaska waters, can be caught and exported to Akita. The demand for the fish has been brought on by the reduced catch of Japanese Sandfish, a delicacy prized by Akita residents. Other exchange activities in progress include teacher/student and visitor exchanges.

EXPERIMENTAL NURSERY COULD OPEN DOORS FOR SHELLFISH INDUSTRY

EDD has been working for a year with Kachemak Bay shellfish growers to explore opportunities for building a viable shellfish industry. This effort has been closely tied to a statewide initiative to elevate the shellfish industry to a point where it can have an impact on markets and create substantial new employment for Alaska residents.

With funding from the EDD, the EDA, and the Alaska Department of Commerce and Economic Development, a demonstration project is just getting underway in Kachemak Bay to determine whether oyster seed can be grown out to a size where it can be placed in commercial shellfish farms. The "upwelling nursery system" dovetails with other projects being packaged by area entities for shellfish hatcheries and research facilities.

ARDOR FUNDS VITAL IN LEVERAGING OTHER ASSISTANCE

ARDOR funding through the State of Alaska (\$47,460 for FY '93) works together with Borough and EDA sources (\$295,000 for FY '93); to accomplish the EDD's basic program needs. With this basic program funding, EDD is able to secure additional special program funding for a variety of projects. Current special projects funded are:

- Timber Resource Utilization - \$85,000
- Health Care Advisory Council - \$20,000
- Shellfish - \$32,000
- Revolving Loan Fund - \$245,000 (Pending)

BUSINESS ASSISTANCE PROGRAM GROWS

Closing in on its first year of operation with a full time director on board, the EDD's popular Business Assistance Program has rapidly grown. By the middle of December, 1992, the program had provided one-on-one business counseling for 120 different clients and presented nine major workshops.

Sixty five percent of the clients were start-up businesses and 45 percent were service occupations. Clients came from all Borough communities, with Soldotna and Homer having the highest percentages. Nearly half of the financing needed was in the \$20,000-\$75,000 range.

Many clients successfully started or expanded their businesses. Examples were a new children's bus service in Nikiski, additional capital for a hardware store expansion in Homer, a new guide service in Cooper Landing, a spruce shakes manufacturer in Kenai and re-marketing for an art porcelain producer in Seward.



110 S. Willow St., Suite 106 • Kenai, Alaska 99611-7744 • (907) 283-3335 FAX (907) 283-3913

EDD BOARD OF DIRECTORS

James A. Elson, Chairman, Kenai
Blake Johnson, Treasurer, Kenai

Jose' Verdin, Vice-Chair, Kenai
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Katherine Boling, Kenai
Patrick Brown, Seward
Jan Drew, Soldotna

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Jeff Murphy, Homer
Emery Thibodeau, Kenai

John Torgerson, Soldotna
Ivan Widom, Seldovia
John Williams, Kenai
A. Kearlee Wright, Soldotna



KENAI PENINSULA BOROUGH

**ECONOMIC
DEVELOPMENT
DISTRICT, INC.**



Kuskokwim Economic
Development Council, Inc.
P. O. Box 207
Aniak, Alaska 99557
(907) 675-4418
FAX (907) 675-4419

KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL

THE MIDDLE KUSKOKWIM REGION'S ARDOR

TOURISM DEVELOPMENT IS PRIMARY STRATEGY FOR THE REGION

KEDC's first priority for the Middle Kuskokwim Region is to help develop tourism. The first video on the region is being produced to attract potential visitors to the uniqueness of the region. Some tourism activities are already developed and in place in the region including fishing guides that cater to national and international visitors, the Interior Rivers State Fair, the 4th of July Carnival, and the A. C. Co. Silver Salmon Derby.

A tourism survey was completed for the region by KEDC to identify which communities wanted to be involved in this type of economic development. The villages of Chuathbaluk, Crooked Creek, Sleetmute and Stony River are involved in different aspects of tourism development including renovating or building places for visitors to stay, coffee shops, and areas to display crafts.

Establishing a visitor center in Aniak that would also house the Interior Rivers Arts & Crafts Cooperative is another goal of KEDC. Aniak is the hub for the region for visitors wishing to reach the other villages in the region and is the logical spot to pick to develop the first visitor center in the region.

COMMERCIAL GARDEN AND BERRY PRODUCTION IN RUSSIAN MISSION AND CHUATHBALUK

Gardening has proven successful in this region for many years. Wild berries of many species have grown abundantly here for even more. Russian Mission is developing the first commercial garden in the region. Both Russian Mission and Chuathbaluk are involving the school students in a project of propagating starters for planting and developing commercial berry crops. KEDC is coordinating this project with the Kuskokwim Native Association that has had an experimental garden project for over 17 years, the State Plant Material Center and master gardeners/entrepreneurs Dick Green and Sue Adams. Green/Adams received a Science and Technology Foundation grant to help jump start agriculture in rural communities.

Value added processing ideas abound including juicing berries and making popsicles and fruit leather for local sales, selling juice to other Alaskan companies for ice cream and jam making, selling produce through local stores, and so on. Agriculture can be a viable economic project in this region.

MARKETING THE REGIONAL CRAFTS CO-OP

KEDC with the assistance of the communities of Chuathbaluk, Aniak, Grayling, Russian Mission, Holy Cross, Sleetmute, the Kalskags, and Crooked Creek and the Kuskokwim Native Association has been establishing the Interior Rivers Arts and Crafts Cooperative in the region. A marketing study was completed for the Co-op and KEDC has been coordinating the different phases of the marketing study with the Co-op Board and members.

The Co-op held its first annual Gathering in September, 1992, and plans to continue holding this event annually. At the Gathering artists from all over the region were able to meet each other at one time, learn from each other how they

create crafts, purchase materials, have photography taken of themselves at work and of their crafts and enjoy each other's company. Artisan biographies are being developed to accompany purchases of crafts to add value to the craft.

The first test market brochure funded by a REDI grant from DCRA was published in time for the 1992 Christmas season. Follow up telemarketing on the brochure is being completed.

The conception of forming a crafts cooperative first came from an Administration for Native American grant through the Chuathbaluk Traditional Council for developing tourism.



KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL

KEDC IS ASSISTING THE KALSKAGS ON GRAVEL QUARRY PROJECT

The villages of Upper and Lower Kalskag are undertaking the development of a gravel quarry located in the hills behind their villages. This project is being assisted by KEDC, the Kuskokwim Native Association, BIA Roads, The Kuskokwim Corporation, and Calista. Coordination between all the agencies involved has been a real challenge for the two communities. The communities want to incorporate and manage the gravel pit, thereby providing local employment opportunities that weren't available before. The development of the gravel quarry is vital to many projects up and down the Kuskokwim Region.

THE MIDDLE KUSKOKWIM REGION'S ARDOR

At the first ever business luncheon held in the region, KEDC was officially recognized as an Alaska Regional Development Organizations (ARDOR) program in February, 1991. The elected Board of Directors of eleven members consists of a blending of public and private entities. The representation includes Traditional Councils, City Councils, the school district, village corporation, regional Native association, and three businesses. KEDC's mission includes promoting viable and sustainable economic development from the grass roots up. It works as the liaison between federal and state government entities for the region. It coordinates and brings together people for the betterment of the region.

KEDC'S BOARD OF DIRECTOR'S ARE:

Pres. - Dennis Thomas
Kuspuk School District Board member,
Thomas Trading Post/Thomas Roadhouse
Crooked Creek

Sec. - Doug Moffitt
Moffitt Construction
Aniak City Council

Treas. - Garry Nelson
Nelson & Sons (lumber mill)
Chuathbaluk City Council

Willie Pitka
Russian Mission Garden Project
Russian Mission Village Corporation

Art Vaska
President,
Russian Mission Traditional Council

Yago Evan
Lower Kalskag City Council

Ken Suel
Chuathbaluk City Council Representative

Gary Kessinger
General Manager
Middle Kuskokwim Electric Co-op
Red Devil

George Morgan, Jr.
President
The Kuskokwim Corporation

Carl Morgan, Jr.
Aniak Traditional Council
Kuskokwim Native Association Executive Committee

Glenn Fredricks
Kuskokwim Native Association representative
Anchorage

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**



Lower Kuskokwim Economic Development Council



Lower Kuskokwim Economic Development Council, P. O. Box 219, Bethel, Alaska 99559
(907) 543-5967 • (800) 478-3521 within Alaska
Fax: (907) 543-3596

Chairman: Ted Moses, Bering Sea Reindeer Products, Mekoryuk
Vice Chairman: Hal Jones, Cutting Edge Fur Buyers, Bethel
Treasurer: Arvin Dull, First National Bank, Bethel
Secretary: Carolyn Walters, National Bank of Alaska, Bethel

Board of Directors

Max Angellan, Kwethluk IRA; Alexie Jimmie, NYC Corporation, Toksook Bay ; John Amik, Kipnuk IRA;
Willie Kasayulle, Akiachak IRA; Myron Naneng, AVCP Inc., Bethel; Fred Phillip, Kwigillingok IRA;
Sam George, Yuplit School District, Akiachak; Felix Hess, Callista Board Chairman, Bethel;
Representative Lyman Hoffman, Bethel; John Watts, Camal Aviation, Bethel;
Robert Nick, Sr., Nick's Store, Nunapitchuk.

Staff

Carl Berger, Executive Director, 907 543-3521, Bethel

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MISSION STATEMENT

The mission of the Lower Kuskokwim Economic Development Council is to promote regional economic development activities in Bethel and twenty-four Lower Kuskokwim villages including local planning and assistance in securing funding for small business activities and preparation of proposals and grants to fund village economic development and infrastructure needs.

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PROJECTS

The Lower Kuskokwim Economic Development Council has assisted communities with the following projects:

Akiachak: Secured funding for tribal governance project for village council. \$34.0

Bethel: Currently assisting regional fishing cooperative with negotiations and deal structuring with a European

buyer to receive a share of the 1993 salmon catch from Kuskokwim village fishermen. Value undetermined. Proposals submitted to U.S. Forest Service and Alaska Humanities Forum to fund operations of the new Museum/Library/Cultural Center. \$75.0

Chefornak: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0

Eek: Secured funding for a local youth/elders project. \$15.0

Goodnews Bay: Secured funding for a tribal governance project for the village council. Secured funding for a local youth/elders project. \$75.0 & 15.0

Kipnuk: Assisted village council in preparing a proposal for village-specific economic planning.

Kwethluk: Secured funding for a multi-media environmental planning program for the village and other

regional communities sponsored by the Environmental Protection Agency. Also secured funding for a local youth/elders project. \$132.0 15.0

Mekoryuk: Secured funding for the village council to accomplish village-specific economic planning and tribal governance. \$80.2

Nightmute: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0

Toksook Bay: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0

Tuntutuliak: Secured funding for a local youth/elders program. \$15.0

Tununak: Secured funding for the village as part of a four village consortium to accomplish regional economic planning. \$127.0

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ROLE OF THE LOWER KUSKOKWIM ECONOMIC DEVELOPMENT COUNCIL

The Lower Kuskokwim Economic Development Council provides a central point for the collection and distribution of economic information for the region. Its services are designed to encourage economic development to villages, communities and businesses within the region. The council's efforts are direct to encouraging a healthier economic climate that will increase the number of available jobs, strengthen existing business and attract new business to the region.



Regional Communities of the LKEDC

Akiachak, Akiak, Atmautluak, Bethel, Chefnak, Eek, Goodnews Bay, Kasigluk, Kipnuk, Kongiganak, Kwethluk, Kwigillingok, Mekoryuk, Napakiak, Napaskiak, Newtok, Nightmute, Nunapitchuk Oscarville, Platinum, Quinhagak, Toksook Bay, Tuluksak, Tuntutuliak & Tununak.



Northwest Arctic Borough Economic Development Commission



P. O. Box 1110 Kotzebue, Alaska 99752
Phone: (907) 442-2500 Fax: (907) 442-2930

William Spencer, Executive Director

Commissioners

Chairman - Charlie Curtis, President, NANA Regional Corporation
Walter Sampson, Director of Planning, Northwest Arctic Borough
Donald Dorsey, Owner, Kiana Trading Post
Chuck Greene, Mayor, Northwest Arctic Borough
Reggie Cleveland, President Northwest Arctic Borough
Suzy Erlich, President, Manillaq Association
Joe Everhart, Branch Manager, National Bank of Alaska
Brad Reeves, Manager, Kotzebue Electric Association
Ralph Hargraves, Vice President, Cominco Alaska
Louie Commack, Jr., Owner, Kobuk River Valley Supply
Edwin Gonion, Superintendent, Northwest Arctic Borough School District
Ron McClain, Red Dog Mine

Organized in 1986, the Northwest Arctic Borough Economic Development Commission is an agency of the Northwest Arctic Borough through which the borough exercises its economic development planning powers. Comprised of elected officials and representatives of business, industry, financial and social service institutions, the commission serves the 6,300 residents of the 37,000 square mile region's twelve cities and villages. The commission was designated an Alaska Regional Development Organization in 1989.

• • • • • Culture Sensitive Development

Subsistence is the basis of life for the residents of the Northwest Arctic Borough and preservation of the Inupiat culture is a priority that cannot be compromised. Sensitivity to these values is the key to achieving sustainable economic development in the region.

• • • • • Business Start Ups and Expansion

Among the Economic Development Commission's priorities is providing on-site, hands-on technical assistance to businesses and entrepreneurs. In the last year, the commission has sponsored nine business development and technical assistance workshops in Northwest Arctic Borough villages and has worked directly with many individuals supporting their business development efforts.

In that time the commission assisted more than forty business and/or entrepreneurial start ups. These included financial restructuring for a recreational

vehicle business, start up assistance for retail stores and a fuel service business, management technical assistance to automotive garages, and ongoing support to local businesses for planning, accounts collection, marketing and access to capital.

Now, the Economic Development Commission is not only providing small business assistance but is working directly with communities to identify and implement significant economic development projects

• • • • • Development Projects Point the Way to the Future

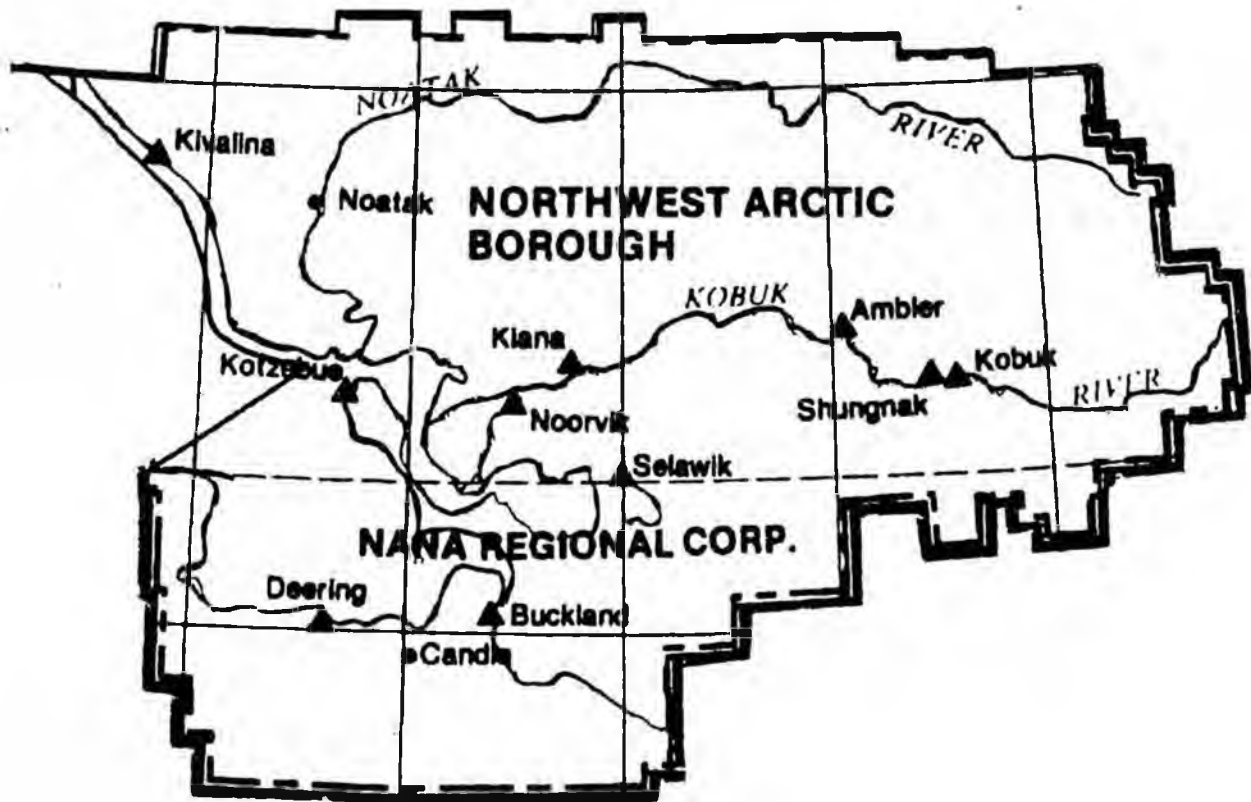
The village of Deering has identified tourism development as a community priority. Utilizing funds from the Jobs Training Partnership Act, the Economic Development Commission hired a Deering resident as a "Community Business Practitioner" trainee. Under the guidance of commission staff, the trainee has prepared a Deering Ecotourism Development Project assessment, has written a business plan and prepared grant applications for initial funding. Deering has received assistance from the Alaska divisions of

Economic Development and Tourism in developing its business and marketing plans. This community-supported, coordinated effort is advancing a project which holds promise for creating jobs and bringing new dollars into the local economy. In addition, a Deering resident now has acquired skills to help the community pursue other development projects.

The tribal government of the Native village of Ambler has identified the development of a bottled water business as a basic industry offering employment and revenue producing opportunities for its residents. The business involves the purification and bottling of mineral water either from a spring in the Jade Mountains or directly from the Ambler River. As with Deering, a "Community Development Practitioner" trainee has been hired by the Economic Development Commission and under its guidance a

preliminary business plan as well as grant applications to support product development and test marketing have been produced.

Through a series of meetings, Kobuk has determined that economic development is a community priority. Kobuk's eighty-seven residents are planning the development of a village store as a first step in developing the local economy and meeting a long-standing community need. As a gateway for visitors to the Kobuk Sand Dunes, Selewik National Wildlife Refuge, Kobuk National Preserve and the headwaters of the Kobuk River, the community envisions the development of a facility which could include a store, restaurant, overnight accommodations and fuel supply service. The Economic Development Commission is working with the community to determine the feasibility of this project.



Ambler, Buckland, Candle, Deering, Kiana, Kivalina, Kobuk, Kotzebue, Noatak, Noorvik, Selawik, Shungnak



ARDOR
SHAPING ALASKA'S FUTURE

Prince William Sound Economic Development Council, Inc.



ARDOR
SHAPING ALASKA'S FUTURE

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Telephone: (907) 835-3775 • Fax: (907) 835-5770

Jayne Sontag, Executive Director

Board of Directors

Helen Wade, President
City Councilwoman
Valdez

Doris Stewart, Secretary
Community Representative
Valdez

Robin Gaboury
City Councilman
Whittier

James McHale
Director At Large
Valdez

Gary Kompkoff
IRA Council President
Tatitlek

Gary Williams
Director At-Large
Whittier

Jack Lamb, Vice President
Community Representative
Cordova

Scott Walther, Treasurer
City Councilman
Whittier

Heather McCarty
Community Representative
Cordova

James Labell
Chugach Alaska Corporation
Anchorage

Kelly Weaverling
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Cordova

Tom VanBrocklin
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Alaska Marine Highway
Juneau

Bruce VanZee, Forest Supervisor
Chugach National Forest
Anchorage

Neil Johannson, Director
Alaska Division of Parks
Anchorage

Dr. Jeffrey Koenings, Director
FRED Division
Department of Fish and Game
Juneau

Harold Heinze
Resource Development Advisor
to the Governor
Anchorage

The Prince William Sound Economic Development Council was designated an Alaska Regional Development Organization on November 1, 1991. The council is a nonprofit corporation with a board of directors representing the region's businesses, industries and local governments. The purpose of the organization is to:

- coordinate private and public resources to support economic growth and development;
- provide an information network for addressing local and regional issues and opportunities;
- serve as a liaison for local government and business with state and federal government agencies;
- provide assistance to local public and private organizations and businesses in planning and implementing economic diversification and development projects;
- promote the development of economic self-sufficiency within the region; and
- engage in other economic development activities as deemed appropriate by the Board of Directors.

The council is committed to promoting economic development projects within the region that will create new private sector jobs, enhance existing businesses, promote developing business and industry, and increase the retention of dollars in the regional economy.

• • • • •
Business Counseling

The Prince William Sound Economic Development Council offers technical assistance to existing businesses as well as to entrepreneurs developing new businesses. During the past year, the council has provided direct assistance to twenty-two enterprises. One client, Titus Corporation, was successful in receiving a grant from the Alaska Science and Technology Foundation for the development of a new oil skimmer. A local processor was assisted in developing a financing package and market evaluation to expand his business to produce value-added seafood products. The council can assist with business plans, loan applications and basic business start-up procedures. Often just getting through the red tape and bureaucratic requirements stop many entrepreneurs. The council is committed to giving its clients the support needed to insure that good ideas can become realities.

• • • • •
Jobs Training

The Prince William Sound Economic Development Council is presenting the Alaska Job Preparation and Employment Workshop in Valdez for the second year. First as a subcontractor, and now as the primary contractor, the organization has been awarded a contract to provide Job Training Partnership Act (JTPA) training to low income, chronically unemployed and public assistance recipients. The objective of JTPA training is to prepare clients for employment, then to successfully place them back in the work force.

In the first training program eleven clients were recruited, seven of whom completed the program and were placed in full-time employment with Valdez businesses. Two of these clients have started their own businesses.

The most recent training program began in February, 1993 and includes training to become a nursing assistant with special emphasis in geriatrics. Each client will obtain college credit from the Prince William Sound Community College and Certified Nursing Assistant credentials upon completion of the course. Once qualified, the program will assist the client in finding full-time, unsubsidized employment in the medical profession. The Nursing Assistant Training Program has been subcontracted to the council by the Valdez Development Institute.

During the initial phases of developing these programs, council staff consulted numerous Valdez businesses and business organizations to identify the particular needs within the Valdez work force. The Nursing Assistant Training is a pilot program to help ensure the availability of qualified long-term care in all our communities.

Participating clients are from Valdez, Tatitlek, Chenega Bay, and Chitina.

• • • • •
Hazardous Waste Clean-Up

The Prince William Sound Economic Development Council organized and managed the first ever Prince William Sound Regional Spring Clean-up of household and small business hazardous wastes. PWSEDC worked closely with the Valdez Fire Department and with individual communities to maximize the Spring Clean Up grant the City of Valdez was awarded.

The council facilitated the disposal of 1,400 batteries the City of Cordova had been collecting, networking with the communities to coordinate transportation and proper disposal.

The council has placed a high priority on hazardous waste management. Among the work program objectives for 1993 the council plans to develop a Regional Solid Waste Management Plan. Research for developing the plan will identify economical and environmentally-safe alternatives for disposing of solid waste from our communities. The program will also serve to educate the communities in ways to reduce pollution and contamination. Solid waste management and disposal presents an opportunity that may lead to the development of new solid waste disposal and recycling businesses in the region.

• • • • •
Prince William Sound Community Profiles

The Prince William Sound Economic Development Council has completed Community Profiles for each of the region's five communities: Valdez, Cordova, Whittier, Tatitlek, Chenega Bay.

• • • • •
PWSEDC's 1993 Focus

Perhaps one of the most beneficial aspects of the council's work program for 1993 is the production of a Regional Development Strategy. Determining a regional strategy will involve the entire region and all its communities. Each community will identify and prioritize its potential economic development projects. Once the communities have identified their most viable and beneficial projects, the list will be presented and considered by representatives and leaders of all the communities at a region-wide meeting. The regional meeting will review all projects by the communities, identify common concerns and prioritize projects on a regional basis. The process is important to provide all residents of the region an opportunity to participate and develop ownership in the development and implementation of the region's economic strategy.



Southeast Conference

The ARDOR for Southeast Alaska

Organized in 1956, the Southeast Conference is an association of local governments, industry, businesses, and individuals of SE Alaska which promotes the social and economic health of the region. Governed by a Board of Directors, elected annually by the general membership, the SEC gained its ARDOR designation in 1989.

MARINE HIGHWAY SYSTEM REMAINS SEC PRIORITY

The SEC was organized in 1956 to promote the development of the Alaska Marine Highway System. Now, in its 37th year, the SEC continues to promote the maintenance and growth of the AMHS as its first priority.

With strong support and guidance from the SEC, the AMHS developed a 20-Year System Master Plan in 1991. Major objectives necessary to implement that plan included:

- o AMHS retention of revenues
- o Vessel refurbishment
- o Vessel replacement

In 1991, the Alaska Legislature approved retention of revenues from operations by AMHS. During the same session, the Legislature established a AMHS Vessel Replacement Fund.

During 1992, the SEC worked closely with the AMHS to poll region users to identify critical design features of a new vessel.

With design now underway by AMHS, SEC will concentrate its efforts on two critical funding measures. The first is appropriation of the \$66 million necessary for construction of the new vessel. The second is appropriation of \$4.5 million to begin major refurbishment of AMHS vessels. Refurbishment is necessary to keep the existing fleet in cost-effective operating condition.

SOLID WASTE MANAGEMENT CRITICAL FOR REGION'S ECONOMIC DEVELOPMENT

Without effective management systems for management of solid waste, no region in the State of Alaska will be able to sustain viable economic development into the next century.

In 1991, the SEC organized an ambitious effort to develop a regional management program for those waste streams that are proving difficult or cost prohibitive to manage by local communities on their own.

The Regional Solid Waste Project has been driven by an active committee composed of city administrators, public works directors, and solid waste personnel from the region's communities. Project planning has been fueled by grants from the Department of Environmental Conservation and EPA.

Targeting household hazardous waste as its first priority, SEC's regional collection and removal program is on schedule for start-up in late summer of 1993.

Other targeted waste streams slated for similar efforts include:

- o waste oil
- o scrap metal
- o used tires

SEC's efforts are serving as models for other region's of the state.

SEC DEMONSTRATES ARDOR COST EFFECTIVENESS

The Southeast Conference has used its \$47,000 FY93 ARDOR Grant to leverage an additional \$329,000 in funding to pursue its annual work program of local and regional economic development.

SEC membership fees and Annual Meeting registrations generate \$57,000 in general funds. Grant funds account for \$232,000 of SEC's annual budget.

Because SEC relies on a strong working committee structure to implement its work program, administrative costs are kept to a minimum of 1.5 FTE paid positions. Keeping administrative costs to a minimum and leveraging additional funds at a rate of 5 to 1, SEC continues to demonstrate the effectiveness of the ARDOR Program model of regionally driven economic development efforts state-wide.

SEC PURSUES REGIONAL ELECTRICAL INTERTIE

In cooperation with the Alaska Energy Authority, SEC's Energy Committee is pursuing plans to develop an electrical intertie within the region that could ultimately tie Southeast Alaska, Yukon Territory, and Western British Columbia together into a single electrical grid.

If successful, SEC's efforts will not be fully realized until well into the next decade.

Initial efforts will focus on connecting major power generation sources within the region and extending access to this grid into areas currently plagued with high energy costs, like Prince of Wales Island.

Expansion into the Canadian grids can be accomplished utilizing potential Taku and or Bradfield road corridors when they are developed. SEC considers lower energy costs and improved transportation as critical pillars of regional development.



SOUTHEAST ALASKA VISITORS INFORMATION CENTER

SEC has accepted the challenge to raise \$1 million to help finance the construction of major exhibits for the new Southeast Alaska Visitor Information Center currently under construction on the Ketchikan waterfront. SEAVIC is estimated to attract over 300,000 visitors per year.

Alaska visitor data shows that 1 of every 2 visitors to Alaska travel by cruise or ferry through Ketchikan. The data also shows that 95% of return visitors to the state have visited an information center during their first trip.

SEC views the center as the first attraction most will visit and is an opportunity for the entire region to promote and market Southeast Alaska.

SEC BOARD OF DIRECTORS

Past Pres: Mayor Frank Wallace
City of Haines
President: Stuart Denslow
Sheldon Jackson College
1st VP: Mayor Alaire Stanton
City of Ketchikan
2nd VP: Ginny Tierney
City of Thome Bay
Treasurer: George Davidson
City and Borough of Juneau
Secretary: J. Allan McKinnon
McCaw Communications
Directors: Mayor Dan Keck
City and Borough of Sitka
Roy Martin
Wrangell Chamber
Dennis McCarty
Ketchikan Gateway Borough
Bobbie Permenter
Prince of Wales Chamber
Paul Andersen
City of Petersburg

Southwest Alaska Municipal Conference

The ARDOR Representing Southwest Alaska: The Aleutians, Bristol Bay, Pribilofs and Kodiak Island

The Southwest Alaska Municipal Conference (SWAMC) represents 101 members in the Bristol Bay, Aleutians, Kodiak, and Pribilof Island sub-regions. Communities, tribal and traditional councils, non-profit organizations, and businesses rely on SWAMC for direction on issues of common concern to the entire region including fisheries policies, economic development, tourism, and solid waste management. SWAMC also markets local and regional economic opportunities and links businesses to markets in Southwest communities.

SOUTHWEST ALASKA DESIGNATED AS AN ECONOMIC DEVELOPMENT DISTRICT

In January, the U.S. Economic Development Administration (EDA) approved Southwest Alaska as its second Economic Development District (EDD) in the state. SWAMC will be the district's administrative organization. The designation provides SWAMC with increased recognition from federal agencies, much as the ARDOR designation does with state agencies.

All communities in Southwest are now eligible for additional funding from EDA for public works projects because they are now located within an EDD. This immediately translated into an additional \$140,000 from EDA to Egegik for construction of their only public dock. As one of the top ten ports in the nation, Egegik can now move construction of the dock into high gear.

BRISTOL BAY SMALL PROCESSORS ORGANIZE

Responding to the needs of small seafood processors in Bristol Bay, SWAMC spearheaded the organization of the newly-formed association of small seafood processors, Southwest Alaska Processors (SWAP). This marks the first time that individual small processors in Bristol Bay have agreed to work together on organizational and marketing concerns. SWAP's focus over the next year is for members to share information on seafood processing and markets.

"The purpose of SWAP is to identify markets which Bristol Bay small processors can realistically and cost-competitively provide product for and to furnish the technical assistance to help those processors fill these niches," Marideth Sandler, SWAMC Executive Director said. Technical assistance is offered on management, processing, equipment selection, financing, and regulatory aspects, Sandler said. SWAP will also access new markets by working with private brokers, the Alaska Office of International Trade, and the Alaska Center for International Business.

SWAP members include fishermen and small processors from the Bristol Bay communities of Chignik Lake, Clarks Point, Dillingham, Naknek, South Naknek, Pilot Point and Ugashik.

SWAMC UNVEILS REGION'S FIRST TRAVEL PLANNER

A 15-page full-color travel planner has just been printed in English and German and will be distributed in Europe and the United States. The publication is funded by a grant to SWAMC from the U.S. Travel and Tourism Administration.

The travel planner is part of a larger marketing campaign to draw German-speaking Europeans to Southwest Alaska. Other marketing efforts include ad placements in European travel and trade magazines, participation in trade shows, and organization of familiarization (fam) tours to Southwest for travel press and tour operators this spring.

Impact of the program on visitation to the region will be measured beginning in summer. Marketing and other workshops have been organized for visitor business operators in the region to ensure that these businesses benefit from the increased visitor activity.

"SOUTHWEST ALASKA ART" MARKETS REGION'S ARTISTS

One of the most potentially viable small business opportunities in Southwest Alaska is as an individual artist or crafts person. However, those residents who are pursuing this work live in isolated locations, requiring each person to struggle alone through difficult marketing, pricing, and business management dilemmas. The answer? SWAMC organized the region's first-ever "Southwest Alaska Art" Seminar, Exhibition and Sale as part of the organization's annual Winter Meeting in Anchorage. The results? Success, by all involved!

(continued on next page)

The event started with volunteer panels of experts offering marketing and merchandising training to the nearly two dozen artists present so that they could better compete in larger markets. Many of the artists' expenses to attend were underwritten by regional businesses, illustrating the strong economic development partnership in Southwest Alaska between the private and public sectors.

After the seminar and networking forum, 15 artists exhibited and sold their work to Southwest community and business leaders and to the outside public. On sale were bentwood hats, fur seal throat baskets, beadwork headdresses, prints, wood and soapstone sculptures, masks, carvings, photography, dolls and baskets made by the Aleut, Yupik, Alutiiq and Athabaskan artists.

A committee of Southwest artists and business representatives assisted SWAMC staff in organizing the show. Teleconferences between Southwest artists will continue throughout the year to provide ongoing training and explore additional marketing opportunities.

BUSINESS OPPORTUNITY TOURS A SUCCESS

SWAMC has been hosting "Business Opportunity Tours" for Alaska business people to visit Southwest communities since 1989. According to a recent evaluation, the nearly 50 participants indicated that the tours resulted in new markets or the participating businesses, and were outstanding opportunities to meet with community and business leaders in a cost-efficient manner.

Each Tour handled between eight to fifteen participants, who were usually business owners or top executives from Anchorage, Fairbanks or Kodiak. Prior to the Tour, the participants were asked the types of individuals they wanted to meet with in each community. The two- or three-day tours, using charter air transportation, visited up to eight communities. Participants paid for all transportation, lodging, and meal costs, while SWAMC provided the tour leader and made arrangements with all communities. At each location, Tour participants were given a ground orientation. This was followed by a reception at which the key business or community leaders were in attendance.

The evaluation uncovered that substantial new business for Alaska businesses was generated by the Tours. This included Anchorage banks opening up two branches in the region and Alaska businesses being hired for the first time as wholesale suppliers or to provide services to businesses expanding within the region (such as seafood processors). The business expansions also resulted in new jobs for Southwest residents.

OTHER SWAMC HIGHLIGHTS

- Economic profiles of 28 Southwest communities and the region have been published for use as marketing tools and to provide current information to businesses and government.
- Over fifty small business operators in St. Paul, St. George, and Kodiak Island have received assistance on marketing, pricing, accounting, and operations from private and public sector experts as part of SWAMC's small business outreach trips and its Kodiak Island Connection Project.
- SWAMC provided assistance to Westward Seafoods in Unalaska and to Peter Pan Seafoods in Dillingham to reduce the solid waste generated by the plants. This translated into a reduced solid waste burden to the municipalities.
- SWAMC traveled to 10 Southwest communities for the Alaska Marine Highway System to gain input on the design of the new ocean class vessel to be built in 1996.
- SWAMC assisted the Lake and Peninsula Borough and its 17 communities to complete individual community waste management and capital improvement plans, and to identify practical ways in which residents and businesses can increase recycling and waste reduction.

SWAMC BOARD OF DIRECTORS

President:	Rich Wilson, Administrator, City of St. George
Vice-President:	Mayor Glen Alsworth, Lake and Peninsula Borough
Secretary/ Treasurer:	Alice Ruby, Chogglung Ltd., Dillingham
Directors:	Jim Carmichael, Afognak Native Corp., Kodiak Steve Cockrell, Grand Aleutian Hotel, Unalaska Chuck Firth, City of Unalaska, Unalaska Andy Golla, Bristol Bay Native Association, Dillingham Jack McFarland, Kodiak Island Borough, Kodiak Hazel Nelson, Becharof Corporation, Egegik Mayor Jerome Selby, Kodiak Island Borough, Kodiak Gilda Shellikoff, False Pass Village Council, False Pass Lois Hansen, Kodiak, Southwest Alaska Tourism Marketing Council (Alaska's Southwest) - ex-officio member

FISCAL NOTE

No. 1

STATE OF ALASKA
1993 LEGISLATIVE SESSION

Bill Version: SB 142
(S) Publish Date: 3-18-93

Revision Date: 3/16/93
Title: Regional Economic Assistance Program
Sponsor: Senator Jacko
Requestor: Senator Phillips

Department Affected: Commerce and Economic Development
BRU: Economic Development
Component: N/A
COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	750.0	750.0	750.0	750.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	750.0	750.0	750.0	750.0	0.0	0.0

CAPITAL						
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REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF	750.0	750.0	750.0	750.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	750.0	750.0	750.0	750.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: N/A

ANALYSIS: (Attach a separate page if necessary.)
See attached.

Changes in CSSB 142 CRA
reflect NO FISCAL CHANGE from the original
fiscal note. This fiscal note is appropriate.
3-18-93 Shirley Comte
date Comte Aida (initial)

Prepared by: Tom Lawson, Section Chief, Business & Regional Dev.
Division: Economic Development

Phone: 465-2017
Date: _____

Approved by Commissioner: Paul Fuhs
Agency: Commerce and Economic Development Date: 3/16/93

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FISCAL NOTE

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. CSSB 142

ANALYSIS: (continued)

This legislation amends the ARDOR (Alaska Regional Development Organizations) program, established in statute in 1988, to allow state grant funding of up to \$100.0 per ARDOR. It also authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from nonstate sources. Currently, the statute (AS 44.33.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. A total of \$1,400.0/year would be necessary for the 13 designated ARDORs and the one anticipated new ARDOR being organized in the Matanuska-Susitna Borough. \$650.0 already exists in the Governor's FY 94 Operating Budget request. The ARDOR program sunsets July 1, 1997.

The legislation also exempts ARDOR board members and staff from liability and exempts state contracts to ARDORs from the state procurement process. There is no direct fiscal impact to these sections of the legislation.

FISCAL NOTE

3/15/93

STATE OF ALASKA
1993 LEGISLATIVE SESSION

BILL NO. SB 142

CRA then FMO

Revision Date: N/A

Department Affected: Commerce and Economic Development

Title: Regional Economic Assistance Program

BRU: Economic Development

Component: N/A

Sponsor: Senator Jacko

Requestor: Senator Jacko

COMPONENT SERIAL NO. _____

EXPENDITURES/REVENUES:

OPERATING	FY 94	FY 95	FY 96	FY 97	FY 98	FY 99
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS	750.0	750.0	750.0	750.0	0.0	0.0
MISCELLANEOUS						
TOTAL OPERATING	750.0	750.0	750.0	750.0	0.0	0.0

CAPITAL						
---------	--	--	--	--	--	--

REVENUE FUND SOURCE:						
----------------------	--	--	--	--	--	--

FUNDING:

1002 Federal Receipts						
1003 GF Match						
1004 GF	750.0	750.0	750.0	750.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
OTHER						
TOTAL	750.0	750.0	750.0	750.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current year (FY 93) impact: N/A

ANALYSIS: (Attach a separate page if necessary.)
See attached.

Prepared by: Tom Lawson, Section Chief, Business & Regional Dev.

Phone: 465-2017

Division: Economic Development

Date: _____

Approved by Commissioner: Paul Fuhs

Agency: Commerce and Economic Development

Date: 3/8/93

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FISCAL NOTE

**STATE OF ALASKA
1993 LEGISLATIVE SESSION**

BILL NO. SB 142

ANALYSIS: (continued)

This legislation amends the ARDOR (Alaska Regional Development Organizations) program, established in statute in 1988, to allow state grant funding of up to \$100.0 per ARDOR. It also authorizes the department to establish by regulation the amount of matching funds required based on the capacity of each ARDOR to generate money from nonstate sources. Currently, the statute (AS 44.33.026) requires that each ARDOR receive no more than \$50.0 per year which must be matched on a one-to-one basis with nonstate funds. A total of \$1,400.0/year would be necessary for the 13 designated ARDORs and the one anticipated new ARDOR being organized in the Matanuska-Susitna Borough. \$650.0 already exists in the Governor's FY 94 Operating Budget request. The ARDOR program sunsets July 1, 1997.

SENATE COMMITTEE REPORT
FIRST COMMITTEE OF REFERRAL

DATE: 3/2/93

FURTHER: FIN

Date of 5-Day Notice: 3/11/93
(in accordance with Uniform Rule 23)

DATE TURNED INTO OFFICE: _____

CRA Committee considered SB 142

"An Act relating to the Alaska regional economic assistance program; and providing for an effective date."

and recommends it be replaced with

and recommends:

replace with _____ CS SB142 (CRA)

- same title
- new title
- technical title change (HB only)

attaches amendment(s)

and report it back as follows

adopts _____ Letter of Intent

further referral to the _____

do pass

do not pass

no recommendation

individual recommendations

FOI

FISCAL NOTE INFORMATION

Department	Date	Zero	Fiscal
Dept of Comm	3/8/93		750.0

Department	Date	Zero	Fiscal

Appropriation No Fiscal Note

Governor's Bill with Previous Fiscal Notes (enter information above)

DO PASS:

OTHER RECOMMENDATIONS:

Rich Halford (1)
Al Adams
Wendell (2)

Alvin L. Taylor No Rec.
~~_____~~

Reed E. Teele No Rec.
Chair: Signature and Recommendation