

2/3/04

OVERVIEW:

DEPARTMENT

OF

COMMERCE

& EC. DEV.

ALASKA STATE HOUSE OF REPRESENTATIVES

Representative Carl Morgan, Chair
Representative Kelly Wolf, Vice Chair
Representative Tom Anderson
Representative Ralph Samuels
Representative Pete Kott
Representative Sharon Cissna
Representative Albert Kookesh



Alaska State Capital , Room 408
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representative_carl_morgan@legis.state.ak.us

HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chairman

COMMITTEE SCHEDULE For the week of February 2 to 6, 2004

State Capital Room 124

Tuesday, February 3rd 8:00 am – 10:00 am

- + Department of Commerce and Economic Development Overview – Commissioner Blatchford
- + Division of Community Advocacy (DCED) – Gene Kane, Director

Bills Previously Heard/Scheduled

Thursday, February 5th 9:00 am – 10:00 am

- + * HB 387: Increase Fines For School Zone Violations

Bills Previously Heard/Scheduled

- * First hearing in first committee of referral
- + Teleconferenced
- = Bill was previously heard/scheduled

 * P. 01 *
 * TRANSACTION REPORT *
 * FEB-02-2004 MON 08:16 AM *
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 * DATE START RECEIVER TX TIME PAGES TYPE NOTE M# DP *
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Teleconference Order Form Fax #465-2864 4272

Sponsor and/or Committee Name			Date
HC&RA - Rep. Carl Morgan, Chair			2/2/04
Start/End Time	Chairing site	Juneau Room	Testimony
	Juneau	Cap 124	Yes ___ No ___ Invitational <input checked="" type="checkbox"/>
Contact Person and	Phone Number	Other sites may add?	Testimony Limit
Mary	465-3882	YES	1
Subject of meeting and/or Bills on agenda			
DCED OVERVIEW TO HOUSE CEA-			
We have teleconference set up already for anchorage lio-			
Sites - LIOs		Sites - Offsets	Phone #
Anchorage		Dan Boekhorst	269-4579
Barrow		Mike Black	
Bethel			
Cordova			
Delta Junction			

House Community and Regional Affairs Committee Meeting
Feb. 3, 2004

Commissioner will give brief overview

Potential questions for Commissioner Blatchford

- Where in the process is the governor's office in filling the rural liaison position?
- Federal Omnibus bill - anything in it for Alaska?

Potential questions for Gene Kane, Director of Community Advocacy

- The LBC was directed to provide a report to the legislature "identifying opportunities for consolidation of schools". Do you know what recommendations are going to come forward?
- 6 communities (Holy Cross, Mekoryuk, Hydaburg, Kivalina, Quinhagak, Ruby) requested information on city dissolution. Can you provide insight into what are the reasons behind these requests?

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HOUSE COMMITTEE ON COMMUNITY AND REGIONAL AFFAIRS Representative Carl Morgan, Chair

AGENDA

State Capital 124
February 2, 2004
8:00 am – 10:00 am

- Call to Order
Roll Call
- Commissioner Edgar Blatchford – update on Department of Community and Economic Development
 - Questions and comments from the committee members
- Division Director Gene Kane – Division of Community Advocacy update
 - Questions and comments from the committee members
- Next meeting – Thursday Feb. 5th at 9:00am to hear HB387
- Adjourn

Frank H. Murkowski, Governor

**Department of Community
and Economic Development**

Division of Community Advocacy

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Email: questions@dced.state.ak.us • Website: www.dced.state.ak.us/cbd/

December 24, 2003

The Honorable Carl Morgan
State Capitol, Room 408
Juneau, Alaska 99801

Dear Representative Morgan:

Enclosed is the January 2004 annual report for the Alaska Regional Development Organizations (ARDOR). This year's report includes a more detailed analysis of the program. As you can see, the ARDORs have been able to generate \$4.42 for each \$1.00 of State funds allocated to the ARDOR program. These funds are used to promote economic development in the ARDOR region.

This analysis afforded us the opportunity to continue the review of the program started several years ago. The ARDORs have been instrumental in the on-going review and made a special effort this year to look at the program with fresh perspective.

As a result, the second enclosed document is a synopsis of the proposed program changes beginning in FY05, should the program receive an appropriation in the FY05 budget.

The third enclosed document details a new way of funding the ARDORs based on meeting specific performance criteria. This "tiered" system of funding was proposed by and accepted by the ARDORs and is supported by the Department.

Thank you for your continued support of the ARDOR program. If you need additional information or have questions concerning the ARDOR report or the proposed changes, please let me know.

Sincerely,

Gene Kane
Director

Enclosures: January 2004 ARDOR Annual Report
 Proposed FY05 Program Changes
 Proposed Tier Funding

cc: Sally Saddler, Department of Community and Economic Development

Proposed Changes to the FY05 Alaska Regional Development Organization Program

Staff requirements:

- Office must be open to the public with staff available; office site is established and staff is available to the public in the office or in the field. This includes a web site, access to e-mail, and voice mail on the phone system. The public will be informed on how to reach staff.
- At least one staff person demonstrates they can be considered "professional" with appropriate economic development experience and/or education. This will be tied to the Tier system as a requirement to move from Tier I to Tier II.

Board representation:

- For Tier I ARDORs, board participates in at least one board training session/year. New board members attend training.
- Board tracks number of volunteers donated to the ARDOR and economic development activities.
- Board meets at least twice/year, if an executive committee exists.
- Board meets at least four times/year, if no executive committee exists.
- Executive committee meets at least four times/year, if an executive committee exists.
- Board members participate in at least 50% of the board meetings.
- Board adopts an attendance policy for board members.
- Executive committee members participate in at least 50% of the board meetings.
- Board members include locally elected officials and representatives from business, service industries, transportation, utilities, labor, the professions, and educational institutions.
- Annual certification that the board composition meets the regulatory requirements.
- Each ARDOR clearly defines the selection process for board members and informs the public.

Regional strategy:

- Define minimum standards.
- Annual ARDOR grant work plan is derived from the regional strategy.
- Copies of the regional strategy are sent to DCED in electronic form.

Organizational membership:

- Organizational membership is reflected in support for the organization and local cash contributions.

Proposed Changes to the FY05 Alaska Regional Development Organization Program

Page Two

Match:

- Sources of local cash match defined in program regulations as "municipalities, other local entities and the private sector in the region".
- Define in-kind contributions, determine amount allowed as part of total match, and define calculation of in-kind contributions. In-kind to be used only for reporting purposes. Program regulations require matching money to be "in cash and must be from nonstate sources".
- Volunteer time is valued at \$30/hour and defined as "someone who offers him or herself for a service of his or her own free will; someone who renders a service while having no legal concern or interest".

Performance:

- Tie performance to the regional strategy and the annual work plan.
- Tie performance to the State's economic development strategy, if applicable. Regional strategies filter into the State's strategy.
- Identify objective performance measures.
- Fund based on performance.
- Base continued ARDOR certification on performance.
- Explore more frequent reporting requirements and revisit fund disbursement.
- Consider implementing the "Tier" system.

Funding:

- Explore tiered funding ("Tier" system).
- Explore competitive funding (look at "Tier" system).
- Set time limits to ARDOR funding. The original legislative intent, the current legislation, and the program regulations indicate that ARDOR funding was to be transitory in nature, not institutionalized as an entitlement. Look at the ARDORs as an integral part of the DCED function rather than stand alone organizations. Explore organizational grants (e.g. municipal incorporation).
- Limit specific project funding to not more than three years. Evaluate each multi-year project.
- Explore land grant. May not work due to available land in different parts of the state and the time needed to make the land profitable.

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Tier I

- ARDOR certification standards met and maintained
- Established office, phone, fax.
- Record of board meetings, committee meetings
- Financial records maintained, budget developed, leverage of other funds calculated
- Measure of volunteer hours, by project area if possible

Tier II

- Measure outreach, meetings, attendance, action items, etc.
- Membership type evaluated, for inclusiveness of various stakeholder types in region
- Website developed, maintained
- Budget levels as an element of threshold for a tier. 1:1 or 1.5:1?
- Private sector participation established and measured through financial contributions.

Tier III

- Budget levels as an element of threshold for a tier. Match is 1.5 : 1
- Other designations from and/or partnerships with: EDD, RC&D, regional investment councils.
- Specific funding source.
- Capital needs assessments and prioritization process in place and maintained, using CEDS/regional strategy/ borough CIP lists
- Economic meeting/summit held at least every 3 year(s). (funding summits)
- Supplemental programs in place (workforce development, small business development, other)

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Tier I

- Budget levels as an element of threshold for a tier – match requirements met.
- Measure assignment of tasks in support of specific state agency goals. Included in grant reports.
- Measure collaborative efforts with other Economic development organizations, both public & private. Included in grant reports.
- Establishment of regional development Plans.
- Measure meetings, attendance, action items, leadership & volunteers, etc.

Tier II

- Maintenance of regional development Plans, or development of CEDS.
- Complete peer review every four years.
- Measure of projects undertaken, completed, and economic impact assessed.
- Annual independent compilation completed.

Tier III

- Complete constituent satisfaction/evaluation at least every four years.
- Annual independent audit or review completed.

Tier I

- At least one full- or part-time staff position maintained
- Board fully populated and representative of the region with a proscribed elections/ appointment process

Tier II

- Unlimited/Program Duration

Tier III

- Unlimited/Program Duration

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Tier I

- ARDOR must meet and maintain all certifying criteria over the period
- Regional plan completed within 18 months of certification
- Achieve regulatory minimum funding match private/local to state.
- Qualify for Tier II within 36 months of certification
- Failure to advance to Tier II leads to decertification

Tier II

- Meet and maintain all Tier I criteria, plus:
- Achieve 1:1 funding private/local to state
- Regional plan/CEDS evaluated and meets minimum criteria every two years
- Peer review completed every four years; ARDOR must meet or exceed review standards; recommendations and corrective action taken in 180 days.

Tier III

- Meets and maintains all Tier II criteria, plus:
- Capital needs assessment and prioritization completed annually
- Membership program established
- Achieve and maintain partnerships with EDD, RC&D or other recognized supplemental economic development status where applicable.
- Constituent satisfaction survey completed at least every four years.
- Economic Summit held and evaluated

Tier I

Tier II

- Projects/program work completed and measured
- Failure to meet one criteria = probationary period of 180 days to come into compliance; revert to Tier I for next funding cycle if fail to meet

Tier III

- Report on supplemental programs to agency
- Failure to meet one criteria = probationary period of 180 days to come into compliance; revert to Tier II for next funding cycle if fail to meet

Fund-
ing
Scen-
ario A:
(see *)

Tier I

- 12 certified ARDORS
- 70% of \$620,000 = \$434,000
- All 12 receive \$36,167

Tier II

- Assumes 10 qualifying Tier II ARDORS
- 20% of \$620,000 = \$124,000
- All 10 receive supplemental funding of \$12,400
- Total funding = \$48,567

Tier III

- Assumes 4 qualifying Tier III ARDORS
- 10% of \$620,000 = \$62,000
- All 4 receive supplemental funding of \$15,500
- Total funding = \$64,067

* Assumes 12 certified ARDORS; \$620,000 in funding; 70 / 20 / 10 split

	Tier I	Tier II	Tier III
Funding Scenario B: (see **)	<ul style="list-style-type: none">• 12 certified ARDORS• 60% of \$620,000 = \$372,000• All 12 receive \$31,000	<ul style="list-style-type: none">• Assumes 10 qualifying Tier II ARDORS• 25% of \$620,000 = \$155,000• All 10 receive supplemental funding of \$15,500• Total funding = \$46,500	<ul style="list-style-type: none">• Assumes 4 qualifying Tier III ARDORS• 15% of \$620,000 = \$93,000• All 4 receive supplemental funding of \$23,250• Total funding = \$69,750

**** Assumes 12 certified ARDORS; \$620,000 in funding; 70 / 20 / 10 split**

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Tier II

- Three years with Peer Review for feedback.

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Tier III

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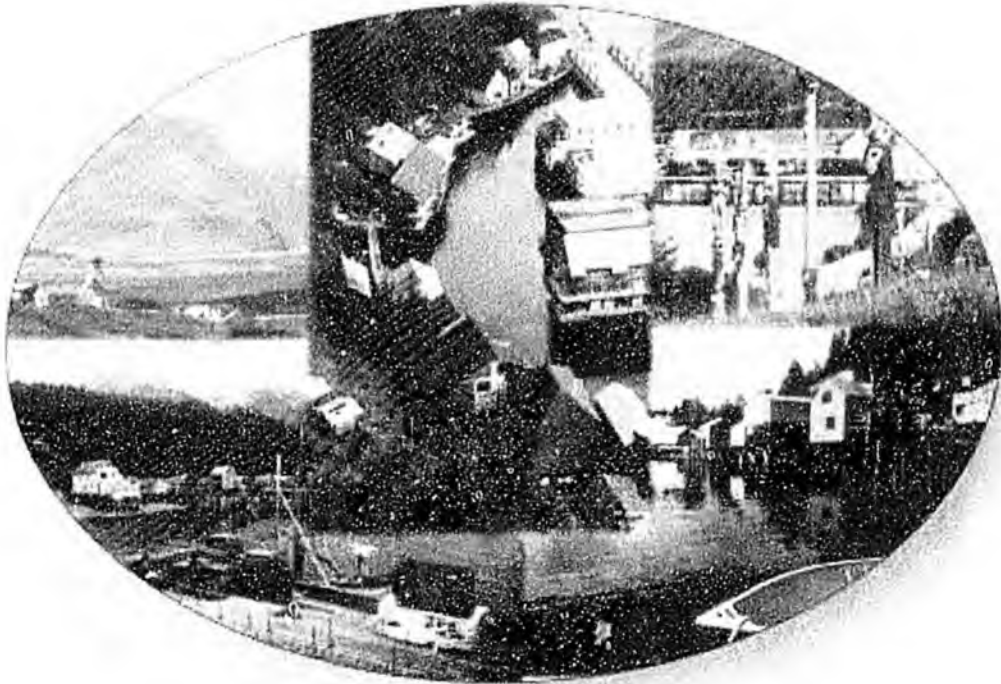
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Annual Report

Division of Community Advocacy

January 2004



Edgar Blatchford, Commissioner
Department of Community and
Economic Development



Gene Kane, Director
Division of Community Advocacy

Division of Community Advocacy Offices

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Division of Community Advocacy

MISSION

Promote strong communities and healthy economies by providing information, technical and financial assistance and other capacity building resources.

The mission of the Division of Community Advocacy (DCA) is to achieve realization of maximum local self-government as contemplated by Article X of the Alaska Constitution. The Division promotes strong communities and healthy economies by coordinating and focusing the resources of State agencies and commissions, federal agencies and commissions, regional non-profit organizations, municipal governments, and tribal governing bodies in the context of development of public service facilities and efficient public service delivery. The division also contributes to the mission by delivering technical assistance, financial assistance, statistical information and other capacity-building and economic development resources to public and private clientele.

The Division delivers its services from eight locations. To provide more direct service to the people, DCA staff are stationed at regional offices located around the State. Staff in these regional offices are in frequent contact with the communities they serve. The goal of this effort is to develop and maintain local capacities which help ensure efficient and effective local governments.



Local Government Development

The writers of Alaska's constitution mandated the creation of a "local affairs agency." Article X, Section 14, of the Alaska State Constitution states: "An Agency shall be established by law in the executive branch of the State government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law."

The framers of the Alaska Constitution clearly indicated their belief that local government would play a critical role in Alaska's future and that the State had a responsibility to work with local governments to help them be successful in providing local governance and effective public services for community residents.

The Alaska Constitution also specifically provides for maximum local self government. However, the framers of Alaska's Constitution recognized that many local governments in the State were not fully developed and would not have the resources to achieve strong local self-determination unless they were assisted in this effort. A large part of the State consists of the "unorganized borough" in which there is no regional form of government. DCA fulfills this mandated assistance function by offering local governments and other community entities a broad range of support for local development efforts.

The focus of Local Government Development staff is technical assistance and training for communities that lack various resources needed to effectively operate their local government. The Division helps local and regional governments to become more self sufficient in providing government services to community residents. When working with a community to resolve a specific problem, staff also work towards the more general goal of "capacity building," increasing the capacity of local people and organizations to deal with local problems. The Division also supports professional training and development opportunities in cooperation with organizations such as the Alaska Association of Municipal Clerks, Alaska Association of Assessing Officers, Alaska Planners Association, and the Alaska Municipal League.

Financial Management Assistance

A Division priority is helping communities establish and maintain basic financial management systems. This focus on financial management has had positive results. While some communities continue to struggle financially, their status has stabilized with fewer crises disrupting day-to-day operations. In addition to training municipal clerks, DCA staff provide training for elected local officials who may not have an adequate understanding of their financial management responsibilities.

☆☆ *Success Story* ☆☆

Eileen Kozevnikoff - Local Government Specialist - Fairbanks Regional Office. Eileen has been a Local Government Specialist in the Fairbanks office since May 2000. During that time she has developed a close working relationship with her communities in the region. Actually, because of her past work with the entities in the region, she brought many of those working relationships with her. Eileen has worked hard at coordinating DCED program efforts with the Tanana Chiefs Conference programs and staff. This close working relationship has benefited both entities in the delivery of programs. Recently, Eileen has worked with the utilities in Minto and Huslia to assist them in computerizing their accounting systems using QuickBooks Pro®.

Local Government Management Assistance

Alaska's Constitution, statutes and regulations define the powers and responsibilities of local governments. Various programs in DCA were created to assist local governments in utilizing these powers to improve the efficiency of their organizations and the quality of life in their communities. Assistance can be provided or arranged on just about any aspect of local government. Examples of assistance and training provided by DCA include:

- ◆ Ordinance development and codification.
- ◆ Elections training.
- ◆ Personnel practices.
- ◆ Tax assessment and collection.
- ◆ Title 4 (Alcohol) local option laws.
- ◆ Council powers and procedures.
- ◆ Interpretation of State and local laws.
- ◆ Land management and planning.
- ◆ Development of land disposal ordinances.
- ◆ ANCSA 14(c)(3) negotiations & agreements.
- ◆ Community Visioning.
- ◆ Newly Elected Officials (NEO) training.
- ◆ Grant writing training and assistance.



☆☆ *Success Story* ☆☆

Margaret Hansen - Local Government Specialist - Kotzebue Regional Office. Margaret has been our only staff in the one-person Kotzebue office since 1985. In this time she has developed not only a close working relationship with the 11 communities in the region, but has been instrumental in coordinating efforts between the Regional Health Corporation (Maniilaq), Northwest Arctic Borough, and DCED. Several utility managers from the region will be the first in Alaska to have attended the complete series of Utility Management Training classes developed and presented by the RUBA program, primarily due to Margaret's aggressiveness in getting the classes scheduled and presented in the region.

Local Government Online (LOGON)

LOGON was developed in 2002 and launched to the public in November 2002, although it continues to be expanded. LOGON was developed for administrators and city clerks, elected and appointed officials, tribal governments, community leaders, and others interested in local government operations, public services, and community development in Alaska.

LOGON provides information and resources regarding municipal government in Alaska, elections, public meetings, ordinances, taxation, financial management, grant management, personnel management, payroll, tribal and municipal agreements, water and sewer utility management, coastal and floodplain management, and grants for infrastructure or economic development. LOGON also provides references to other State and federal resources for communities, including education, public safety, health care, environmental, social services, transportation, and energy programs. LOGON brings together technical information, publications, sample documents, and other web resources. The system may be explored at <http://www.dced.state.ak.us/dca/LOGON/home.cfm>

Local Boundary Commission

Under AS 44.33.020(4), DCA serves as staff to the Local Boundary Commission (LBC).

The framers of Alaska's Constitution established the LBC to oversee the creation and alteration of city and borough governments. The founders recognized that city and borough governments would serve as fundamental political subdivisions of State government for the delivery of vital public services at the local level.

The LBC is one of only five State boards or commissions established in the Constitution (among a current total of approximately 120 active boards and commissions).¹



The LBC has the power and duty to judge proposals for

- ◆ incorporation of cities and boroughs;
- ◆ reclassification of cities;
- ◆ annexation to cities and boroughs;
- ◆ detachment from cities and boroughs;
- ◆ dissolution of cities and boroughs;
- ◆ merger of cities and boroughs; and
- ◆ consolidation of cities and boroughs.

Additionally, the LBC has the duty to make studies of local government boundary problems.

The LBC consists of five members appointed by the Governor for overlapping five-year terms. One member is appointed from each of Alaska's four judicial districts; the fifth member is appointed at-large. Members serve without compensation.

DCA staff provide technical support to the LBC, petitioners, and other interested individuals and organizations. DCA's responsibilities in that regard include:

- ◆ conducting feasibility and policy analysis of proposals for incorporation or alteration of municipalities;
- ◆ responding to legislative and other governmental inquiries relating to issues on municipal government;
- ◆ conducting informational meetings;
- ◆ providing technical support during LBC meetings and hearings;
- ◆ drafting decisional statements for adoption by the LBC;
- ◆ implementing decisions of the LBC;
- ◆ certifying actions resulting from LBC decisions;
- ◆ maintaining incorporation and boundary records for each of Alaska's 161 municipal governments.

¹ The other four are the Commission on Judicial Conduct, the Judicial Council, the University of Alaska Board of Regents, and the (legislative) Redistricting Board.

- ◆ drafting reports, correspondence, public notices, legislation, or regulations as requested by the LBC;
- ◆ coordinating, scheduling, and overseeing public meetings and hearings for the LBC;
- ◆ developing orientation materials and providing training for new LBC members;
- ◆ maintaining and preserving LBC records in accordance with the public records laws of the State;
- ◆ developing and updating forms and related materials for use in municipal incorporation or alteration; and
- ◆ if directed by the LBC, act as a petitioner on a matter that the LBC believes will promote local government standards in the Alaska Constitution, AS 29.04, AS 29.05, or AS 29.06.

The following summarizes the major activities of the LBC and DCA staff during 2003:

City Incorporation

City incorporation activities occurred to various degrees in the following eight communities:

Anchor Point	Crooked Creek	Gustavus
Hyder	Meadow Lakes	Naukati Bay
Salcha	Talkeetna	

Only the residents of Gustavus formally petitioned for incorporation during 2003, although residents of some of the remaining seven communities are currently developing incorporation proposals.

In January 2003, voters in Gustavus filed the *Petition to Incorporate Gustavus as a Second Class City in the Unorganized Borough* (Petition). The Petition proposed establishment of a second class city with boundaries totaling 39.25 square miles of land and water. Two previous incorporation efforts – one in 1979 and one in 1997 – failed.

A technical Review of the Gustavus Petition of incorporation, a preliminary report, a public comment period, two public hearings, a final report, and a decisional statement were provided by the LBC and staff.

On December 8, 2003, the Chair of the LBC formally notified the Director of the Division of Elections that the Commission had accepted a petition for incorporation of the City of Gustavus. The Director of the Division of Elections has 30 days to order an election on the matter. The date of the election must be no less than 30 days nor no more than 90 days from the date of the order of the election. LBC staff has drafted the federal Voting Rights Act preclearance request for the matter. The request will be submitted once the Director of Elections issues the order for the election.

City Annexation

City annexation was explored or pursued to various degrees with respect to the following city governments during 2003:

City of Akutan	City of Eagle	City of Fairbanks
City of Hydaburg	City of King Cove	City of North Pole
City of Palmer	City of Pelican	City of Petersburg
City of Wasilla		

During 2003, the boundaries of the City of Palmer were expanded by annexation. The LBC approved the annexation of 861.44 acres to the City of Palmer in December of 2002. Annexation was subject to tacit approval by the Legislature under Article X, Section 12 of the Alaska Constitution. The tacit approval was given effective March 16, 2003.

Interest in annexation by the other nine city governments was expressed to various degrees during 2003.

City Dissolution

City dissolution activities occurred in the following localities during 2003:

Holy Cross	Hydaburg	Kivalina
Mekoryuk	Quinhagak	Ruby
Statewide		

No petitions for city dissolution were submitted.

City Reclassification

Interest in city reclassification occurred in the following localities during 2003:

Angoon	Dillingham
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No petitions for city reclassification were submitted.

Borough Incorporation

Interest in borough incorporation occurred in the following areas during 2003:

Delta-Greely Area	Dillingham Area	Glacier Bay Area
Petersburg		

No petitions for borough incorporation were submitted during 2003.

Borough Annexation

On October 6, 2003, the Ketchikan Gateway Borough Assembly authorized, by a vote of 4-3, a petition to the LBC for annexation of all territory within the Borough's model boundaries not already within the existing corporate boundaries of the Borough. The area in question comprises an estimated 5,545 square miles, including Hyder and Meyers Chuck. Borough officials indicate that the petition is currently under development.

Borough Detachment

Interest in borough detachment occurred in the following communities during 2003:

Eagle River

Trapper Creek

No petitions for borough detachment were filed during 2003.

Consolidation

Interest in consolidation of city and borough governments was expressed in the following areas during 2003:

Haines Borough

Ketchikan Gateway Borough

Kodiak Island Borough

Northwest Arctic Borough

Consolidation is currently being pursued in the Ketchikan Gateway Borough. A group of citizens in Ketchikan, known as the "Ketchikan One Government Committee" – a subcommittee of the Greater Ketchikan Chamber of Commerce – developed an application for an initiative petition to place the following question on the October 7, 2003, ballot:

Shall a commission be elected to prepare a petition, including a home rule charter, to consolidate the City of Ketchikan and the Ketchikan Gateway Borough and shall the Ketchikan Gateway Borough file the petition with the Local Boundary Commission by September 30, 2004?

On October 7, 2003, voters approved the initiative by a margin of 54.5% to 45.5%. On January 13, voters will elect seven members to serve on the consolidation commission. Three members will be elected from the area within the City of Ketchikan, three members will be elected from the part of the Ketchikan Gateway Borough outside the boundaries of the City of Ketchikan, and one member will be elected from the Borough at large. The Commission must prepare a petition, including a home-rule charter, for consolidation of the City of Ketchikan and the Ketchikan Gateway Borough. The petition must be submitted to the Local Boundary Commission before Sept. 30, 2004.

Special Projects

In 2003, the Local Boundary Commission carried out two significant special projects. Those relating to:

- ◆ a review of the unorganized borough.
- ◆ a study of school consolidation opportunities.

Review of the Unorganized Borough

Chapter 53, SLA 2002 directed the Local Boundary Commission to report to the First Regular Session of the Twenty-Third Alaska State Legislature which areas of the unorganized borough meet borough incorporation standards.

The Commission began its review of the unorganized borough shortly after Chapter 53, SLA 2002 took effect on September 17, 2002. The Commission met six times concerning the unorganized borough review – October 22, November 13, and December 9, 2002; January 17, February 8, and February 11, 2003. During the February 8, 2003 meeting, the Commission held a statewide hearing on the matter and received testimony from residents of twenty-seven communities. Extensive written comments were also submitted to the Commission.

The Commission submitted its report to the Legislature on February 19, 2003. The report includes Borough incorporation standards established in the Constitution of the State of Alaska, Alaska Statutes, and Alaska Administrative Code. Those standards relate generally to four broad areas: (1) economic capacity; (2) population size and stability; (3) regional commonalities; and (4) broad public interest.

The Commission concluded that seven unorganized areas meet the standards for borough incorporation. Those areas are the Aleutians West Model Borough; Upper Tanana Basin Model Borough; Copper River Basin Model Borough; Prince William Sound Model Borough; Glacier Bay Model Borough; Chatham Model Borough; and Wrangell-Petersburg Model Borough.

One additional area – the Prince of Wales Island region – was also carefully considered by the Commission, however, the Commission declined to render a finding as to whether the Prince of Wales Model Borough has the human and financial resources to support borough government.

Study of School Consolidation Opportunities

The 2003 Alaska Legislature directed the Local Boundary Commission and the Department of Education and Early Development to address matters relating to school consolidation. Specifically, the legislative directive, which appears on page 10, Section 1, Chapter 83, SLA 2003, provides as follows:

It is the intent of the legislature that (1) the . . . Commission identify opportunities for consolidation of schools, with emphasis on school districts with fewer than 250 students, through borough incorporation, borough annexation, and other boundary changes; (2) the . . . Commission work with the Department . . . to fully examine the public policy advantages of prospective consolidations identified by the . . . Commission, including projected cost savings and potential improvements in educational services made possible through greater economies of scale; and (3) the . . . Commission with the Department . . . report their findings to the legislature no later than the 30th day of the Second Session of the 23rd Legislature.

A working draft report on consolidation was completed on November 26, 2003. The legislative directive called for the study to be completed by February 10, 2004.

Assessment of the Work and Effectiveness of the Local Boundary Commission

At the direction of Governor Murkowski, DCED prepared an assessment of the work and effectiveness of the LBC. The DCED issued its report of that assessment on August 1, 2003. The full assessment addressed the following topics:

- ◆ purpose of the assessment;
- ◆ relationship between the LBC and DCED;
- ◆ constitutional origins of the LBC and Alaska's local government agency;
- ◆ duties and functions of the LBC;
- ◆ LBC membership;
- ◆ laws relating to LBC;
- ◆ areas of controversy;
- ◆ successes of the LBC in 2002;
- ◆ pending activities of the LBC;
- ◆ resources needed to support the LBC;
- ◆ recommendations for change; and
- ◆ conclusion.

The assessment concluded that

- (1) the LBC and its staff perform a critical role with respect to the establishment and alteration of municipal governments in Alaska;
- (2) they exhibit expertise and proficiency in carrying out their respective duties; and
- (3) the LBC operates efficiently and effectively, most particularly in view of the fact that it is not a full-time agency and its members must put their full-time jobs on hold while considering and acting on LBC business.

LBC Annual Report

More information regarding these activities is available in the LBC's Annual Report to the Second Session of the 23rd Alaska State Legislature (<http://www.dced.state.ak.us/dca/lbc/lbc.htm>), dated January 2004.

Rural Utility Business Advisor (RUBA)

The goal of the RUBA Program is to prepare rural communities for, and help them meet, the challenge of managing and operating sanitation utilities. RUBA is achieving this goal by providing assistance in the areas of business, finance, personnel, and general management to governments and organizations responsible for operating water and sewer utilities in rural Alaska.

FY03 RUBA Activities:

- ◆ Made 132 trips to 64 different communities to provide on-site RUBA assistance.
- ◆ Presented seven 32-hour Utility Management Classes in 6 different regional centers throughout the State. Seventy utility managers completed the classes.
- ◆ Developed debt reduction plans for two communities. Both communities were suffering delays in sanitation projects due to financial management issues.
- ◆ Worked with the Regulatory Commission of Alaska (RCA), and the Alaska Energy Authority to expand the standardized Chart of Accounts for use by small water and wastewater utilities to include bulk fuel and electrical utilities. Worked with both agencies to begin development of a manual/guidebook explaining to community staff how to use the new Chart of Accounts.
- ◆ Contractors working for the program provided training on QuickBooks Pro in four communities (Brevig Mission, Cold Bay, Larsen Bay and Minto). Staff worked directly with several other communities to implement QuickBooks as an accounting package, or adopt changes to existing QuickBooks practices.
- ◆ Presented information sessions at the following annual conferences: Alaska Water and Wastewater Manager's Association (AWWMA), National Rural Water Association - Alaska, Alaska Municipal League, and the Southeast conference of the AWWMA.
- ◆ Served on the evaluation committees for Denali Commission Washeteria grants, Denali Commission Small Clinic Grants, Village Safe Water Planning and Capital Improvement Grants.



Success Story

Greg Gould - Local Government Specialist - Anchorage Office. Greg has worked for DCED in the Rural Utility Business Advisor (RUBA) program for 2.5 years. In addition to working with communities directly, during this past year, he took on a special project of coordinating the development of a standardized business plan template and instruction book. Prior to this project several different agencies required their own template be used for community project business plans. Greg was able to get seven different agencies/entities to sit down and work out one template that they all could use. The project has drawn a lot of attention, and since its completion, several other programs, including several non-profit groups, have expressed interest in using the business plan template.

Office of the State Assessor (OSA)

In accordance with State law, the Office of the State Assessor (OSA) conducted the annual full value determination (FVD) for taxable property in organized boroughs and home rule, first class, and second class cities (with a population over 750) whether or not they levy property taxes. The OSA published the results in a report titled "2003 Alaska Taxable". To review the report, visit the Division's website or contact the OSA.

To assure equitable treatment for all taxpayers and to assure the State disburses school funding equitably to each municipality, the OSA monitored municipal assessment practices. This past year, the OSA was asked by the assembly of the State's largest municipality to investigate and report on the efficiency of the assessor's office. This was a long and tedious investigation that culminated in a thirty-two-page report to the Anchorage assembly. This report was used to assist the assembly in monitoring the assessor's office as well as help in budget setting priorities for the assessor's office. Many of the suggestions offered in the report may also be used as a guide for helping with the overwhelming number of appeals received by the Anchorage assessor's office each year. This report was well received by the Anchorage assembly and was a precursor to the OSA issuing a letter of major error. Now, rather than issuing a letter of major error, the OSA is working with the assessor's office to help it address the shortcomings outlined in the report.

The OSA advised and assisted municipalities on assessment and taxation issues and provided training for municipal assessment personnel. The OSA assisted both the City and Borough of Juneau and the Haines Borough in obtaining assistance with the upcoming 2004 assessment rolls. Both boroughs had lost long time employees that headed up the assessment function and were unable to attract qualified individuals. The OSA was successful in bringing someone in who could help both municipalities.

In accordance with State law, the OSA also provided guidance with interpreting State mandated exemptions; established standards for assessment practices for use by local assessing offices; assisted in developing ordinances dealing with property assessment issues; and developed assessment models for use with value projections in the Unorganized Borough.

Land Management

The Land Management and Community Planning programs provide assistance to communities on regional and local land issues. The main areas of assistance are technical advice and training on local planning and land management efforts, the Alaska Coastal Management Program, the Municipal Lands Trustee Program, and the National Flood Insurance Program.

Alaska Coastal Management Program (ACMP)

Through balanced stewardship, the ACMP strives to sustain the long-term economic and environmental productivity of the Alaska coast. The ACMP provides a balance of decision making that addresses all interests, coastal resources, and coastal uses. Thirty-two coastal districts participate in the program by developing local coastal management plans, implementing local plans through the consistency review process, and informing and educating the public about the ACMP. The Department's role in the program, which is established in AS 44.47.095, supports the coastal districts through research, training, and technical assistance. DCA also manages the ACMP grant program, which awards \$1 million annually in grant funds to the coastal districts.



Community Mapping

Unresolved land claims and inadequate information about land sometimes hinder development for both the private and public sectors. The land management section provides information, maps and assistance to agencies, contractors and rural communities so they may overcome land problems that currently impede development. Some of the services provided include the following:

- ◆ **Site Control.** This includes preparing title opinions and providing maps, sample documents and technical assistance to assure a proper ownership interest for publicly funded projects. Site control helps protect State and local government investment in buildings and facilities.
- ◆ **Community Profile Mapping.** By assisting groups that are contracting for the preparation of community mapping we ensure that community maps are prepared to a standard compatible with other users, that existing mapping data is used whenever possible, and that the project is coordinated with other mapping efforts that may be taking place. At the completion of the project, partners allow DCA to add the maps to its community mapping library and share the maps with private and public entities working in the community. DCED's current mapping partnerships are developing aerial photo based community maps in 27 rural communities.



Land Management Program

Section 14(c) of the Alaska Native Claims Settlement Act (ANCSA) provides that certain land in ANCSA communities be made available to residents, businesses, non-profits, communities and airport operators. DCA provides community mapping and land management assistance to municipalities, unincorporated communities, and Native village corporations so they may carry out the process of identifying and conveying 14(c) land claims. Once the land claims have been placed on a community's "map of boundaries," the layout can be submitted to the Bureau of Land Management for surveying and platting. This year DCA's assistance was instrumental in the settlement of land claims and the submission of maps of boundaries in the communities of Manley Hot Springs, Naknek, Nikolai, and Nondalton. Surveying and platting of land claims was completed in Allakaket, Alatna, Koliganek and Nome. The settlement of the ANCSA 14(c) land claims is an essential step in clearing land title in the community and providing a base of land for private and public land development. Many of the State, federal and local initiatives to improve sanitation and develop infrastructure in rural Alaska benefit from the settlement of 14(c) land claims and the surveying and platting of local subdivisions. In unincorporated communities DCA carries out the community planning and negotiation of 14(c)(3) community land on behalf of a future municipal corporation (Municipal Trust Land). Leases, deeds and easements of Municipal Trust Land were issued this year for housing, sewer and water facilities, a school, bulk fuel storage facilities, clinics, a church, an airport, roads and boardwalks.

Floodplain Management/National Flood Insurance Program (NFIP)

The mission of the Division's Floodplain Management Program is to reduce public and private sector losses and damage from flooding and erosion by providing coordination, funding, and technical assistance to NFIP communities. The Division serves as the State coordinating agency for the NFIP. The program provides over \$326.2 million in flood insurance coverage to individuals, businesses, and renters in 37 cities and boroughs. The total flood insurance premiums paid for flood coverage exceed \$1 million. The average annual premium is \$429. The average flood insurance claim payment is \$12,946. Division staff assist local officials, residents, developers, lenders, insurance agents, realtors, and State and federal agencies in a variety of ways specific to flood and erosion management. Flood mitigation grants for planning and projects are now available to NFIP communities.



Community Development



The focus of business development staff is to provide technical assistance to those communities desiring economic growth, and technical assistance and basic information to new businesses or businesses seeking to expand or diversify. Staff also assist with planning and training for communities and organizations looking for business development. The efforts of the Division are part of the State of Alaska's overall economic development strategy to increase employment and diversify our economic base.

Some of the Division's programs are regional in nature. The goals of these programs are to stimulate economic development in the different regions by preparing strategies, assist communities to implement the strategies, and provide opportunities for communities to participate in economic activities not previously available to them.

Alaska Regional Development Organization (ARDOR) Program.

The Legislature established the ARDOR Program in 1988 in support of the widely held belief that a locally driven initiative, in partnership with the State and other entities, can most effectively stimulate economic development and produce healthy, sustainable local economies. An ARDOR is a non-profit organization of local volunteers, representing numerous public and private interests, working together to achieve economic development in their region. Each ARDOR prepares a regional economic development strategy and assists communities and businesses to implement the strategy. The ARDORs are eligible for State matching grants. There are currently 11 ARDORS. DCA administers the grants and manages the ARDOR program. Funding is provided by the Alaska Industrial Development & Export Authority (AIDEA).

Funding Summits

A Funding Summit is a two day meeting where regional non-profits, State and federal funding agencies, and community and regional representatives come together to discuss priority projects in a particular region. Usually, about 10 communities participate—but it can be more or less. Typically, 15-25 agency representatives are in attendance.



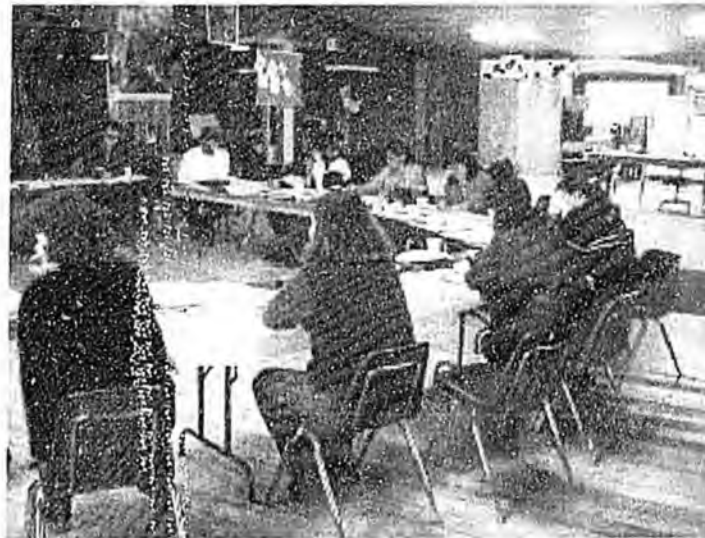
The Funding Summits are a joint effort of the Denali Commission, USDA Rural Development, U.S. Department of Housing and Urban Development (HUD), Department of Community and Economic Development (DCED), Rural Alaska Community Action Program (RurAL CAP), and regional and local partners.

The goals of a Funding Summit are to:

- ◆ enable community and agency representatives to resolve problems associated with and identify funding options for community priority projects;
- ◆ establish working relationships between community and agency participants; and
- ◆ enable all participants to learn new ways to make projects happen.

DCED established a website for the Summits: <http://www.dced.state.ak.us/dca/grt/fundingsummits.htm>.

In 2003, the partnership held Summits in Cordova, Barrow, and Juneau.



Fisheries Development

The Division currently has two full-time development specialists, a non-permanent development specialist, and a grant administrator working on fisheries issues. Current duties include analyzing and reporting on economic issues, working with entrepreneurs, encouraging and facilitating new product development, supporting development of growth sectors, networking economic development specialists with industry, and implementing programs under the Governor's Fisheries Revitalization Strategy. The fisheries development program strives to increase the income and employment of Alaskans from seafood.

In FY 2005, the Department intends to create the Office of Economic Development in the Commissioner's Office. Fisheries Development Specialists and other positions from this Division will be reorganized within the Office of Economic Development, along with Tourism and Minerals Development Specialists from the Division of Trade and Development (see Executive Order No. 112). Although this document identifies various responsibilities and activities of the Office of Fisheries Development, these will no longer remain in the Division in FY 2005, and as such, Fisheries Development is not included in the Division FY 2005 budget request. Recent, current and proposed projects include:

- ◆ seeking sustainable fisheries label for Alaska salmon through the Marine Stewardship Council;
- ◆ developing supportive information for the growing direct market vessel sector;
- ◆ facilitating and holding seafood marketing workshops and conducting direct market vessel workshops;
- ◆ providing detailed reports for the Alaska Economic Information System;
- ◆ implementing the \$7 million Aid to Impacted Communities Program;
- ◆ implementing and administering the \$13 million Fisheries Economic Development Grant Program;
- ◆ implementing and administering the \$13 million Alaska Salmon Marketing Grant Program;
- ◆ implementing the Alaska Regional Salmon Marketing Mini-Grant Program;
- ◆ implementing the Specialty Salmon Marketing Mini-Grant Program;
- ◆ participating in the research, surveying, and writing of the baseline review of Alaska salmon permit activity;
- ◆ designing for Alaska's Fisheries Business Plan;
- ◆ implementing and administering quality and transportation improvements for the salmon industry;
- ◆ reviewing and advising on permitting foreign processors into Alaska waters;
- ◆ advising on taxation, permitting and other regulatory systems pertaining to fisheries;
- ◆ overseeing a comprehensive review of the inputs into the Alaska seafood processing sector;
- ◆ maintaining a seafood related current events calendar; and
- ◆ supporting and communicating with the USDA on pink salmon purchase programs and organic seafood issues.

Tracking and developing policy considerations to protect Alaska's fishing and processing interests has become a major focus for the State of Alaska and has involved the expertise of the Division's Fisheries Development staff. At the same time, many proposals to rationalize other fisheries are emerging. Community and market concerns are included in the analysis and discussion of these proposals.



Small Business Development

The Division has one Development Specialist to support the start-up and expansion of small businesses around the State. Assistance provided includes:

- ◆ Responding to information requests from business owners.
- ◆ Developing publications on business topics.
- ◆ Assisting with the planning and delivery of small business training via regional workshops and conferences.

During fiscal year 2003, small business workshops were held in Cordova, King Cove, Glennallen, McCarthy, Wasilla, Soldotna, Homer, and Ninilchik. Small business training was also provided at the Kawerak Regional Conference in Nome, the Workforce Investment Act Conference in Anchorage, and the annual conference of the Culture Centers and Museums Consortium in Fairbanks.

The Small Business Development Specialist works closely with the staff of other State and federal agencies to efficiently provide a high level of service to the business community.

☆☆ Success Story ☆☆☆

Division staff participated in the 2003 Biz Fair, held in May on the UAA campus. The event drew approximately 250 people from throughout southcentral Alaska for a day of free seminars and information booths for business owners and aspiring business owners. Biz Fair is a collaboration of DCED, Internal Revenue Service, U.S. Small Business Administration, Alaska Small Business Development Center, Department of Labor and Workforce Development, and the Anchorage Chamber of Commerce.

Made in Alaska Program

The intent of the Made in Alaska (MIA) program is to promote and increase the sale of Alaskan manufactured and/or made products. The Made in Alaska program identifies and promotes the purchase of products manufactured and crafted in Alaska, ranging from small gift items to large industrial modules. Alaska businesses manufacture high quality products for Alaskan, domestic and international markets.

Products which meet program criteria are eligible to use the Made in Alaska logo. Permits authorizing the use of the Made in Alaska logo serve both producers and consumers by certifying product authenticity. The MIA program administration is contracted to a private sector organization.



**** Success Story ****

The Egan Convention Center in downtown Anchorage is providing a new venue for the promotion of Made in Alaska products. The Egan Center installed a lighted display cabinet on the lower level for the display of Made in Alaska products. The display includes a list of locations in Anchorage where the products are available for purchase. As a result of the display, Claire's Flies, a manufacturer of hand-tied fishing flies in Naukati, is now selling its products at Mountain View Sports in Anchorage.

Alaska Product Preference and Forest Product Preference Programs

These programs provide incentives for Alaska businesses when responding to bids for State contracts. The Alaska Product Preference Program, which is available to manufacturers within the State, provides a cost preference of up to 7% for State procurement. The Forest Products Preference Program provides a 7% cost preference in State procurement for wood products manufactured from Alaska timber. Both programs require certification by DCED to be eligible for the preference.

Presently there are 82 Alaskan manufacturers participating in the Alaska Products Preference Program, with products ranging from prefabricated buildings to bagged topsoil. Sixty two companies are listed for the Forest Products Preference Program.

Volunteers in Service to America (VISTA)

VISTA members serve Alaska's urban and rural communities. This year, through the Division's program, 21 VISTAs served in 18 communities. DCA received approval for six additional members who are now serving under an Indian Set-Aside Grant. Entities sponsoring these VISTAs are community and regional organizations that serve Alaska Natives. The program currently has a broad range of projects including strategic planning, leadership programs, cultural preservation, distance education, marketing/arts promotion and small business development. All members focus on human resources and capacity building, community ownership, and sustainability. The DCA VISTA program and its members are growing while earning a solid reputation for positive change.

☆☆ *Success Story* ☆☆

Greg Tisher, DCA VISTA with The Ahtna Heritage Foundation in Glennallen, extended his service for another year in April of 2003. Greg has been working toward the development of the "Ahtna Historical Village." To serve as a foundation in building community support and to collect information to include in the plan for the Ahtna Museum and Historical Village, Greg has been spearheading many local projects. There were a series of four Language Workshops that were part of the Ahtna Kenaegé Project funded by the Alaska Humanities Forum. Each workshop consisted of three days of analysis and study of the Ahtna language with 35+ attendees. After the final workshop the members of the communities decided to continue these workshops with funds provided by the local tribal councils where an elder will facilitate the class.

In addition to the workshops, an Ahtna Culture Camp was conducted over a three day period. Stories and traditions were passed on to the younger generation through the elders and a sense of pride was nourished allowing enthusiasm for the Ahtna culture to grow. Both the language workshops and the culture camp were videotaped for future reference. Greg has also been transcribing oral history interviews. He has submitted and been awarded grants amounting to \$32,000, \$8,400 in local fundraising, and in-kind donations are valued at \$18,854. The funds will be used for a feasibility study, educational programming, and career training for this locally owned business/cultural center.

☆☆ *Success Story* ☆☆

Casey Reynolds, DCA VISTA with the City of Kenai, began his service in July of 2003. Casey is working diligently on an economic development strategic plan for the greater Kenai area. He has been conducting research within the community, the borough, and throughout the State. He structured and facilitates an Economic Roundtable that meets monthly. Casey has been establishing relations with businesses to encourage them to consider Kenai as an opportune place to invest. He is working closely with one entity in particular considering the renovation of a former fish processing facility into a large tourism business venture. Casey was appointed by the Kenai City Council to a position on the Economic Development District Board of Directors. Casey is an excellent example of a VISTA *getting things done* and his ambition is greatly appreciated down on the Peninsula.

Financial Assistance

The Division administers a number of programs that provide financial assistance to communities to supplement local revenue generation. A number of them are revenue programs which share State or federal funds with local communities. The Division also administers grant programs which can help communities with the finances to build the infrastructure needed to support community and business development. Federally funded programs and State resources support this effort. Some of these programs continue from year-to-year and some are special programs that have a limited time frame or limited funding. Grant staff are available to answer questions about the various funding sources and help direct communities to the most appropriate source for a proposed project.

Shared Revenue Programs

Federal Payments in Lieu of Taxes (PILT) for Cities in the Unorganized Borough

Division staff worked closely with Senator Ted Stevens to establish and administer this program which expanded federal Payment in Lieu of Taxes (PILT) payments to include cities located in Alaska's unorganized borough. The Division distributed \$6,083,870 to 97 Alaska cities in FY04. These federal funds will be especially crucial for many cities as they deal with the elimination of State Revenue Sharing, Safe Communities, and Capital Matching Grant funding upon which they relied to provide basic public services.

Fisheries Resource Landing Tax

A Fisheries Resource Landing Tax is levied on processed fishery resources first landed in Alaska, or any processed fishery resource subject to Sec. 210(f) of the American Fisheries Act. The State tax is based on the unprocessed value of the resource, which is determined by multiplying a statewide average price per pound (based on Alaska Department of Fish and Game data) by the unprocessed weight. Fisheries Resource Landing Tax is collected primarily from factory trawlers and floating processors which process fishery resources outside of the State's three mile limit and bring their products into Alaska for transshipment. The Fisheries Resource Landing Tax revenues are allocated to eligible municipalities on the same basis as the Shared Fisheries Business Tax Program.



Shared Fisheries Business Tax Program

This program provides for an annual sharing of State fish tax collected outside of municipal boundaries on the basis of nineteen "fisheries management areas." The funding available within each of these areas is distributed among municipalities in that area based on the level of significant impacts resulting from fishing industry activity compared to the level of impacts experienced by other municipalities in that area. In FY04, \$1,362,651 in State tax will be distributed to 95 eligible municipalities.

National Forest Receipts

The Department distributes federal National Forest Receipts under the authority of 16 USC 500 and under AS 41.15.180. The federal law was amended in 2000 under the "Secure Rural Schools and Community Self Determination Act." The Act provides that for State fiscal years FY02-FY07, the State shall receive an annual payment equal to the average of the three highest National Forest Receipts payments made to the State during fiscal years FY87-FY00. In FY04, the Department allocated over \$9 million to 9 boroughs, 18 cities, 4 Regional Educational Attendance Areas, and the Metlakatla reservation under the amended law.

Temporary Fiscal Relief

Using \$17,902,564 in federal funds received under the "Jobs and Growth Tax Relief Reconciliation Act" of 2003, the Division administers the Temporary Fiscal Relief Program to provide one-time transitional assistance to municipalities, unincorporated communities, and volunteer fire departments. This transitional assistance was necessitated by the elimination of funding for the long-standing State Revenue Sharing, Safe Communities and Capital Matching Grant programs. Payments to municipalities were calculated based upon each municipality's proportional share of the total payments made to all municipalities in FY03 under the State Revenue Sharing and Safe Communities programs, while providing for a "minimum entitlement" of \$40,000 for each municipality. Eligible unincorporated communities received a \$3,500 payment and eligible volunteer fire departments received \$1.50 per capita for the population served.

Grant Programs

Community Development Block Grant Program (CDBG)

The goal of the federally funded Community Development Block Grant (CDBG) Program is to enhance the quality of life for low-and moderate-income residents, particularly in rural Alaska. The Program provides grants for public facilities and planning activities which address conditions detrimental to the health and safety of local residents. The grants reduce the costs of essential community services. Special economic development funds may be used to provide capital to assist in the creation or retention of jobs that principally benefit low-and moderate-income persons. During FY04 approximately \$3.5 million was made available for the program.

Community Services Block Grant Program

The goals of the federal Community Services Block Grant Program (CSBG) are to reduce and/or prevent poverty through community-based educational activities, which lead to a greater degree of self-sufficiency on the part of low-income persons. Services are provided through the State's only Community Action Agency, RurALCAP. During FY04 approximately \$2.5 million was made available to RurALCAP to provide eligible services to people in poverty across the State.

Emergency Shelter Grant Program

The goals of the federal Emergency Shelter Grant Program are to assist with the following activities relating to emergency shelter for the homeless: renovation, major rehabilitation, or conversions of buildings for use as emergency shelters for the homeless; payment of maintenance, operation, insurance, utilities, and furnishings; and payment for provision of essential community services including those concerned with employment, health, substance abuse, education, food, or prevention. During FY04 approximately \$118,000 was made available statewide for the program.

Legislative Grants Program

Legislative grants are awarded by the State Legislature, with final approval by the Governor (delegated to a specific Department for administration). It is the Department's responsibility to notify grantees of their awards, and to develop and execute grant agreements based on each project. These awards can be for a variety of projects such as health, fire and safety, water and sewer, construction of community facilities, cemetery restoration, and program operations. This section also ensures grantees obtain site control, State Fire Marshal approval, and other regulatory agency permits as required. The Division currently administers approximately 300 active legislative grants for a total value of \$69 million.

Mini-Grants

The Mini-Grant Assistance Program is federally funded by the Denali Commission and the U.S. Forest Service. The program provides grants on an annual competitive basis to rural Alaska communities for a wide range of development projects and development strategies. Grants are awarded to the most viable projects which promote development by diversifying the economic base to provide jobs, income and long lasting economic benefits to the communities served. One application per community is accepted for a maximum of \$30,000. The funding level in FY04 was approximately \$500,000.

The Mini-Grant Assistance Program is one of the most popular grant programs the Department administers. We generally receive between 75 and 100 applications requesting in excess of \$1.5 million. The program provides a source of funding for many activities which are not funded through other means. Planning activities (including feasibility studies, business plans, and community development plans) are very popular as are projects that provide seed money for economic development activities. Without the Mini-Grant Assistance Program many innovative and exciting projects would likely never get off the ground. Although a small investment, the Mini-Grant Assistance Program provides significant benefits to a large number of communities across the State annually.

Flood Mitigation Assistance (FMA) Program

This is a federal grant program that provides assistance to National Flood Insurance - participating communities for flood mitigation planning and project activities. The DCA administers these Federal Emergency Management Agency pass-through grants.

Multi-Use Facility Grants

The Multi-Use Facility Grant Program is federally funded by the Denali Commission. The purpose of the program is to encourage consolidation of compatible essential community services while eliminating duplication of services and increasing the efficiency with which services are provided. Multi-Use Facilities can meet a variety of needs in Alaska and enhance the delivery of vital community services. Priority for funding goes to projects associated with life, health, and safety. Projects funded with Multi-Use Facility funds are generally limited to serving communities with populations of no greater than 2,500 people. Eligible applicants may ask for either construction funding only or for combined design and construction funding. Economically distressed communities must provide a 10% local match and non-distressed communities must provide a minimum 25% match. Requests may not exceed \$1 million per applicant with a maximum of \$25,000 for design completion. In FY04, a total of 11 projects were funded totaling \$7,562,509.

Fisheries Economic Development Grant

In the Spring of 2003 Governor Murkowski announced the State's Fisheries Revitalization Strategy. The Revitalization Strategy combines federal funds authorized under Title V-Fisheries Disaster, Section 501(b) of the 2003 Federal Appropriations Bill, and Southeast Sustainable Salmon Fund monies authorized under the Pacific Coastal Salmon Recovery Fund.

The Revitalization Strategy is a multi-level, multi-year plan designed to spur increased productivity and innovation in the Alaska fishing industry by investing considerable economic resources into critical commercial fisheries infrastructure and capital projects.

A key component of the Strategy is the Fisheries Economic Development Grant Program. This program is intended to assist communities throughout the salmon fishing regions of Alaska impacted by the downturn in the salmon industry. Assistance may be provided in the form of one-time grants to finance fisheries related infrastructure or economic development projects that have the potential to increase Alaska seafood/product quality; increase Alaska seafood/product diversity and/or value; increase industry efficiencies; or lower costs within the industry. Approximately \$13 million has been awarded under this program.

Alaska Salmon Marketing Grant Program

The Alaska Salmon Marketing Grant Program is also a component of the Revitalization Strategy. The purpose of the program is to assist Alaska salmon marketers in funding industry's "best thinking" on how to most effectively market wild Alaska salmon. Approximately \$10 million in grant funds have been made available for this component. Applications were accepted under three categories:

- ◆ Major Grant Program: Directed toward major processors/marketers and geared to the scale and capabilities of larger companies; approximately \$7.7 million was made available.
- ◆ Mini-Grant Program: Directed toward mid-sized and growing companies and programs meeting the threshold identified by SBA requirements; approximately \$2.4 million was made available.
- ◆ Micro-Grant Program: Directed toward the small and emerging marketing sector which includes primarily the Alaskan direct marketing sector. This category is open to business's that have no more than 10 full-time equivalent employees; approximately \$460,000 was made available.

Direct Aid to Fisheries Impacted Communities

On July 3, 2003, The Division issued checks to municipalities impacted by the recent downturn in the salmon industry. \$7 million was divided among 63 coastal communities where salmon processing is an important economic activity. The money is designed to offset the loss in salmon landing taxes in recent years.

National Petroleum Reserve – Alaska (NPR-A) Impact Program

Under 42 U.S.C. § 6508, the State of Alaska receives 50 percent of the revenues from federal oil and gas lease sales in the NPR-A. Use of those funds is for planning; construction, maintenance, and operation of essential public facilities; and other necessary provision of public service, with priority use given to municipalities most heavily impacted by oil and gas development in the NPR-A.

The DCED is required to adopt regulations under which municipalities impacted by NPR-A oil and gas development may apply for and be eligible to receive grants to alleviate that impact (AS 37.05.530). Those regulations are set out in 3 AAC 150.010 - 3 AAC 150.090. The DCED's Division of Community Advocacy administers the NPR-A Impact Program and is responsible for providing public notice of funding availability; soliciting, accepting, and reviewing grant applications; making grant funding recommendations; and negotiating, writing, monitoring, and administering the grants.

In 2003, the DCED amended its NPR-A regulations to change the deadline by which grant applications must be filed. The deadline for submitting applications was changed from September 15 to November 15. The primary purpose of the change was to allow an expanded period of time for municipalities to prepare and submit applications for funding. In conjunction with the regulation change, the DCED also made extensive revisions to the forms for applying for NPR-A impact assistance.

In September 2003, Division staff traveled to Barrow to conduct a workshop for communities within the NPR-A. Staff reviewed the overall program objectives, eligible activities, completion of application forms, and the level of funds anticipated to be available, and answered specific questions from community representatives. Staff also reviewed general grant management expectations. Feedback was positive and the Division plans to offer similar workshops in coming years.

In December 2003, the DCED recommended that ten projects in three NPR-A communities be awarded funds totaling \$3,030,000. The DCED expects that those projects will be under grant agreement and effective July 1, 2004, when the funding is deposited into the NPR-A Special Revenue Fund.

Denali Commission

The Division administers several Denali Commission grants (using an administration fee of 1.1%), such as the Mini-Grants, Multi-Use Facilities, and Community Priorities Grants. Since 2001, the Division has administered over 100 Denali Commission grants totaling \$13.6 million. Thirty-five grants are currently open and active, totaling \$10.1 million. The Division also supports a position to liaison with Denali Commission full-time on development issues, as do several other state and federal agencies.

Grants Tracking Information System Database

An Internet-based management system was completed in May 2000 for internal use by the Division's Grant Administrators. The database tracks detailed information needed for all of the grants administered by the Division. Some of the information from the Grants Tracking System is available to the public in the Community Funding Database, at http://www.dced.state.ak.us/cbd/commdb/CF_Grants.htm.

Information Resources

One important function of the Division is to collect and publish local government information and economic development information. The Division is a leader in providing information resources to the public.

Products

Community Database/Community Profiles

This database provides a wide range of community-based information and data for planning, policy making and technical assistance decisions. Information is available through an interactive database on the Internet. Users include other State and federal agencies, private non-profit organizations, legislators and their staff, and the general public, both in Alaska and around the world. The database provides for "standard" comprehensive community profiles and customized queries of specific community data. The website includes a feature that allows users to automatically e-mail themselves the data they need (http://www.dced.state.ak.us/dca/commdb/CF_COMDB.htm).

Economic Development Resource Guide (EDRG)

This guide is designed to bring together in one place a listing of programs and services that provide economic development assistance to Alaska individuals, communities, organizations and businesses. The EDRG includes over 120 resources for financial and technical assistance targeted at economic development. These resources include federal and State agencies, national non-profit and State non-profit organizations, and private for-profit organizations. The EDRG is also on the web with a user-friendly interface that provides users with targeted searches to retrieve those resources that apply to their specific eligibility and needs (<http://www.dced.state.ak.us/dca/edrg/EDRG.htm>).

RAPIDS Capital Project Database

This Internet-based system provides information on many of the capital grants and community improvements administered by over 20 State and federal agencies, such as Department of Transportation & Public Facilities, Alaska Native Tribal Health Consortium, and U.S. Housing & Urban Development. The Rural Alaska Project Identification and Delivery System (RAPIDS) database contains information such as project descriptions, funding levels and construction status. Portions of this database are also available to the public on the web, at http://www.dced.state.ak.us/dca/commdb/CF_RAPIDS.htm.

IMPLAN Economic Model

IMPLAN is an economic “impact planning” input/output model. IMPLAN estimates current economic activity and the positive or negative impacts of specific changes. IMPLAN is becoming a standard tool among federal agencies, State agencies, and private consultants to model economic impacts industry by industry.

Current measures of Alaska’s economy usually rely on Department of Labor’s employment and wage data. Since Alaska does not have an income or sales tax, it does not have readily available economic indicators that exist in other states. Although Labor’s data is very reliable, it does not include proprietors and partnerships — which account for 47% of the total personal income in Alaska. IMPLAN accounts for all legal sources of personal income and includes rents, interest, dividends and transfer payments. IMPLAN also accounts for corporate profits and indirect business taxes.

Using past trends and new assumptions, IMPLAN can estimate the current status of the entire economy or any one of 528 economic sectors. IMPLAN can be used to:

- ◆ Monitor the status of the economy
- ◆ Compare the relative contribution of industries
- ◆ Estimate the gain/loss of industries
- ◆ Estimate the impacts of new infrastructure
- ◆ Estimate impacts due to regulatory changes
- ◆ Estimate impacts of different public policies

Alaska Economic Information System (AEIS)

Until recently, information about Alaska’s economy, labor force and industrial sectors was scattered among a large number of agencies and organizations. The Alaska Economic Information System (AEIS) was created to provide user-friendly access to all this information at a one-stop portal on the web. The AEIS is a tremendous resource for businesses, communities and individuals – saving them significant time and effort in collecting the information on which to base development decisions and plans. Starting from a map of Alaska, users can “click” on a census area, and quickly get the picture of that area’s basic economic industries such as tourism, oil and gas, mining, and seafood. Detailed information is also provided for the critical infrastructure elements of transportation, energy, and utility sectors that support long-term viable economic development. A statewide perspective is also provided for each sector of the economy, and the Alaska economy as a whole. Users can “drill down” through the information on the AEIS website to get to greater levels of detail about their specific areas of interest, including maps, charts and working spreadsheets that users can download to their own computers for further analysis. As a web portal, the AEIS contains a host of links to other websites relevant to an understanding of the Alaska economy, its work force and its economic sectors (http://www.dccd.state.ak.us/cbd/AEIS/AEIS_Home.htm).



Publications

Publications are used by the Division to provide technical assistance and materials to local governments and other clients. Many of the printed publications are available on the Internet at <http://www.dccd.state.ak.us/dca/StaffDir/GetPubl.cfm>. The Division also produces a variety of Internet-based information resources that are not available in a printed format (noted previously). Division publications produced during the past year include:



Small Business Development

- Alaska Economic Performance Report 2002 (Nov. 2002)
- Starting a Small Business in Alaska (updated July 2003)
- Economic Development Resource Guide (updated June 2003)
- Alaska Salmon Industry Baseline Study (Sept. 2003)
- Strategic Economic Concepts for the Alaska Fishing & Seafood Industry (Sept. 2002)

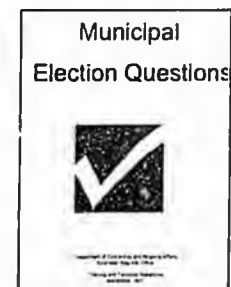
Local Government

- A Primer for City Council Members (updated July 2003)
- Mayor's Handbook: A Primer for Small City Mayors (updated July 2003)
- Municipal Elections Questions Handbook (updated July 2003)
- Non-Profit Community Handbook (updated July 2003)
- Alaska Planning Commission Handbook (updated July 2003)
- What is Site Control? ...and why is it important in planning and building community projects? (updated March 2003)
- Alaska Taxable 2002 (Jan. 2003)
- Local Boundary Commission - Annual Report to the Legislature (Jan. 2003)
- Local Boundary Commission - Unorganized Borough Review (SB 359) (Jan. 2003)
- Division of Community & Business Development Annual Report (Jan. 2003)
- FY04 Municipal Budget Manual (updated March 2003)
- FY03 Municipal Certified Financial Statement (updated March 2003)



Water & Sewer Utility Operations

- A Plain English Guide to Alaska Drinking Water and Wastewater Regulations (updated in 2002)
- Alaska Sanitation Planning Guide for Small Communities (plus Technical Appendix)
- Utility Management Workshop Curriculum Series: Introduction to Utility Management
- Utility Management Workshop Curriculum Series: Organizational Management
- Utility Management Workshop Curriculum Series: Financial Management
- Utility Management Workshop Curriculum Series: Operational Management
- Utility Management Workshop Curriculum Series: Utility Planning
- Utility Management Workshop Curriculum Series: Personnel Management



Information & Mapping

- Community Profiles (updated Nov. 2003)
- Community Profile Maps (several produced in 2003)
- Community/Borough Map of Alaska (24" X 36" format) (updated June 2003)
- Municipal Officials Directory 2004 (updated Jan. 2004)
- Rural Alaska Project Identification and Delivery System (RAPIDS) (updated Nov. 2003)

Major Issues Facing the Division

ISSUE: Many of Alaska's small cities are struggling to survive.

Due to their small size, isolated geographic locations, and very limited economic bases, most of Alaska's small city governments rely significantly on financial assistance from the State for the provision of very basic local government functions. With the elimination of funding for the FY 05 State Revenue Sharing, Safe Communities and Capital Project Matching Grant Programs, these small city governments now face a serious threat to their viability.

The possible consequences of the elimination of these long-standing State financial assistance programs are numerous. They include:

1) Inability to Provide Basic Public Services. Many communities lack the financial and personnel resources to successfully operate their utilities and perform basic government functions. Low wages, part-time work and no training create significant staff turnover and ongoing personnel and management problems. The Division continues to work with elected officials and staff to develop the skills to provide public services. The Division helps city councils, city clerks and other staff through on-site and regional training in financial management, water and sewer utilities management, and election procedures. The elimination of State financial assistance exacerbates these issues and threatens valuable infrastructure and other facilities.

2) Municipal Dissolution: Because there is virtually no additional capacity to generate local revenues, some city governments may no longer afford to remain functional. These city governments may choose to formally dissolve their local government structure or, more likely, city government officials and local residents may simply "walk away" from their city government. Unfortunately, this leaves municipal assets, liabilities and local services in limbo.

3) Inability to Purchase Necessities Including Insurance and Fuel: Small cities often use their State financial assistance to pay annual insurance premiums and bulk fuel purchases. Without these funds, some cities will be without insurance coverage and unable to purchase their bulk fuel.

4) Deteriorating Infrastructure: Maintenance and operation of public facilities may cease which would result in the rapid deterioration of millions of dollars of public infrastructure constructed in Alaska over the last twenty years. Small cities also often use their State financial assistance to subsidize the operation of their water, sewer, and electric utilities. Consequently, residents may lose access to clean drinking water, safe sewerage systems and reliable power.

5) Increased IRS, PERS and ESC Problems: As financial resources become tight, communities often view payroll deposits to the IRS, PERS, and ESC as low priorities. This results in substantial penalties and interest which places an additional burden on the community's limited operating resources.

6) Decline in Urban/Rural Business Activity: As economic activities within the cities weakens, urban businesses can expect to see significant decreases to their incomes derived from rural Alaska activities.

RESPONSE: Continued Support for Local Government Assistance and the Rural Utilities Business Assistance Program.

With the significant decline in state financial assistance to communities, and a very limited local tax base and cash economy, the situation many communities face is serious. The Division works closely with communities to help them maximize the effectiveness of revenues, to identify new sources of local revenue, and to provide advice on how to use their limited resources most effectively. Many communities lack the financial and personnel resources to successfully operate and maintain their utilities and other services. The federally-funded Rural Utility Business Advisor (RUBA) program helps assess the management of a community water and sewer utility, recommends corrective action, and provides assistance and on-site training specific to the management needs of the utility. The program assists utilities in creating sound financial systems and adequate management practices. The Division also provides utility management workshops for groups of communities in regional hubs. This program needs to receive the resources and support required to provide these services and to protect valuable infrastructure and essential community facilities.

ISSUE: Municipal assessment practices may be creating inequities in the State's financial assistance programs.

The Full and True Value Determination (FTVD) is an important factor in determining a locality's entitlement under several State financial assistance programs. Financial assistance for municipal school districts is probably the most significant program that uses the FTVD to determine a municipality's entitlement. The inaccurate FTVDs result in incorrect and inequitable payments to municipalities.

Because of continuing fiscal pressures, many municipalities feel a need to maximize their efforts to obtain State financial assistance. One of the results of these local fiscal pressures has been an increase in localities "pushing the envelope" of acceptable assessment practices.

RESPONSE: Increased Support for the State Assessor's Office

The State Assessor's review of local assessment practices is critical to assuring the integrity of the Full and True Value Determination (FTVD) that is made for property in each municipality. The State Assessor's Full and True Value Determination serves as the State's independent assessment of the full and true value of all taxable property within a given locality.

The State Assessor's office is currently functioning with one position. As a result of an increasing work load, the State Assessor is not able to review the property assessment practices used by municipalities on a timely basis. The Division needs to provide additional support to the State Assessor, which will enable thorough and timely review of local assessment practices and property value determinations. This in turn will insure that all municipalities receive the amount of funding to which they are entitled.

ISSUE: Deterioration in the fisheries industry is seriously impacting businesses and communities.

The seafood industry is important to the economic health of our entire State, of which salmon is an important component. The downturn in the salmon industry threatens economies as the sale of local goods and services are reduced. Revenues from fish taxes and sales taxes are reduced as a result. Assisting industry to overcome increased competition in the market is a vital role of the State. In that process, implementing programs that increase the actual value of the seafood industry to Alaskans is a vital function of the Office of Fisheries Development.

Fisheries Rationalization: Emerging federal rationalization efforts in recent years will have serious economic and market repercussions for all of Alaska's groundfish fisheries and coastal communities. The Office tracks these proposals to assist in advising the State on policy considerations to protect Alaska's fishing and processing interests.

RESPONSE: Continued support of fisheries development.

The Division has two full-time development specialists, one non-permanent development specialist, and one grants administrator working on fisheries programs and issues. The grant administrator and non-permanent development specialist work exclusively on meeting the Department's responsibilities under the Governor's Fisheries Revitalization Strategy. The full-time development specialists maintain lead roles in several programs under the Revitalization Strategy and focus on other fisheries economic issues, projects and crisis with Alaska's fisheries. The specialists are responsible for projects such as salmon industry revitalization, new fisheries development, ground-fish industry issues and inclusion of seafood in the USDA programs.

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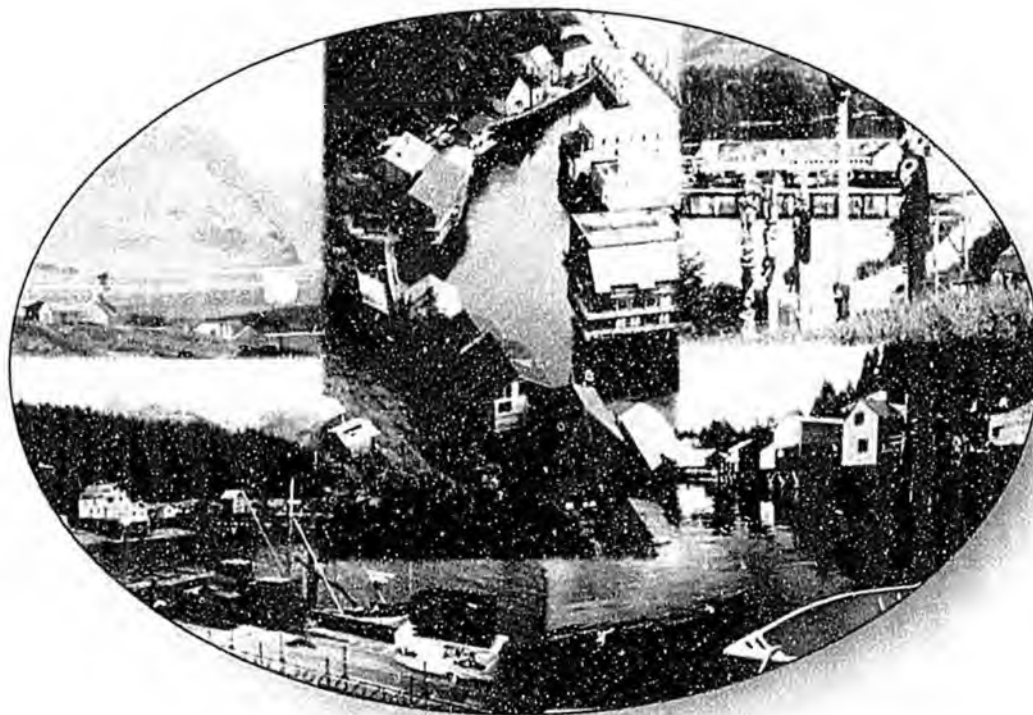
For additional copies, download from the DCED website: <http://www.dced.state.ak.us/> or contact Pamela Neale (1-907-269-4580).

DCED complies with Title II of the Americans Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Request for such should be directed to DCED at 1-907-269-4580 or TDD 1-800-930-4555.

Annual Report

Division of Community and Business Development

January 2003



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Department of Community and
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Gene Kane, Acting Director
Division of Community and
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Division of Community & Business Development

MISSION

Promote strong communities and healthy economies by providing information, technical and financial assistance and other capacity building resources.

The Division of Community and Business Development (DCBD) has two major elements - community development and business development. We also have two important support functions which are essential to our mission - providing financial assistance and information. Services provided by the Division run the full range from identifying community needs and economic development goals, to obtaining funding for specific projects, and providing technical assistance to new or expanding businesses. The Division provides services to individuals, communities, various organizations and specific industries.

The Division delivers its services from eight locations. To provide more direct service to the people they serve, DCBD staff are stationed at regional offices located around the state. Staff in these regional offices are in frequent contact with the communities they serve. The goal of this effort is to develop and maintain local capacities which help ensure efficient and effective local governments.

In addition, the Division has an office in the Tok Alaska Public Lands Information Center. The Center is mandated by the Alaska National Interest Lands Conservation Act of 1980, and is one of four interagency centers operating around the state. It is a cooperative effort by eight state and federal agencies to provide information and referral about Alaska's tremendous variety of public lands. In one stop, visitors can obtain all the information needed to plan their Alaska Adventure. Services offered include tourist information, trip planning services and Alaska Marine Highway reservations.



Community Development

The focus of community development staff is technical assistance and training for communities that lack various resources needed to effectively operate their local government. When working with a community to resolve a specific problem, staff also work towards the more general goal of "capacity building," increasing the capacity of local people and organizations to deal with local problems. The Division also supports the provision of professional training and development opportunities in cooperation with organizations such as the Alaska Association of Municipal Clerks, Alaska Association of Assessing Officers, Alaska Planners Association, and the Alaska Municipal League.

Local Government Development

The fundamental purpose of Local Government Development is to help local and regional governments to become more self sufficient in providing effective government services to community residents.

The writers of Alaska's constitution mandated the creation of a "local affairs agency." Article X, Section 14. Local Government Agency of the State Constitution states: 'An Agency shall be established by law in the executive branch of the state government to advise and assist local governments. It shall review their activities, collect and publish local government information, and perform other duties prescribed by law.'

The framers of the Alaska Constitution clearly indicated their belief that local government would play a critical role in Alaska's future; and that the state had a responsibility to work with local governments to help them be successful in providing local governance and effective public services for community residents.

The Alaska Constitution also specifically provides for maximum local self government. However, the framers of Alaska's Constitution also recognized that many local governments in the state were not fully developed and would not have the resources to achieve strong local self-determination unless they were assisted in this effort. A large part of the state consists of the "unorganized borough" in which there is no regional form of government. DCBD fulfills this mandated assistance function by offering local governments and other community entities a broad range of support for local development efforts.

Financial Management Assistance

A division priority is helping communities establish and maintain basic financial management systems. This focus on financial management has had positive results. While some communities continue to struggle financially, their status has stabilized with fewer crises disrupting day-to-day operations. In addition to city officials, DCBD staff provide training for elected local officials who may not have an adequate understanding of their financial management responsibilities.

Local Government Management Assistance

Alaska's Constitution, statutes and regulations define the powers and responsibilities of local governments. Various programs in DCBD were created to assist local governments in utilizing these powers to improve the efficiency of their organizations and the quality of life for residents in their communities. Assistance can be provided or arranged on just about any aspect of municipal government. Examples of assistance and training topics or activities provided by DCBD include:

- ◆ Ordinance development and codification.
- ◆ Elections training.
- ◆ Personnel practices.
- ◆ Tax assessment and collection.
- ◆ Title 4 (Alcohol) local option laws.
- ◆ Council powers and procedures.
- ◆ Interpretation of State and local laws.
- ◆ Land management and planning.
- ◆ Development of land disposal ordinances.
- ◆ ANCSA 14(c)(3) negotiations & agreements.
- ◆ Community Visioning.
- ◆ Newly Elected Officials (NEO) training.
- ◆ Grant writing training and assistance.



☆☆ Success Story ☆☆

DCBD staff assisted the City of Nondalton in identifying management problems that have resulted in the city incurring debt of over \$400,000. Operations and financial management plans were developed to address the problems. Following are steps the community has taken with DCBD assistance:

Operations Management - The Council amended their ordinance to eliminate a paid mayor position and instituted an emergency-staffing plan that reduced the costs of the city. The Council adopted a new water and sewer ordinance to facilitate the City's collection of water and sewer revenue.

Financial Management - The City has worked with DCED staff to draft a realistic budget and debt repayment plan. The plan is now being implemented and progress is being made at becoming debt free.

Planning/land use - The City also addressed long-standing planning concerns. They signed an ANCSA 14(C) agreement to settle land title issues in the City. They updated their land disposal ordinance for City property and corrected inconsistencies in their previous process.

A side benefit of these actions is that community members are moving toward more involvement in city government. At one community meeting attended by DCED staff, approximately 30 members of the public were present showing support for the Council's actions and an eagerness to help get the city on track.

Local Boundary Commission

The Local Boundary Commission (LBC) has the power and duty to judge proposals for:

- ◆ incorporation of cities and boroughs;
- ◆ reclassification of cities;
- ◆ annexation to cities and boroughs;
- ◆ detachment from cities and boroughs;
- ◆ dissolution of cities and boroughs;
- ◆ merger of cities and boroughs; and
- ◆ consolidation of cities and boroughs.



Additionally, the LBC has the duty to make studies of local government boundary problems. It is one of five State boards with origins in Alaska's constitution (Article X, Section 12).

The LBC consists of five members appointed by the Governor. One member is appointed from each of Alaska's four judicial districts; the fifth member is appointed at-large. Members of the LBC serve overlapping five-year terms.

DCBD staff provides technical support to the Commission, petitioners, and other interested individuals and organizations. DCBD's responsibilities in that regard include:

- ◆ providing technical assistance to prospective petitioners and other interested individuals and organizations regarding matters that come before the LBC;
- ◆ performing feasibility and policy analysis of proposals and prospective proposals to the LBC;
- ◆ conducting public informational meetings concerning proposals pending before the LBC;
- ◆ preparing reports and recommendations on matters pending before the LBC;
- ◆ providing technical support to the LBC at its public hearings;
- ◆ drafting decisional statements regarding actions taken by the LBC;
- ◆ implementing decisions of the LBC;
- ◆ certifying the creation and alteration of municipalities' actions; and maintaining incorporation and boundary records for each of Alaska's 161 cities and boroughs.

Major activities of the Local Boundary Commission and DCBD Staff:

Regulation Revisions

The LBC completed reforms to its procedural regulations in 2002. The changes bring the Commission's regulations into conformity with State Statutes. The revisions were warranted since the last comprehensive review of the Commission's regulations occurred more than ten years ago. Since then, there have been numerous changes in State statutes concerning matters involving the Commission. During the past three years, the Commission and staff have devoted considerable effort to revision of its regulations in Title 3 of the Alaska Administrative Code.

Five work sessions to address the proposed changes were conducted in the year 2000. The Commission held a public hearing on the proposed changes in 2001. They met again in 2001 to review the written and oral testimony concerning the proposed regulations. At that time, the Local Boundary Commission approved the proposed regulation changes. On April 17, 2002, the Commission re-adopted the revised regulations following technical review by the Alaska Department of Law. Following that adoption, the Department of Law filed the regulations with the Lieutenant Governor. The new regulations took effect on May 20, 2002.

Unorganized Borough Review

During the 2002 legislative session, a bill was approved and subsequently signed into law requiring the Local Boundary Commission to review conditions in the unorganized borough and report to the legislature the areas it has identified that meet the standards for incorporation. The Commission met to discuss the review and adopted a project work plan. Under the plan, DCBD staff reviewed all of the areas in the unorganized borough and compiled information for the Commission that would reflect on the economic viability or fiscal viability of prospective boroughs in the unorganized borough. The Commission reviewed the economic information compiled by DCBD and made a preliminary determination that eight areas of the unorganized borough would be subject to further review. These areas that will be subject to further review are comprised of the following model borough boundary areas:

Aleutians West and Aleutians-Military (combined)	Chatham
Copper River	Delta-Greely
Glacier Bay	Prince William Sound
Upper Tanana	Wrangell-Petersburg

The Commission's report to the Legislature will be rendered by February 19, 2003.

City of Haines/Haines Borough Consolidation

The City of Haines petitioned the Local Boundary Commission for consolidation of the third class Haines Borough and the first class City of Haines. DCBD accepted the Petition for filing following its technical review. The Commission convened the hearing which approximately seventy-five local residents attended. At the conclusion of the hearing, the Commission convened a decisional meeting and concluded that each of the applicable legal standards governing consolidation of city and borough governments was satisfied with respect to the Haines consolidation proposal. Commission members amended various aspects of the Petition. Consolidation was approved by Haines voters and the consolidation election was certified by the Division of Elections on July 11, 2002.

Palmer Annexation

The City of Palmer formally initiated efforts on to expand its boundaries to encompass an additional estimated 921.34 acres. Members of the Commission inspected the territory proposed for annexation and held a public hearing on the City's annexation proposal. Following the hearing, the Commission

convened a decisional session. Guided by the fourteen city annexation standards set out in State law, the Commission determined that it would be appropriate to reduce the size of the area proposed for annexation to 861.44 acres.

More information about the LBC is available on the web at: <http://www.dced.state.ak.us/cbd/lbc/lbc.htm>



Recent LBC hearing

Rural Utility Business Advisor (RUBA)

The goal of the RUBA Program is to prepare rural communities for, and help them meet the challenge of managing and operating sanitation utilities. RUBA is achieving this goal by providing assistance in the areas of business, finance, personnel, and general management to governments and organizations responsible for operating water and sewer utilities in rural Alaska.

2002 RUBA Activities:

- ◆ Made 102 trips to 50 different communities to provide on-site RUBA assistance.
- ◆ Presented thirteen 32-hour Utility Management Classes in 9 different regional centers throughout the State. One hundred-thirteen utility managers completed the classes.
- ◆ Developed debt reduction plans for two communities. One community had debts of approximately \$250,000, the other had debts over \$1 million. Both communities were suffering delays in sanitation projects due to financial management issues.
- ◆ Developed capacity indicators for evaluating financial and managerial capacity of utilities. These standard indicators were developed in relation to the Denali Commission's adopted definitions of sustainability.
- ◆ Worked with the Regulatory Commission of Alaska (RCA) to develop a simple standardized Chart of Accounts for use by small water and wastewater utilities. The standardized COA was implemented in five utilities that RUBA worked with to convert their accounting systems to QuickBooks.
- ◆ Hired accounting contractors to provide training on Quickbooks Pro, and install and train utility staff in four communities (Stebbins, False Pass, Huslia, and Marshall). Staff worked directly with several other communities directly to implement Quickbooks as an accounting package, or adopt changes to existing QuickBooks practices.
- ◆ Revised the publication Plain English Guide to Alaska Drinking Water and Wastewater Regulations to reflect changes in regulations over the past four years.
- ◆ Completed the development of the fifth (Financial Management) in a series of six classes on Utility Management. The materials, once completed, are anticipated to be the base curriculum for utility manager certification program.
- ◆ Participated in sanitation policy meetings of the Governor's Council on Rural Sanitation, Rural Development Sustainable Utilities Subcommittee, and the Rural Alaska Sanitation Coalition.
- ◆ Presented information sessions at the following annual conferences: Alaska Water and Wastewater Manager's Association (AWWMA), National Rural Water Association - Alaska, Alaska Municipal League, and the SE conference of the AWWMA.
- ◆ Served on the evaluation committee's for Denali Commission Washeteria grants, Denali Commission Small Clinic Grants, Village Safe Water Planning and Capital Improvement Grants.



☆☆ Success Story ☆☆

The RUBA program has for the past several years worked with utilities to install, train, and support the use of QuickBooks Pro accounting software. The program has done this through a variety of methods including using program staff, and contracting with private accounting firms to provide some of the training and assistance. Two recent municipal owned utilities that we have worked with in implementing the system are False Pass and Stebbins.

The False Pass City Clerk reported that the annual audit was recently completed in two days. Previous audits had taken at least three days, often more. The cost of the audit was ½ of the cost of previous audits. Both the reduction in time and the lower cost were due to efficiencies in the recently installed accounting system.

The City Manager reported to our RUBA staff that, "He should watch Eleanor [utility clerk] when she does the quarterly tax reports. Her eyes get big because the reports get done within minutes! She used to hate doing the reports manually because it took so long."

Office of the State Assessor (OSA)

In accordance with state law, the Office of State Assessor (OSA) conducted the annual full value determination (FVD) for taxable property in organized boroughs and home rule, first class, and second class cities (with a population over 750) whether or not they levy property taxes. The OSA published the results in a report titled, "Alaska Taxable". To review the report, visit the Division's website or contact the OSA.

To assure equitable treatment for all taxpayers and to assure the State disburses school funding equitably to each municipality, the OSA monitored municipal assessment practices. This past year, the OSA discovered that a borough had been using some erroneous sales ratio practices that could have cost the state several thousands of dollars of educational funds. The OSA worked with the borough to correct this and has been assured this will not occur in the future. The OSA also monitored municipal property assessment and taxation practices for compliance with state and federal tax laws, and addressed issues of noncompliance.

The OSA advised and assisted municipalities on assessment and taxation issues and provided training for municipal assessment personnel. For example, the City of Nenana lost its long time employee responsible for administering the annual assessments. The OSA spent several weeks assisting the newly appointed individual in completing the assessment roll for the year.

In accordance with State law, the OSA also provided guidance with interpreting state mandated exemptions; established standards for assessment practices for use by local assessing offices; assisted in developing ordinances dealing with property assessment issues; and developed assessment models for use with value projections in the Unorganized Borough.

Volunteers in Service to America (VISTA)

VISTAs serve Alaska's urban and rural communities. This year, DCBD had 16 VISTAs in 13 communities. DCBD also received approval for 20 new VISTA positions. Six of these VISTAs will serve under the Indian Set Aside Grant. Sponsoring entities will be community and regional organizations that serve Alaska Natives. Currently, DCBD is working on a grant for six additional Entrepreneur Corps VISTAs. The Entrepreneur Corps VISTAs will use their business experience and skills to establish and strengthen development programs in communities.

☆☆ *Success Story* ☆☆

Andy Schmahl, VISTA member and Project Coordinator with the Kenai Peninsula Economic Development District (KPEDD), arrived in Alaska, August 2002, all the way from New York. Before starting his VISTA year, Andy worked as an investment banker in Manhattan.

Since his arrival, Andy has worked on several projects for the KPEDD. Most recently, he helped organize the first ever Kenai Peninsula Funding Summit for Small Communities. More than 80 representatives from about a dozen communities and 15+ agencies participated in the Summit, far surpassing the expected attendance. "Our initial expectations were to have about 45 attend," said Andy. "The response was overwhelming."

The event put officials from small towns and villages face to face with frontline decision-makers from a host of State and federal funding agencies, including the U.S. Department of Agriculture, Economic Development Administration, federal Department of Housing and Urban Development, Alaska Department of Community and Economic Development and others.

Currently, Andy is working with Jim Carter, Executive Director for KPEDD, on the Third Annual Borough Economic Outlook Forum. The Forum is a two-day event in which Peninsula residents can help plot economic development strategy in their communities.

Land Management

The Land Management and Community Planning programs provide assistance to communities on regional and local land issues. The main areas of assistance are technical advice and training on local planning and land management efforts, the Alaska Coastal Management Program, the Municipal Lands Trustee Program, and the National Flood Insurance Program.

Alaska Coastal Management Program (ACMP)

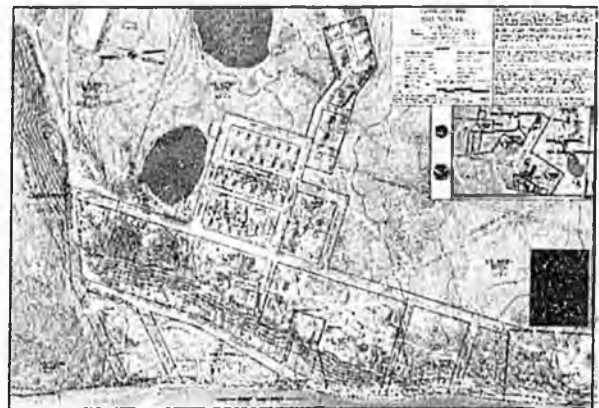
Through balanced stewardship, the ACMP strives to sustain the long-term economic and environmental productivity of the Alaska coast. The ACMP provides a balance of decision making that addresses all interests, coastal resources, and coastal uses. Thirty coastal districts participate in the program by developing local coastal management plans, implementing local plans through the consistency review process, and informing and educating the public about the ACMP. The Department's role in the program, which is established in AS44.47.095, supports the coastal districts through research, training, and technical assistance. DCBD also manages the ACMP grant program, which awards \$1 million annually in grant funds to the coastal districts.



Community Mapping

Unresolved land claims and inadequate information about land sometimes hinder development for both the private and public sectors. The land management section provides information, maps and assistance to agencies, contractors and rural communities so they may overcome land problems that currently impede development. Some of the services provided include the following:

- ◆ **Site Control.** This includes preparing title opinions and providing maps, sample documents and technical assistance to assure a proper ownership interest for publicly funded projects. Site control helps protect state and local government investment in buildings and facilities.
- ◆ **Community Profile Mapping.** By assisting groups that are contracting for the preparation of community mapping we ensure that community maps are prepared to a standard compatible with other users, that existing mapping data is used whenever possible and that the project is coordinated with other mapping efforts that may be taking place. At the completion of the project, partners allow DCBD to add the maps to its community mapping library and share the maps with private and public entities working in the community. DCED's current mapping partnerships are developing aerial photo based community maps in 27 rural communities.



Land Management Program

Section 14(c) of the Alaska Native Claims Settlement Act (ANCSA) provides that certain land in ANCSA communities be made available to residents, businesses, non-profits, communities and airport operators. DCBD provides community mapping and land management assistance to municipalities, unincorporated communities, and Native village corporations so they may carry out the process of identifying and conveying 14(c) land claims. Once the land claims have been placed on a community's "map of boundaries" the layout can be submitted to the Bureau of Land Management for surveying and platting. This year DCBD's assistance was instrumental in the settlement of land claims and the submission of maps of boundaries in the communities of Manley Hot Springs, Naknek, Nikolai, and Nondalton. Surveying and platting of land claims was completed in Allakaket, Alatna, Koliganek and Nome. The settlement of the ANCSA 14(c) land claims is an essential step in clearing land title in the community and providing a base of land for private and public land development. Many of the State, Federal and local initiatives to improve sanitation and develop infrastructure in rural Alaska benefit from the settlement of 14(c) land claims and the surveying and platting of local subdivisions. In unincorporated communities DCBD carries out the community planning and negotiation of the 14(c)(3) community land on behalf of a future municipal corporation (Municipal Trust Land). Leases, deeds and easements of Municipal Trust Land were issued this year for housing, sewer and water facilities, a school, bulk fuel storage facilities, clinics, a church, an airport and roads and boardwalks.

Floodplain Management/National Flood Insurance Program (NFIP)



state and federal agencies in a variety of ways specific to flood and erosion management. Flood mitigation grants for planning and projects are now available to NFIP communities.

The mission of the Division's Floodplain Management Program is to reduce public and private sector losses and damage from flooding and erosion by providing coordination, funding, and technical assistance to NFIP communities. The Division serves as the state coordinating agency for the NFIP. The program provides over \$326.2 million in flood insurance coverage to individuals, businesses, and renters in 37 cities and boroughs. The total flood insurance premiums paid for flood coverage exceed \$1 million. The average annual premium is \$429. The average flood insurance claim payment is \$12,946. Division staff assist local officials, residents, developers, lenders, insurance agents, Realtors, and



Business Development



The focus of business development staff is to provide technical assistance to those communities desiring economic growth; and technical assistance and basic research information to new businesses or businesses seeking to expand or diversify. Facilitating value-added manufacturing projects and sustainable development are the goals of Business Development specialists in the fields of mining, forest products, seafood and tourism. Staff also assist with planning and training for communities and organizations looking for a reprieve from the boom and bust cycles of resource extraction and export. The business development element of our mission includes serving as a commercial liaison for the state and for private sector businesses. The efforts of the Division are part of the State of Alaska's overall economic development strategy to increase employment and diversify our economic base.

Some of the Division's programs are regional in nature. The goals of these programs are to stimulate economic development in the different regions by preparing strategies, assisting communities in implementing the strategies and providing opportunities for communities to participate in economic activities area not previously available to them.

Alaska Regional Development Organizations (ARDORs) Program.

The Legislature established the ARDOR Program in 1988 in support of the widely held belief that a locally driven initiative, in partnership with the State and other entities, can most effectively stimulate economic development and produce healthy, sustainable local economies. An ARDOR is a non-profit organization of local volunteers, representing numerous public and private interests, working together to achieve economic development in their region. Each ARDOR prepares a regional economic development strategy and assists communities and businesses to implement the strategy. The ARDORs are eligible for State matching grants. There are currently 13 ARDORs. DCBD administers the grants and manages the ARDOR program. Funding is provided by the Alaska Industrial Development & Export Authority (AIDEA).

☆☆ *Success Story* ☆☆

During FY02, the U.S. Department of Agriculture designated three ARDORs (the Copper Valley Economic Development Council, Lower Kuskokwim Economic Development Council, and the Bering Strait Development Council) as Resource Conservation and Development Districts (RC&D). This designation brings three professional federal positions to rural Alaska and makes available valuable resources in developing the economies of the regions.

Also during FY02, the U.S. Department of Commerce designated another ARDOR, the Southeast Conference, as an Economic Development District (EDD). This designation provides access to valuable resources in developing the economy of the region. Southeast Conference is the first organization to hold all three designations of ARDOR, RC&D, and EDD.

Community Development Quota Program

The Community Development Quota (CDQ) Program is a federal fisheries program that was created in 1992. The North Pacific Fishery Management Council approved the CDQ Program as a means to address serious economic and social problems of the western coastal region of Alaska. Eligibility to participate in the program is restricted to 65 communities located within 50 miles of the Bering Sea coastline. Over the last ten years, the program has generated over \$400 million in revenues and employed more than 12,000 western Alaska residents, creating over \$80 million in wages. The program has provided an opportunity for these communities to participate in the harvesting of the nearby multimillion-dollar groundfish industry through the formation of organizations called CDQ groups. Through the allocation of multi-species quotas, including pollock, halibut and crab, western Alaska residents have been given the opportunity to work on offshore vessels and in shoreside processing plants to gain experience in the business operations of the CDQ group's industry partners.



Funding Summits

A Funding Summit is a two day meeting where regional non-profit, State and federal funding agencies, and community and regional representatives come together to discuss community priority projects in a particular region. Usually, about 10 communities participate—but it can be more or less. Typically, 15-25 agency representatives are in attendance.



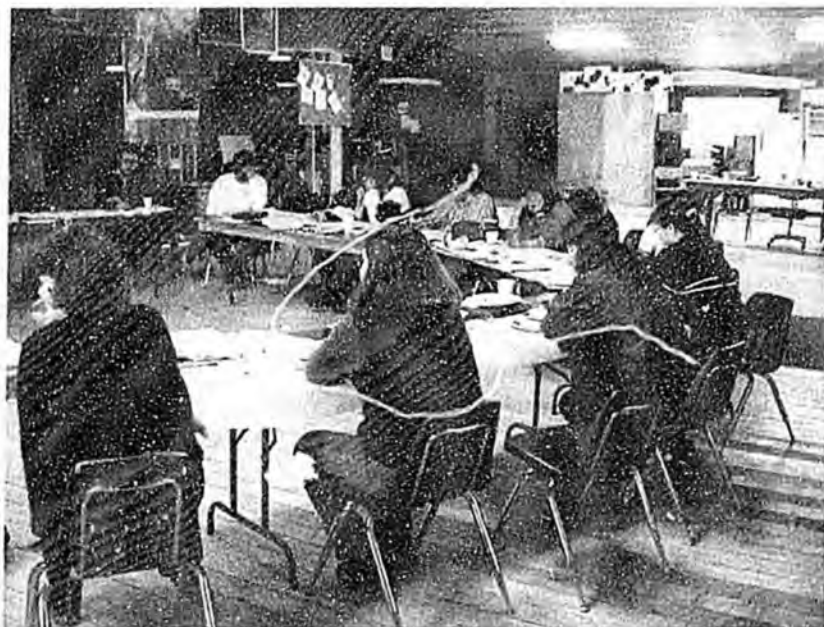
The Funding Summits, are a joint effort of the Denali Commission, USDA Rural Development, U.S. Department of Housing and Urban Development (HUD), Department of Community and Economic Development (DCED), Department of Environmental Conservation (DEC), Rural Alaska Community Action Program (RurAL CAP) and regional and local partners.

The goals of a Funding Summit are to:

- ◆ enable community and agency representatives to resolve problems associated with and identify funding options for community priority projects;
- ◆ establish working relationships between community and agency participants; and
- ◆ enable all participants to learn new ways to make projects happen.

DCED established a website for the Summits: <http://www.dced.state.ak.us/cbd/grt/fundingsummits.htm>

In 2002, the partnership held Summits in Fort Yukon, Nome, Glennallen and Soldotna. In 2003, DCED anticipates Summits will be held in Anchorage (for Southwest Alaska communities), Barrow, Southeast, Illiamna, and Kotzebue.



Community Tourism Development

The goal of this program within the Division of Community and Business Development is to identify and foster the development of tourism business and employment opportunities for Alaskans. Tourism staff, assisted by other industry specialists and research analysts within the department, provide technical assistance in the areas of research, business development, planning, hospitality training, and product



development. The division conducts research such as the Alaska Visitor Statistics Program, Alaska Monthly Arrival Report, and a tourism economic impact study. The division also manages the AlaskaHost hospitality training program and produces publications like the Tourism Funding Guide and The Alaska Community Tourism Handbook. The Department of Community and Economic Development manages the State of Alaska's contract with the Alaska Travel Industry Association to market the state as a destination in national and international markets.

☆☆ Success Story ☆☆

The Alaska Division of Community and Business Development has made a great deal of progress this year with administration and promotion of the AlaskaHost program. AlaskaHost is a one-day seminar that promotes high-quality, professional customer service standards and teaches participants to communicate more effectively with Alaska's visitors. AlaskaHost skills will not only prepare people for careers in the hospitality industry, they are instrumental in encouraging repeat visitation and increased economic benefit from Alaska's visitors.

This past year, division staff designed and created a website (www.alaskahost.org) and brochure to use as promotional materials in spreading the word about AlaskaHost. Due to the renewed promotion of the program, 500 AlaskaHost packets were distributed through seminars throughout the state throughout the winter and spring of 2002. In March, 2002 DCBD coordinated with the University Cooperative Extension Service and Fairbanks Convention and Visitors Bureau to offer the AlaskaHost Seminar Leader's Training Class, in which a total of 12 individuals joined the ranks of certified AlaskaHost seminar leaders, doubling the numbers of trainers and infusing the program with fresh energy!

In the coming year DCBD plans to promote the program to various local community organizations such as visitor bureaus, chambers of commerce and native non-profit organizations and to coordinate with various partners to offer seminar leader training classes to the staff of these organizations. The strategy of training local seminar leaders will insure that the AlaskaHost message and materials are accessible to a wider audience throughout the state, and will help communities to build economic independence and internal capacity for tourism development.

Fisheries Development

The Division currently has two full-time development specialists working on fisheries issues. Current duties include analyzing and reporting on economic issues, working with entrepreneurs, encouraging and facilitating new product development, supporting development of growth sectors, and networking economic development specialists with industry. The fisheries development program strives to increase the income and employment of Alaskans from seafood. Recent, current and proposed projects include:

- ◆ seeking sustainable fisheries label for Alaska salmon through the Marine Stewardship Council,
- ◆ developing supportive information for the growing direct market vessel sector,
- ◆ facilitating and holding seafood marketing workshops and conducting direct market vessel workshops,
- ◆ providing detailed reports for the Alaska Economic Information System;
- ◆ overseeing a comprehensive review of the inputs into the Alaska seafood processing sector;
- ◆ overseeing a freight consolidation facility review;
- ◆ overseeing a review of seafood and fisheries development related programs in the Federal government;
- ◆ maintaining a seafood related current events calendar;
- ◆ supporting and communicating with the USDA on pink salmon purchase programs;
- ◆ administering the Alaska Regional Salmon Marketing Mini-Grant Program;
- ◆ administered the Specialty Salmon Marketing Mini-Grant Program;
- ◆ oversee a seafood quality infrastructure review.

Tracking and developing policy considerations to protect Alaska's fishing and processing interests has become a major focus for the State of Alaska, and, as such, involved the expertise of the Division's Fisheries Development staff. At the same time, many proposals to rationalize other fisheries are emerging. Community and market concerns are included in the analysis and discussion of these proposals.



Minerals Development

The goal of the mining program is to facilitate mineral exploration, development and employment in Alaska. Mining Development Specialists provide information on Alaska's mineral resources to prospective developers, investors and affected communities, and attend national and international mining shows to showcase Alaska mining development opportunities. Staff provides accurate information on



what mining can mean to a community including jobs, environmental quality, quality of life, required infrastructure, and geology of an area. The Division has facilitated airborne geophysical surveys in many areas around the state, to improve base line information on mining resources and promote the efficiency of exploration activities. Staff provides technical support to the Alaska Minerals Commission, researching numerous issues of concern to the industry and publishing an annual report to the Governor and Legislature.

Small Business Development

The Small Business Development program supports the start-up and expansion of small businesses around the state. Assistance provided includes:

- ◆ Responding to information requests from business owners.
- ◆ Developing publications on business topics.
- ◆ Assisting with the planning and delivery of small business training in workshops and conferences.

The Small Business Development Specialist works closely with the staff of other state and federal agencies to efficiently provide a high level of service to the business community.

☆☆ *Success Story* ☆☆

In early 2002, Development Specialist Ruth St. Amour participated in the planning and delivery of a series of conferences on business practices for arts and crafts. Conference activities were held in Bethel, Nome, and Kotzebue and served nearly 100 artists and crafts people. The conferences provided an opportunity for artists to learn marketing and other business skills, and to network for the sharing of professional skills and marketing opportunities. Partners in the conferences included the Alaska State Council on the Arts and Alaska Cooperative Extension Service as well as a variety of local partners.

Alaska's second Biz Fair, a free one-day event with small business workshops and information booths, held in Anchorage in May 2002, drew approximately 300 participants from across Southcentral Alaska. DCBD development specialists participated in planning and organizing the event. Partner agencies for Biz Fair included the U.S. Small Business Administration, Internal Revenue Service, Small Business Development Center, and Alaska Department of Labor.

Made in Alaska Program

The intent of the Made in Alaska (MIA) program is to promote and increase the sale of Alaskan manufactured and/or made products. The Made In Alaska program identifies and promotes the purchase of products manufactured and crafted in Alaska, ranging from small gift items to large industrial modules. Alaska businesses manufacture high quality products for Alaskan, domestic and international markets.

Products which meet program criteria are eligible to use the Made In Alaska logo. Permits authorizing the use of the Made In Alaska logo serve both producers and consumers by certifying product authenticity.



Financial Assistance

The Division administers a number of programs that provide financial assistance to communities to supplement local revenue generation. A number of them are revenue programs which share State or Federal funds with local communities. The Division also administers grant programs which can help communities with the finances to build the infrastructure needed to support community and business development. Federally funded programs and state resources support this effort. Some of these programs continue from year-to-year and some are special grant type program that have a limited time frame or limited funding. Grant staff are available to answer questions about the various funding sources and help direct communities to the most appropriate source for a proposed project.

Shared Revenue Programs

Safe Communities Program

Division staff worked closely with the legislative sponsor to develop the Safe Communities Program legislation that replaced the Municipal Assistance Program in 1997. The revised program requires that funding received by a municipality be used for a priority list of services including police, public safety, fire protection, emergency medical services, and water and sewer.

According to state law, the Legislature may appropriate to the Safe Communities Program an amount equal to or greater than 30 percent of the corporate income tax revenue received by the State for the previous fiscal year. The FY03 appropriation of \$16,775,500 represents 24% of the estimated \$231,800,000 in corporate income tax revenue received by the State in FY02.

State Revenue Sharing

The State Revenue Sharing Program includes two components:

- ◆ **State Aid for Municipal Services** provides money for public roads, ice roads, hospitals, health facilities, unincorporated communities, and volunteer fire departments. FY03 funding of \$4,285,067 resulted in prorated payments at 14.5% of the statutory allocations.
- ◆ **Municipal Tax Resource Equalization** rewards municipalities for local fiscal effort. Total FY03 funding is \$8,570,133. This account also provides for a minimum entitlement of \$25,000 for municipalities, with a geographic location adjustment. Due to low funding levels, municipalities have not been receiving the minimum amount.

Federal Payments in Lieu of Taxes (PILT) Program for Cities in the Unorganized Borough

Division staff worked closely with Senator Ted Stevens to establish and administer a new program which expanded federal Payment in Lieu of Taxes (PILT) payments to include cities located in Alaska's unorganized borough. The division distributed \$5,267,071 to 97 Alaska cities in FY03. These additional federal funds are especially crucial for many cities which continue to deal with the impacts of failed fishing seasons, a downturn in the timber industry, and drastic cuts to state revenue sharing and safe communities funding.

Fisheries Resource Landing Tax



A Fishery Resource Landing Tax is levied on processed fishery resource first landed in Alaska or any processed fishery resource subject to Sec. 210(f) of the American Fisheries Act. The tax is based on the unprocessed value of the resource, which is determined by multiplying a statewide average price per pound (based on Alaska Department of Fish and Game data) by the unprocessed weight. Fishery Resource Landing Tax is collected primarily from factory trawlers and floating processors which process fishery resource outside of the state's three mile limit and bring their products into Alaska for transshipment.

Shared Fisheries Business Tax Program

This program provides for an annual sharing of fish tax collected outside of municipal boundaries on the basis of nineteen "fisheries management areas." The funding available within each of these areas is distributed among municipalities in that area based on the level of significant impacts resulting from fishing industry activity compared to the level of impacts experienced by other municipalities in that area. In FY03, \$1,396,076 will be distributed to 109 eligible municipalities.

National Forest Receipts

The department distributes National Forest Receipts under the authority of 16 USC 500 and under AS 41.15.180. The Federal law was amended in 2000 under the "Secure Rural Schools and Community Self Determination Act." The Act provides that for state fiscal years FY02-FY06, the State shall receive an annual payment equal to the average of the three highest National Forest Receipts Payments made to the State during fiscal years FY87-FY00. In FY03, the department allocated \$9,236,907 to nine boroughs, 18 cities, four Regional Educational Attendance Areas, and the Metlakatla reservation under the amended law.



Grant Programs

Capital Project Matching Grants Program

This program provides grants to eligible municipalities and unincorporated communities for capital projects. A community is determined eligible for an allocation in a fiscal year if the community was eligible for the department's State Revenue Sharing Program during the preceding year. A local contribution is required for each project. The Legislature determines a lump-sum appropriation to be made into the grant fund. This is then allocated to individual grant accounts that are created for each eligible community. Once allocated to an account, money remains in that account until a second appropriation may remain in the grant account for up to five years before lapsing back into the general fund. In this manner, a community may accumulate funds for up to five years, to allow financing for larger projects or to allow better long-range planning for a sequence of projects. There are approximately 980 grants being administered for a total value of \$62 million.

Community Development Block Grant Program (CDBG)

The goal of the federally funded Community Development Block Grant (CDBG) Program is to enhance the quality of life for low and moderate-income residents, particularly in rural Alaska. The Program provides grants for public facilities and planning activities, which address conditions detrimental to the health and safety of local residents. The grants reduce the costs of essential community services. Special Economic Development funds may be used to provide capital to assist in the creation or retention of jobs that principally benefit low and moderate-income persons.

Community Services Block Grant Program

The goals of the federal Community Services Block Grant Program (CSBG) are to reduce and/or prevent poverty through community-based educational activities, which lead to a greater degree of self-sufficiency on the part of low-income persons. Services are provided through the State's only Community Action Agency, RurAL CAP.

Emergency Shelter Grant Program

The goals of the Emergency Shelter Grant Program are to assist with the following activities relating to emergency shelter for the homeless: renovation, major rehabilitation, or conversions of buildings for use as emergency shelters for the homeless; payment of maintenance, operation, insurance, utilities, and furnishings; and payment for provision of essential community services including those concerned with employment, health, substance abuse, education, food, or prevention.

Legislative Grants Program

Legislative grants are awarded by the Legislature, with final approval by the Governor (delegated to a specific department for administration). It is the department's responsibility to notify grantees of their awards, and to develop and execute grant agreements based on each project. These awards can be for a variety of projects such as health, fire and safety, water and sewer, construction of community facilities, cemetery restoration, and program operations. This section also ensures grantees obtain site control, State Fire Marshal approval and other regulatory agency permits as required. The Division currently administers 324 active grants for a total value of \$69 million.

Mini-Grants

The State and federally-funded Mini-Grant Program provides grants on an annual competitive basis to rural Alaska communities for a wide range of economic development projects and economic development strategies. Grants are awarded to the most viable projects, which promote development by diversifying the economic base to provide jobs, income and long lasting economic benefits to the communities served. One application per community is accepted for a maximum of \$30,000. The funding level in FY03 was about \$650,000.

Community Priorities Program (CPP)

The Denali Commission has targeted funds for the Community Priorities Program, which is administered in cooperation with the Denali Commission. The maximum grant amount is \$500,000.

The Program is intended to provide supplemental funding for a community fixed infrastructure project. To qualify, a project must:

- ◆ be identified as a priority in a community plan;
- ◆ have documented community support and be “construction ready;”
- ◆ the applicant must have a commitment for at least 1/3 of the funding needed;
- ◆ the funding being requested can't be available elsewhere; and
- ◆ the applicant must provide a 10% local cash match.

Eligible applicants include municipal governments, tribal governments, community based non-profit corporations, and regional organizations representing communities with populations of 1500 or less or which are on the Denali Commission's “distressed community list”. A total of 39 applications were reviewed in 2002, seven grants were awarded for a total of \$2,210,949. The grants included projects for a Business Center, Educational Facilities and Community centers. Two applications are still in the process, seven full applications were reviewed and denied and 23 pre-applications were reviewed and denied.

Flood Mitigation Assistance (FMA) Program

This is a grant program that provides assistance to National Flood Insurance Program - participating communities for flood mitigation planning and project activities. The DCBD administers this Federal Emergency Management Agency pass-through grants.



Special Grant Programs

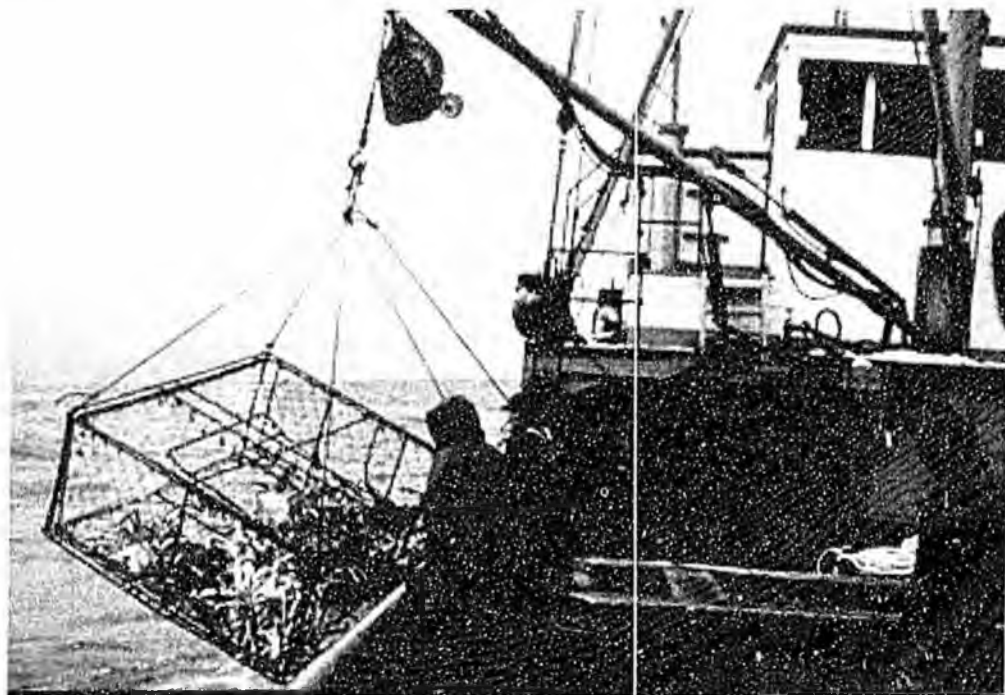
National Petroleum Reserve – Alaska (NPR-A) Program

Under the National Petroleum Reserve-Alaska (NPR-A) program, the U.S. Department of Interior refunds a portion of fees received as a result of oil development in the reserve to the State of Alaska. These funds are for the purpose of granting monies to communities that have experienced adverse effects due to oil development. If any funds remain after these grants have been awarded, then the funds are distributed as mandated by law between the Permanent Fund, the School Trust Fund, and the General Fund. The Department of Revenue, as the manager of this fund, reports to this department the amount of deposits available for granting each fiscal year.

Opilio Crab Disaster Grants

In 2000, the Pribilof Islands, and other Bering Sea communities were declared part of a federal disaster area, due to the near collapse of the Opilio Crab populations. The Governor requested assistance for Bering Sea communities affected by the sudden downturn in snow crab stocks. Commerce issued a declaration of a commercial fisheries failure due to natural and environmental factors and \$10 million in assistance was approved by Congress. These funds were made available to assist the affected communities and to improve fisheries research, management, and coordination to help restore the fisheries and prevent similar failures in the future.

Out of this amount \$7 million is to be used for projects that will help mitigate the effects of the current disaster, and prevent future crab fisheries problems from harming the economy in the future. The Division is administering these Opilio grant funds. The grants were awarded to the Aleutians East Borough, St. Paul, St. George, and Unalaska. Each of the 4 entities identified projects for their share of the funds. These projects are agreed upon by the City, the Tribal Government, and the Corporation. A majority of the funds have been obligated and projects are underway in the communities.



Information Resources

One other important function of the Division is to collect and publish local government information and economic development information. The Division is a leader in providing information resources to the public.

Products

Alaska Economic Information System (AEIS)

Until recently, information about Alaska's economy, labor force and industrial sectors was scattered among a large number of agencies and organizations. The Alaska Economic Information System (AEIS) was created to provide user-friendly access to all this information at a one-stop portal on the web. The AEIS represents a tremendous development resource for businesses, communities and individuals – saving them significant time and effort in collecting the information on which to base development decisions and plans.



Starting from a map of Alaska, users can "click" on a census area, and quickly get the picture of that area's basic economic industries such as tourism, oil and gas, mining, and seafood. Detailed information is also provided for the critical infrastructure elements of transportation, energy, and utility sectors that support long-term viable economic development. A statewide perspective is also provided for each sector of the economy, and the Alaska economy as a whole. Users can "drill down" through the information on the AEIS website to get to greater levels of detail about their specific areas of interest, including maps, charts and working spreadsheets that users can download to their own computers for further analysis. As a web portal, the AEIS contains a host of links to other websites relevant to an understanding of the Alaska economy, its work force and its economic sectors. (http://www.dced.state.ak.us/cbd/AEIS/AEIS_Home.htm).

Community Database/Community Profiles

This database provides a wide range of community-based information and data for planning, policy making and technical assistance decisions. Information is available through an interactive database on the Internet. Users include other state and federal agencies, private non-profit organizations, legislators and their staff, and the general public, both in Alaska and around the world. The database provides for "standard" comprehensive community profiles and customized queries of specific community data. The website includes a feature that allows users to automatically e-mail themselves the data they need (http://www.dced.state.ak.us/cbd/commdb/CF_COMDB.htm).

Economic Development Resource Guide (EDRG)

This guide is designed to bring together in one place a listing of programs and services that provide economic development assistance to Alaska individuals, communities, organizations and businesses. The EDRG includes over 120 resources for financial and technical assistance targeted at economic development. These resources include federal and state agencies, national and state non-profit organizations, and private for-profit organizations. The EDRG is also on the web with a user-friendly interface that provides users with targeted searches to retrieve those resources that apply to their specific eligibility and needs (<http://www.dced.state.ak.us/cbd/edrg/EDRG.htm>).



Grants Tracking Information System Database

An Internet-based management system was completed in May 2000 for internal use by the Division's Grant Administrators. The database tracks detailed information needed for all of the grants administered by the Division, including Capital Matching grants, Legislative grants, State Revenue Sharing, National Petroleum Reserve-A (NPR-A) grants, Mini-Grants, Opilio Crab Disaster grants, Community Development Block Grants, and Community Priorities Program grants. Some of the information from the Grants Tracking System is available to the public on the Internet, at http://www.dced.state.ak.us/cbd/commdb/CF_Grants.htm

RAPIDS Capital Project Database

The Rural Alaska Project Identification and Delivery System (RAPIDS) database contains information on state- and federally-funding capital projects in Alaska communities, including project descriptions, funding levels and status. Portions of this database are also available to the public in the web, at http://www.dced.state.ak.us/cbd/commdb/CF_RAPIDS.htm.

Local Government Online (LOGON)

LOGON was developed in 2002 and launched to the public in November 2002, although it continues to be expanded. LOGON was developed for administrators and city clerks, elected and appointed officials, tribal governments, community leaders, and others interested in local government operations, public services, and community development in Alaska.

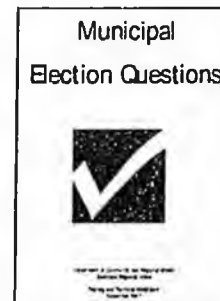
LOGON provides information and resources to communities regarding: municipal government structure, elections, public meetings, ordinances, taxation, financial management, grant management, personnel management, payroll, tribal and municipal agreements, water and sewer utility management, coastal and floodplain management, revenue sharing programs, and grants for infrastructure or economic development. LOGON also provides references to other state and federal resources of concern to communities, including education, public safety, health care, environmental, social services, transportation, and energy programs. LOGON brings together division applications, publications, sample documents, and other web resources. The system may be explored at <http://www.dced.state.ak.us/cbd/LOGON/home.cfm>

Publications

Publications staff coordinate development of technical assistance documents and distribution of material produced by the Division to local governments and other client organizations. Many of the printed publications are updated annually and are available on the Internet; Title 29 is now available on CD-ROM. In addition, the Division produces a variety of Internet-based information resources that are not available in a printed format. Division publications include:

Small Business Development:

A Customs Guide to Alaska Native Arts (created in 2001)
AlaskaHost Program Participant Training Manual (updated in 2001)
Community Tourism Planning Guidebook (created in 2001/2002)
Establishing a Small Business in Alaska (updated in 2002)
Economic Development Resource Guide (updated in 2001)
Tourism Funding Programs (created in 2001)



Local Government:

A Primer for City Council Members
Alaska Planning Commission Handbook (to be updated in 2002)
Alaska Taxable 2001 (updated Jan. 2002)
Background on Boroughs in Alaska
Capital Project Management Handbook (updated in 2001)
Certified Financial Statement Manual (updated in 2001)
Getting Started on ANCSA 14(c)(3) – A Basic Guide
Grant Training Manual
Home Rule Municipalities in Alaska
Local Boundary Commission Annual Report to the Legislature
Local Government in Alaska (updated in 2001)
Mayor's Handbook: A Primer for Small Town Mayors
Model Borough Boundary Study (June 1997)
Model Financial Record Keeping System (1994)
Municipal Budget Manual (updated in 2002)
Municipal Elections Questions Handbook – Volumes I & II
Municipal Incorporation, Annexation, Consolidation, Dissolution Procedures
Non-Profit Community Handbook (1993)
Payroll Handbook for Small Communities (updated in 2002)
The Federal Voting Rights Act – Meeting the Standards (1991)
The Need to Reform State Laws Concerning Borough Incorporation and Annexation
Title 29 of Alaska Statutes, 2002 – Municipal Government (updated in 2002)
Title 4: Local Option Law Handbook (1995)

Water & Sewer Utility Operations:

A Plain English Guide to Alaska Drinking Water and Wastewater Regulations (updated in 2002)

Alaska Sanitation Planning Guide for Small Communities (plus Technical Appendix)

Utility Management Workshop Curriculum Series: Introduction to Utility Management

Utility Management Workshop Curriculum Series: Organizational Management

Utility Management Workshop Curriculum Series: Financial Management

Utility Management Workshop Curriculum Series: Operational Management

Utility Management Workshop Curriculum Series: Utility Planning

Utility Management Workshop Curriculum Series: Personnel Management

**Background on
Boroughs in Alaska**

December 1994



Alaska
Department of
Community and
Economic Development

Information & Mapping:

Community Profiles (updated in 2002)

Community Profile Maps

Community/Borough Map of Alaska (24" X 36" format)

Municipal Officials Directory 2003 (updated Jan. 2003)

Rural Alaska Project Identification and Delivery System (RAPIDS)

Major Issues Facing the Division

ISSUE: Many communities in Alaska are struggling to maintain basic services.

This situation threatens the State's investment in essential community facilities and poses a threat to the health and well being of Alaska's residents. **Limited Revenue Resources.** With the significant decline in state financial assistance to communities and the very limited local tax base and private economy the situation many communities' face is serious. The Division works closely with them to maximize the effectiveness of shared revenues, to identify sources of local revenue and provide advice on how to use these limited resources most effectively. **Ongoing Personnel and Management Problems.** Another major issue is the lack of financial management and local government skills at the local government level. This has primarily been linked to frequent staff turnover due to low wages, part-time work, no training, and lack of consistent policies and procedures. The Division continues to work with city and tribal staff and elected officials to develop the skills they need to perform their responsibilities. The Division helps communities establish and maintain sound financial practices, thereby preventing the loss of hundreds of thousands of dollars each year. The Division provides this assistance through on-site community training, regional training and coordination with regional and statewide organizations such as Boroughs, Alaska Municipal League, and Alaska Clerk's Association.

RESPONSE: *Continued Support for the Rural Utilities Business Assistance Program:*

Adequate and affordable sanitation systems are critical for the health of rural residents and critical for the development of rural communities. State and Federal sanitation task forces have repeatedly concluded that capital investments alone will not achieve long-term improvements in sanitation because many communities lack the financial and personnel resources to successfully operate and maintain their utilities.

The Division's Rural Utility Business Advisor (RUBA) program helps address this issue in a number of ways. **Needs Assessments.** RUBA personnel complete an assessment of a community's management of its water and sewer utility. Corrective action is recommended and assistance is provided. **Training.** After the assessment, RUBA staff then provides on-site training specific to the management needs of the utility. Additionally, the Division provides utility management workshops for groups of communities in regional hub communities. **Financial Management Systems.** The program also offers assistance to utilities in establishing sound financial management systems and practices for the operation of water and sewer utilities. **Publications Development** The RUBA program has in cooperation with other agencies produced publications that provide technical assistance on utility planning, understanding sanitation regulations, and managing capital construction projects. This program needs to receive the resources required to provide these services to protect valuable infrastructure and essential community facilities.

ISSUE: Municipal assessment practices may be creating inequities in the State's financial assistance programs.

The Full and True Value Determination (FTVD) is an important factor in determining a locality's entitlement under several State financial assistance programs. Financial assistance for municipal school districts is probably the most significant program that uses the FTVD to determine a municipality's entitlement. The inaccurate FTVDs result in incorrect and inequitable payments to municipalities.

Because of continuing fiscal pressures, many municipalities feel a need to maximize their efforts to obtain state financial assistance. One of the results of these local fiscal pressures has been an increase in localities "pushing the envelope" of acceptable assessment practices.

RESPONSE: Increased Support for the State Assessor's Office

The State Assessor's review of local assessment practices is critical to assuring the integrity of the Full and True Value Determination (FTVD) that is made for property in each municipality. The State Assessor's Full and True Value Determination serves as the State's independent assessment of the full and true value of all taxable property within a given locality.

As a result of an increasing work load, the State Assessor is not able to review the property assessment practices used by municipalities on a timely basis. The Division needs to provide additional support to the State Assessor, which will enable thorough and timely review of local assessment practices and property value determinations. This in turn will insure that all municipalities receive the amount of funding to which they are entitled.

ISSUE: Need for coordinated agency response to communities and regions.

The traditional model for community assistance, where agencies respond separately within their areas of expertise, has undergone considerable evolution as the State has lead efforts to respond to severe economic dislocations. To increase their effectiveness, State and Federal agencies are taking steps to work cooperatively and coordinate services delivery. A new approach to community assistance work is emerging, where the resources of several agencies are leveraged and/or coordinated to improve efficiency and quality in service delivery. Additionally, the public, agencies, and other entities doing business in our state need access to a variety of information by region or sub-region. Good information is the foundation of sound decision making. Currently, an individual often has to access multiple websites or other sources of information to get data on a particular region. For example, information about Alaska's economy, labor force and industrial sectors is widely scattered among various agencies and organizations.

RESPONSE: Implementation of the Alaska Economic Information System.

Now in development by the Division, the Alaska Economic Information System (AEIS) is designed to provide user-friendly access an array of information on the web. The AEIS will:

- ◆ Provide timely, current, Alaska-specific information
- ◆ Bring together agency information on one website
- ◆ Tell prospective investors about our resources and opportunities

- ◆ Create a base line for evaluating industry activity
- ◆ Offer a user-friendly, easy-to-navigate format
- ◆ House the most comprehensive economic development site on Alaska

The system will be useful for businesses, communities and individuals – saving them significant time and effort in formulating development plans. The system will also benefit agency coordination, as well as local government, legislative and other decision making.

The AEIS will provide and collate a vast amount of economic and supporting information. **Economic Development Narratives.** Each census area contains a regional economic overview and economic narratives on oil and gas, tourism, mining, fisheries, agriculture, timber, and subsistence. Users will be able to view a map of Alaska on-line, click on a census area, and quickly get the picture of that area's basic economic industries. Narratives will discuss the critical infrastructure components of transportation, energy, and utilities that are needed to support long-term, viable economic development. **Portal to Relevant Material.** The AEIS will link directly to many supporting websites, as well as to specific plans, studies, reports and other related documents relevant to an understanding of the Alaska economy. **Source Material Availability.** The website is graphics-rich and supported throughout with source material. Users will be able to click through the website to get to greater levels of detail about their specific areas of interest, including graphs and working spreadsheets that they can download to their own computers. The user can "drill down" from the narratives and graphics and find the charts, figures, tables and databases that support the text.

ISSUE: Deterioration in the fisheries industry is seriously impacting businesses and communities.

This industry is important to the economic health of our entire state. The downturn in this economic sector threatens community economies as the sale of local goods and services are reduced. Revenues from fish taxes and sales taxes are reduced as a result. **Decline in Salmon Runs and Market Prices.** Challenges include the unstable market conditions, competition in the global marketplace, and lack of transportation for the export of our products. **Implementation of Federal Fisheries Programs.** The implementation of the Federal American Fisheries Act (AFA) has economic and market repercussions for all of Alaska's ground fisheries, coastal communities and Community Development Quota (CDQ) groups. At the same time, many proposals to rationalize other fisheries are emerging. Tracking and developing these policy considerations to protect Alaska's fishing and processing interests is a major priority for the State.

Response: Continued support of fisheries development.

The Division has one full-time development specialist working on fisheries issues. Current duties run the spectrum of economic issues, projects and crisis with Alaska's fisheries. The specialist is responsible for projects such as salmon industry revitalization, new fisheries development, ground-fish industry issues and inclusion of seafood in the USDA programs. However, the work is more than one person can do. Another development specialist is needed to adequately address Alaska's threatened fishing industry.

Response: Continued support of Operation Renew Hope

In August, the Governor again declared an economic disaster in the commercial salmon fisheries of the Yukon, Kuskokwim, Norton Sound, Bristol Bay, and Alaska Peninsula regions. In response to this disaster, the Operation Renew Hope will continue to pull together all the various state and federal programs that can respond to the short and long term disaster impacts. The Department's participation in Operation Renew Hope will result in continued responsibilities for Division staff in both coordinating agency responses and addressing the economic impacts of the decline in the fisheries industry.

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Produced by the State Department of Community and Economic Division of Community and Business Development, 550 West 7th Avenue, Suite 1770, Anchorage, AK 99501

For additional copies, download from the DCED website: <http://www.dced.state.ak.us/> or contact Pamela Neale (1-907-269-4580).

DCED complies with Title II of the Americans Disabilities Act of 1990. Upon request, this report will be made available in large print or other accessible formats. Request for such should be directed to DCED at 1-907-269-4580 or TDD 1-800-930-4555.



January 2004

Alaska Regional Development ORganizations

ARDORS Annual Report

Leveraging ARDOR Funds

Total State ARDOR grant funds:	\$620,000
TOTAL ARDOR budgets \$2,739,233	Leverage \$1 : \$4.42
Other State funds \$857,575	Leverage \$1 : \$1.38
TOTAL non-State budgets \$1,881,658	Leverage \$1 : \$3.03
Federal funds \$577,068	Leverage \$1 : \$0.93
Private sector funds \$816,869	Leverage \$1 : \$1.32
Other non-federal/non-State funds \$487,721	Leverage \$1 : \$0.79
In-kind contributions \$791,891	Leverage \$1 : \$1.28

ARDOR Statistics

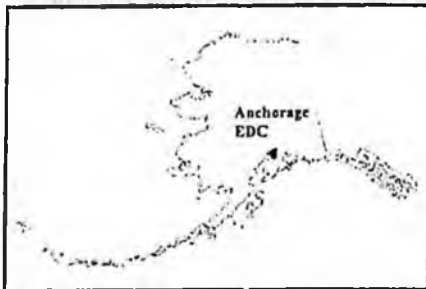
- ✓ Total number of ARDORs = 12
- ✓ Total number of board members = 190
- ✓ Total number FTE staff = 30.57
- ✓ The FTE/per capita ratio ranges from as low as 1 to 1,062 (Copper Valley EDC) to as high as 1 to 60,000 (Mat-Su RC&D).
- ✓ Estimated in-kind contribution of board members ranges from \$136,800 to \$342,000
- ✓ The volunteer contribution of board members is conservatively valued at \$30 per hour. Estimates of the total contribution of board members range from \$136,800 (average of 2 hours per month per board member) to \$342,000 (average 5 hours per month per board member). This is a significant contribution to the ARDOR program and demonstrates a high level of commitment by board members.
- ✓ ARDOR funds spent per capita in each ARDOR region:

	# Board Members	# FTE staff	pop.	FTE/capita	FY04 ARDOR \$	FY04/capita
Anchorage Econ. Dev. Corp.	47	7	260,000	1:37,750	\$47,220	\$0.18/person
Arctic Development Council	9	2	7,500	1:3,750	\$47,870	\$6.38/person
Bering Strait Dev. Council	14	3	27,645	1:9,215	\$47,820	\$1.73/person
Copper Valley Econ. Dev. Council	9	2	2,124	1:1,062	\$47,530	\$22.38/person
Fairbanks No. Star Boro Econ. Dev. Comm.	17	1.4	83,839	1:59,171	\$47,670	\$0.57/person
Kenai Peninsula Econ. Dev. District	13	4	49,692	1:12,423	\$47,570	\$.96/person
Lower Kuskokwim Econ. Dev. Council	12	1	15,915	1:15,915	\$47,720	\$3.00/person
Mat-Su Resource Cons. and Dev., Inc.	23	1	60,000	1:60,000	\$47,450	\$0.79/person
Northwest Arctic Boro Econ. Dev. Comm.	13	2.5	12,012	1:4,805	\$47,820	\$3.98/person
Prince William Sounce Econ. Dev. District	9	1	4,257	1:4,257	\$47,620	\$11.19/person
Southeast Conference	13	2.67	74,760	1:28,000	\$47,720	\$0.64/person
Southwest Alaska Municipal Conference	11	3	29,384	1:9,795	\$48,170	\$4.64/person
TOTAL	190	30.57	627,128	1:20,514	\$572,180	\$0.91/person

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Anchorage Economic Development Corporation



Mission Statement

The Anchorage Economic Development Corporation exists to encourage growth and diversity in the Anchorage economy, promote a favorable business climate and improve the economic standard of living of Anchorage residents.

FY 2004 Goals

- ★ Implement a well-organized and sustained program to encourage retention and expansion of existing businesses.
- ★ Continue global logistics program.

FY 2004 Top Economic/Business Needs

1. Available property for commercial development.
2. A public relations campaign devoted to changing misperceptions of decision makers around the world.
3. State of Alaska incentives to attract new businesses to our State.
4. Closure of fiscal gap.

FY 2004 Budget

\$47,220	State ARDOR grant
\$314,400	Amount of other State funds
\$0	Amount of federal funds
\$516,500	Amount of private sector funds
\$91,500	Any other non-federal, non-State funds
<hr/>	
\$1,189,620	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$50,000	Total FY03 ARDOR In-Kind Contributions <i>(No description provided.)</i>

Other FY 2003 Accomplishments

1. Finished TransCare Project, whereby AEDC called on Cargo operators and logistics firm worldwide.
2. Started business retention and expansion program.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Working with an individual that wishes to start a laminated veneer lumber plant in Anchorage, using wood from the Mat-Su. Also, one of our prospects, Mountain Goat Aircraft located in the Mat-Su.
2. Attended Mat-Su Economic Development Planning meeting.
3. Have worked to include both Mat-Su and Kenai into our Vision Anchorage economic development planning process.

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Implement a strategic marketing plan focused on attracting new businesses in select industries with the most potential for leveraging growth, incorporating a network of Anchorage business leaders who can help build relationships with others in related industry sectors.
 - Review Anchorage's Profile/Vision Statement
 - Assess Global Opportunities & Threats
 - Assess Anchorage's Strengths & Weaknesses
 - Develop Assumptions About the Future
 - Perform Competitive Analysis
 - Identify Priority Industries/Opportunities
 - Identify Strategies for Business Development and for Addressing Major Development Barriers
 - Summarize Findings & Recommendations
 - Align with other community organizations and business leaders to guide the plan.

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 47

Board Representation: Unknown

Number FTE staff: 7

FTE staff/capita: 1:37,150

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: Municipality of Anchorage, Mat-Su Borough, Kenai Peninsula Borough

continued . . .

Anchorage Economic Development Corporation

- ✓ Local/regional private: Anchorage Convention and Visitors Bureau, Anchorage Chamber, Eagle River Chamber, Anchorage Downtown Partnership, Vision Anchorage, Girdwood 2020
- ✓ State Public: State of Alaska, Ted Stevens Anchorage International Airport, Alaska Railroad
- ✓ State Private: Alaska High Tech Business Council, Small Business Development Center, University of Alaska Anchorage, Resource Development Council
- ✓ Federal Public
- ✓ Native Private: Cook Inlet Region, Inc., Arctic Slope Regional Corporation

Customer Testimonials

I want to take this opportunity to thank you and your staff for the assistance you have provided Greatland Laser. As our company progressed over the past two years from research and development to manufacturing products, Anchorage Economic Development Corporation has been there to help answer our questions and steer us to local resources. You were instrumental in helping us locate a facility for our manufacturing operations, hiring employees, assisted with understanding issues concerning export/import regulations, and provided contacts for us to research the best method for shipping our products...to name just a few of the benefits we realized through AEDC.

As a small, locally owned and operated business, resources like the Anchorage Economic Development Corporation are critical to our ongoing success. We greatly appreciate the support and guidance we have received from AEDC in the past and look forward to a long and mutually beneficial relationship in the future.

Kim O'Meara
CEO, Greatland Laser

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$51,385	
Total ARDOR \$	\$1,594,629	\$1 to \$31.03
Other State \$	\$319,016	\$1 to \$6.21
Total non-State \$	\$1,224,229	\$1 to \$23.82
Federal \$	N/A	N/A
Private sector \$	\$607,729	\$1 to \$11.83
Other non-federal/non-State \$	\$616,500	\$1 to \$12.00
In-kind contributions	\$26,739	\$1 to \$.52

	FY01	Leverage
State ARDOR \$	\$45,165	
Total ARDOR \$	\$1,253,628	\$1 to \$27.76
Other State \$	\$186,720	\$1 to \$4.13
Total non-State \$	\$1,021,743	\$1 to \$22.62
Federal \$	N/A	N/A
Private sector \$	\$528,743	\$1 to \$11.71
Other non-federal/non-State \$	\$493,000	\$1 to \$10.92
In-kind contributions	\$34,888	\$1 to \$.77

	FY00	Leverage
State ARDOR \$	\$45,989	
Total ARDOR \$	\$1,407,919	\$1 to \$30.61
Other State \$	\$229,296	\$1 to \$4.99
Total non-State \$	\$1,132,635	\$1 to \$24.63
Federal \$	N/A	N/A
Private sector \$	\$639,635	\$1 to \$13.91
Other non-federal/non-State \$	\$493,000	\$1 to \$10.72
In-kind contributions	\$23,717	\$1 to \$.52

	FY99	Leverage
State ARDOR \$	\$49,679	
Total ARDOR \$	\$1,136,782	\$1 to \$22.88
Other State \$	\$77,983	\$1 to \$1.57
Total non-State \$	\$1,009,120	\$1 to \$21.31
Federal \$	N/A	N/A
Private sector \$	\$597,120	\$1 to \$12.02
Other non-federal/non-State \$	\$412,000	\$1 to \$8.29
In-kind contributions	\$60,433	\$1 to \$1.22

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$968,093	\$1 to \$18.74
Other State \$	\$79,953	\$1 to \$1.55
Total non-State \$	\$836,473	\$1 to \$16.19
Federal \$	N/A	N/A
Private sector \$	\$376,757	\$1 to \$7.29
Other non-federal/non-State \$	\$459,717	\$1 to \$8.90
In-kind contributions	\$92,834	\$1 to \$1.80

continued ...

Board of Directors

Board of Directors Voting Members

Kathy Porterfield, Chair	Managing Partner, KPMG
Larry Cash, Vice Chair	President, RIM Architects
Ed Lamb, Secretary/Treasurer	CEO & President, Alaska Regional Hospital
Mark Bambridge (Alaska)	Manager of Supply Chain Management, BP Exploration
Nancy Bear Usera Credit Union	Sr. VP Corporate Development, Alaska USA Federal
Bill Behnke	Sr. VP Business Development & Strategic Initiatives, GCI
Steve Butterworth Inc.	VP, Finance, Planning & Control, ConocoPhillips Alaska,
Bill Fowler	President & COO, Northern Air Cargo
Joe Griffith	General Manager, Chugach Electric Association, Inc.
Jim Hatley	Managing Director of AK Operations, Federal Express
Tony Izzo	President & CEO, ENSTAR Natural Gas Company
Jim Kubitz Corporation	VP, Real Estate & Project Planning, Alaska Railroad
Tom Maloney Inc.	VP, Marketing & Business Development, VECO Alaska,
Kirk McGee	VP, Real Estate, CIRI
Dale Morman	President, Anchorage Sand & Gravel, Inc.
Rick Morrison	President, Morrison Auto Group
Brian Nerland	District President, KeyBank National Association
Gene O'Hara	Chief Executive, Providence Alaska Medical Center
Carolyn Ottosen	AK Division Manager, United Parcel Service
Mary Ann Pease	VP of Corporate Communications, ACS
Mark Pfeffer	President, Koonce Pfeffer Bettis
Robert Poe	Senior Vice President- Alaska Operations, ASCG, Inc.
Diane Prier	President, Williams AK Petroleum, Inc.
Ken Privratsky	VP & General Manager, Horizon Lines of Alaska LLC
Royce Rock	Business Manager, Carpenters Union, Local 1281
Richard Strutz	President, Wells Fargo Bank AK
Mark Vasconi	Business Planning Director, AT & T Alascom
Pat Walsh	President & CEO, Walsh Sheppard Flynn

Ex-Officio Members — Legislators

Johnny Ellis	Senator, Alaska State Legislature
Ben Stevens	Senator, Alaska State Legislature
Ethan Berkowitz	Representative, Alaska State Legislature
Lesil McGuire	Representative, Alaska State Legislature

Ex-Officio Members — Municipality

Mayor Mark Begich
Doug Van Etten
Brian Whittle

Mayor, Municipality of Anchorage
Assembly Member, Municipality of Anchorage
Assembly Member, Municipality of Anchorage

Ex-Officio Members – Appointed by the Board

Mike Brady
Bruce Bustamante
Jim Gorski
Lee Gorsuch
Ernie Hall
Mary Hughes
Bauman
Jim McMillan
Mel Nichols
Bill Noll
Tennys Owens
Mort Plumb
George Vakalis

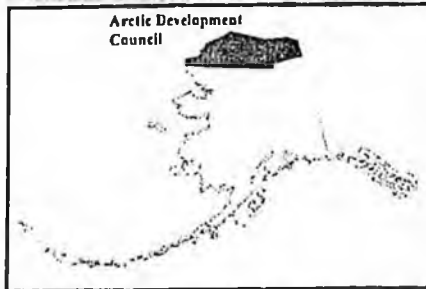
President, Ken Brady Construction Co. Inc.
President & CEO, Anchorage Convention & Visitor's Bureau
Partner, Hughes, Thorsness, Powell, Huddleston & Bauman
Chancellor, University of Alaska, Anchorage
President, Alaska Furniture Manufacturers, Inc.
Of Counsel, Hughes, Thorsness, Powell, Huddleston &

Deputy Director-Credit, AIDEA
Vice President of Operations, DOWL Engineers
Deputy Commissioner, State of AK - DCED
President, Artique, Ltd.
Airport Director, Ted Stevens Anchorage International Airport
Chair, Anchorage Chamber of Commerce

Contact

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Web Site: www.aedcweb.com/

Arctic Development Council



Mission Statement

Build a sustainable, regional economy by cultivating people-centered economic development, encouraging citizen leadership, and promoting healthy human and natural environment.

FY 2004 Goals

- ★ Strengthen TAP
- ★ Expand ADC's On-line presence
- ★ Promote Tourism
- ★ Provide technical assistance on federal and state projects
- ★ Provide technical assistance to villages on the North Slope when requested
- ★ By year three, at least three – five new jobs created or retained
- ★ Provide North Slope Residents affordable research materials related to small business environments
- ★ Provide gap financing by re- establishing revolving loan fund

FY 2004 Top Economic/Business Needs

1. Expansion of Arts and Crafts across the North Slope Borough
2. Workforce training;
3. Develop tourism
4. Gap financing
5. Develop small businesses

FY 2004 Budget

\$47,870	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$4,000	Amount of private sector funds
\$19,935	Any other non-federal, non-State funds
<hr/>	
\$71,805	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$9,000	Total FY04 ARDOR In-Kind Contributions:
	City of Barrow is working on a MOA with ASRC for the second floor of the bank building in Barrow; it is projected to occur before October of this year. When that happens, Native Village of Barrow has rent-free office space for ADC; City of Barrow donates council chambers for board meetings.

Other FY 2003 Accomplishments

1. Three workshops and one seminar held
2. Assisted local non-profit with tax-related compliance issues – six years of reporting completed.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Three village business plans completed
2. Grant information forwarded to villages and non-profits
3. Over 10 business packets delivered to villages
4. Two known new businesses started

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Strengthen Technical Assistance Program
- ✓ Provide technical assistance on federal and state projects.
- ✓ Provide technical assistance to the outlying villages on the North Slope when requested.
- ✓ Provide North Slope Residents affordable research materials related to small business environments.
- ✓ Provide gap financing by reestablishing revolving loan fund discontinued by North Slope Borough.
- ✓ Design and implement an annual evaluation procedure to guide the on-going progress of ADC programs.

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 9

Board Representation: Education, Business, Regional Corporation, Banking, Regional Government, Local Government, Regional Tribal Government,

Number FTE staff: 2

FTE staff/capita: 0.01%

continued . . .

Board of Directors

Executive Committee

Robert Harcharek, (President),
Education - North Slope
Borough School District
Dwain McKenzie, (Vice-Pres),
Small Business Section -
Arctic Video Production
Lucy Brown, (Sec-Treas),
Private Sector - Native
Village of Barrow

Members

Forrest "Deano" Olemaun,
ASRC

John Gleason, Banking - Wells
Fargo

Paula Bush, North Slope Borough
Edith Vorderstrasse, City of
Barrow

Edith Tagoseak, Inupiat Comm.
of the Arctic Slope

Scott Danner, Ukpeagvik Inupiat
Corporation

Contact

Jan Phillips

Executive Director

P.O. Box 1353 .

Barrow, Alaska, 99723

Phone: 852-4146

Fax: 852-4147

E-Mail: adc1@barrow.com

Web Site:

www.arcticdevelopment.org/

Arctic Development Council

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: Workforce Development - meeting collaboration
North Slope Borough Planning Department – Regional Economic Development Strategies
Village Tribal & Municipal Governments – village economic strategies
- ✓ Local/regional private: North Slope Borough, Ilisagvik College
Multi agency coordination meetings/efforts
Referrals to business assistance resources
Native Village of Barrow
Grant assistance and leads
- ✓ State Public: Possible role as Non Metropolitan Regional planning entity
DCED
Funding forum during FY03
- ✓ State Private: PTAC – host one to two workshops a year
- ✓ Federal Public: Natural Resources Conservation Service
Economic Development Administration
Working on Designation as regional Economic Development District
- ✓ Native Private: Inupiat Community of the Arctic Slope
Grant Assistance

Customer Testimonials

None submitted.

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$45,945	
Total ARDOR \$	\$68,168	\$1 to \$1.50
Other State \$	N/A	N/A
Total non-State \$	\$22,223	\$1 to \$.48
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$22,223	\$1 to \$.48
In-kind contributions	\$1,985	\$1 to \$.04

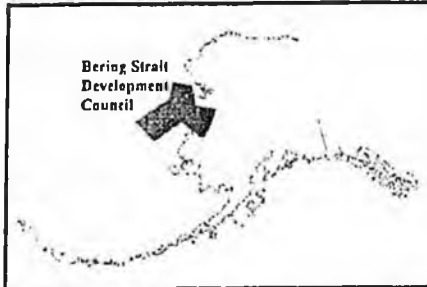
	FY01	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$368,785	\$1 to \$8.33
Other State \$	N/A	N/A
Total non-State \$	\$324,500	\$1 to \$7.33
Federal \$	N/A	N/A
Private sector \$	\$1,500	\$1 to \$.03
Other non-federal/non-State \$	\$323,000	\$1 to \$7.29
In-kind contributions	N/A	N/A

	FY00	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$373,546	\$1 to \$8.44
Other State \$	N/A	N/A
Total non-State \$	\$324,500	\$1 to \$7.33
Federal \$	N/A	N/A
Private sector \$	\$1,500	N/A
Other non-federal/non-State \$	\$323,000	\$1 to \$7.29
In-kind contributions	\$4,761	\$1 to \$.11

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$541,571	\$1 to \$10.48
Other State \$	N/A	N/A
Total non-State \$	\$488,000	\$1 to \$9.45
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$488,000	\$1 to \$9.45
In-kind contributions	\$1,905	\$1 to \$.04

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$934,674	\$1 to \$18.09
Other State \$	N/A	N/A
Total non-State \$	\$880,878	\$1 to \$17.05
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$880,878	\$1 to \$17.05
In-kind contributions	\$2,130	\$1 to \$.04

Bering Strait Development Council



Mission Statement

To strengthen and diversify the regional economy through training and technical assistance in community planning and business development.

FY 2004 Goals

- ★ Update Regional Economic Development Strategy (REDS).
- ★ Plan and coordinate the Bering Strait Regional Economic Development Conference for 275 participants
- ★ Work with EDA grant recipients in completing business development planning for businesses located in the 8 EDA multipurpose facilities.
- ★ Support entrepreneurship and small business development and promote e-commerce in the Region.
- ★ Support and assist in the promotion of regional economic development projects, natural resource products (salmon, mining etc) and support and promote regional infrastructure expansion efforts (transportation, housing, etc.)
- ★ Conduct Bering Strait Development Meetings while continuing a working relationship between Bering Strait Development Council and Kawerak, Inc.
- ★ Coordinate and Support other ARDORS, EDDS, RC&Ds, and IDAs.
- ★ Review/comment on DCA community profiles and review/comment on DCA AEIS profiles and provide statistical information.
- ★ Assist communities in grant informational activities for DCA grant programs

FY 2004 Top Economic/Business Needs

1. Work force training programs to increase long-term employment.
2. Sustainable small business, e-commerce, artist, tourism and infrastructure development.
3. Increased community planning assistance and implementation.

4. Utilization of appropriate rural business development models, such as Native Nation Building, which emphasize social, cultural and political development to assist communities to develop a more holistic approach.
5. Access to capital for new and existing businesses

FY 2004 Budget

\$47,820	State ARDOR grant
\$0	Amount of other State funds
\$71,000	Amount of federal funds
\$0	Amount of private sector funds
\$15,781	Any other non-federal, non-State funds
<hr/>	
\$134,601	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$0	Total FY03 ARDOR In-Kind Contributions

Other FY 2003 Accomplishments

1. Developed a new planning process and now have plans for 10 of our 20 tribes: Teller/Mary's Igloo, Diomede, Wales, Golovin, Shaktoolik, White Mountain, St. Michael, Stebbins, and Unalakleet.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Continued providing business planning assistance to the communities who received EDA funding for multipurpose buildings and Teller Fish and Meats.
2. Held the 2003 Bering Strait Regional Economic Development Conference for 276 participants.
3. Distributed 88 business information packets for individuals interested in starting or expanding a small business.
4. Out of 14 tuition assistance requests, 6 individuals completed a business related college course and were funded.
5. Artist portfolio development training was held in Shishmaref, Gambell and Savoonga.
6. Began coordination with NRCS RC&D, Alaska Gold and Norton Sound Seafood Products on a test fertilizer project for mining reclamation.

Board of Directors

Executive Committee

Robert Keith (Chair), Elim IRA Council, Seat I: Kawerak Board Chairman
 Steven Longley (Vice-Chair), Council Traditional Council, Seat N: Nome Sub-Region
 Sue Greenly (Secretary), Alaska Airlines, Seat A: Transportation

Members

Howard Farley, Norton Sound Economic Development Corporation, Seat B: Fisheries
 Ron Engstrom, Nome Miner's Association, Seat C: Mining
 Scott Henderson, Wells Fargo, Seat D: Banking/Finance
 Josie Stiles, Nome Convention and Visitor's Bureau, Seat E: Tourism
 Kevin Zweifel, Norton Sound Health Corporation-Office of Environmental Health, Seat F: Health
 Don Fancher, Bering Strait Regional Housing Authority, Seat G: Housing
 Randy Romnesko, City of Nome, Seat H: City of Nome
 Victor Ongtawasruk, Wales IRA Council, Seat J: Northern Sub-Region
 Lincoln Simon, White Mountain IRA Council, Seat K: South Central Sub-Region
 Simon Bekoalok Jr., Shaktoolik IRA Council, Seat L: Southeast Sub-Region
 Ruthie Okoomealingok, Savoonga IRA Council, Seat M: St. Lawrence Island

Contact

Melissa Boeckmann
 Kawerak, Incorporated
 Comm & Econ Dev Prog Director
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 Email: melissab@kawerak.org
 Web site: www.kawerak.org

continued . . .

Bering Strait Development Council

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Update Regional Economic Development Strategy (REDS)
- ✓ Plan and coordinate the Bering Strait Regional Economic Development Conference for 275 participants.
- ✓ Work with EDA grant recipients in completing business development planning for businesses located in the 8 EDA multipurpose facilities.
- ✓ Support entrepreneurship and small business development and promote e-commerce in the Region.
- ✓ Support and assist in the promotion of regional economic development projects, natural resource products and support and promote regional infrastructure expansion efforts
- ✓ Conduct Bering Strait Development Meetings while continuing a working relationship between BSDC and Kawerak, Inc..
- ✓ Coordinate and Support other ARDORs, EDDs and RC&Ds
- ✓ Travel to economic development conference
- ✓ Review/comment on DCBD community profiles and review/comment on DCBD AEIS profiles
- ✓ Assist communities in grant informational activities for DCBD grant programs
- ✓ Provide statistical info for DCBD, as appropriate

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 14

Board Representation: Kawerak, Council Traditional Council, Alaska Airlines, Norton Sound Economic Development Corporation, Nome Miner's Association, Wells Fargo, Nome Convention and Visitor's Bureau, Norton Sound Health Corporation-Office of Environmental Health, Bering Strait Regional Housing Authority, City of Nome, Wales IRA Council, White Mountain IRA Council, Shaktoolik IRA Council, Savoonga IRA Council

Number FTE staff: 3 Kawerak CED staff, 1 RC&D Coordinator

FTE staff/Capita: 1 to 2,304

FY 2004 Connection to other related services or programs (public or private)

- ✓ Local/regional public: Kawerak, Inc.
Northwest Campus
City Governments
- ✓ Local/regional private: Alaska Gold-Crab shell fertilizer
- ✓ State public: DCED
- ✓ State private: (none)
- ✓ Federal public: EDA
USDA RD
NRCS/RC&D
- ✓ Native public: Bering Strait and Sitnasuak Native Corporation
IRA's and Traditional Councils, Native Corporations

Customer Testimonials

Darlene Turner/Shishmaref - "I would've enjoyed attending this (Bering Strait Development Council) meeting as it is one of [the] more productive committees. Thank you for what you're doing for our region and [I] hope to see you here in Shishmaref soon. I continue to sit on our IRA Council until January and will continue working with you folks. Thanks for all your help this past year.

Richard Stascenko/Shishmaref - "This is the most fun I've had at a meeting." (Speaking after a community planning meeting)

"What is one way you can help implement the community plan?"

- ✓ More village participation in the future by notifying others and the community what this meeting was about
- ✓ Sharing what I know
- ✓ Continue to update the priority list
- ✓ Get the community more involved in economy
- ✓ Be involved...give positive support
- ✓ Voice my opinions help make it happen

continued ...

Bering Strait Development Council

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$44,397	
Total ARDOR \$	\$118,050	\$1 to \$2.66
Other State \$	N/A	N/A
Total non-State \$	\$73,653	\$1 to \$1.66
Federal \$	\$59,000	\$1 to \$1.33
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$14,653	\$1 to \$.33
In-kind contributions	N/A	N/A

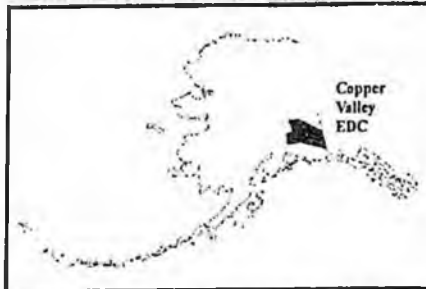
	FY01	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$108,899	\$1 to \$2.46
Other State \$	N/A	N/A
Total non-State \$	\$64,614	\$1 to \$1.46
Federal \$	\$50,000	\$1 to \$1.30
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$14,614	\$1 to \$.33
In-kind contributions	\$50,000	\$1 to \$1.13

	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$113,588	\$1 to \$2.38
Other State \$	N/A	N/A
Total non-State \$	\$65,896	\$1 to \$1.38
Federal \$	\$50,000	\$1 to \$1.05
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$15,896	\$1 to \$.33
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$118,886	\$1 to \$2.30
Other State \$	N/A	N/A
Total non-State \$	\$67,220	\$1 to \$1.30
Federal \$	\$50,000	\$1 to \$.97
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$17,220	\$1 to \$.33
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$111,666	\$1 to \$2.16
Other State \$	N/A	N/A
Total non-State \$	\$60,000	\$1 to \$1.16
Federal \$	\$40,000	\$1 to \$.77
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$20,000	\$1 to \$.39
In-kind contributions	N/A	N/A

Copper Valley Economic Development Council



Mission Statement

Copper Valley Economic/RC&D Council is dedicated to perform as a public/private partnership to address the community, economic and natural resource opportunities, and the potential growth of the Copper Valley.

FY 2004 Goals

- ★ The CVEDC is an efficiently run organization, representative of the region it serves. Projects reflect the needs of the region.
- ★ Natural Resources Conservation and Community Development
- ★ Develop local economic opportunities
- ★ Develop CVEDC resources to implement financial self-sufficiency

FY 2004 Top Economic/Business Needs

None listed in application.

FY 2004 Budget

\$47,530	State ARDOR grant
\$10,800	Amount of other State funds
\$100,000	Amount of federal funds
\$3,137	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$161,467	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$26,000	Total FY04 ARDOR In-Kind Contributions
	\$2,000 Prince William Sound Community College Donated Classroom space for meetings and workshops.
	\$4,800 Rent paid by NRCS
	\$1,000 NRCS Postal Services unlimited use of postal meter for mailings.
	\$2,000 NRCS Office supply
	\$400 Office Equipment
	\$16,600 Board hours donated (based upon 10 hours per month per board member @ \$15.00/hour)

Other FY 2003 Accomplishments

1. Successfully applied for AmeriCorp VISTA Volunteer
2. Funding Summit
3. Successfully applied for Comprehensive Economic Development Strategy Grant

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Coordinated efforts with the Department of Community and Economic Development to offer workshops to enhance existing businesses and to assist those who wish to start a business. Prince William Sound Community College worked with both organizations to offer college credits for these courses, along with supplying the classroom space for workshops.
2. Top of the World Wide Web Productions: new start up business as a result of taking the small business workshops held by CVEDC/DCED/PWSCC
3. Glennallen Storage: New area business started with the assistance of CVEDC.
4. Copper Valley Learning Center and Daycare, Inc. given assistance to apply for AmeriCorp VISTA Volunteer to implement new curriculum programming.

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ The CVEDC is an efficiently run organization representative of the region it serves. Projects reflect the needs of the region.
- ✓ Natural Resources Conservation and Community Development
- ✓ Develop local economic opportunities
- ✓ Develop CVEDC resources to implement financial self-sufficiency and ability to fully implement strategies and work plan..

* A Legislative performance measure discussed on pages 65 and 66.

Board of Directors

Theresa Absher, (President)
Vickie Snitzler, (Vice-President)
Paul Boos, (Secretary)
Chris Deck, (Treasurer)
Julie Bator, (Director)
Brenda Rebne, (Director)
Michelle Bayless, (Director)
Mike Roscovious, (Director)
Bruce Rogers, (Director)

Contact

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Executive Director
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Phone: 822-5001
Fax: 822-5009
Email: cvedc@cviternet.net
Web Page:
www.alaskaeconomicdevelopment.org/

continued . . .

Copper Valley Economic Development Council

FY 2004 Organizational and Staffing Charts

Number of Board Members: 9

Board Representation: Business/Economic Development/Jobs, Financial/Banking, Health Care, Tribal Governments/Non-Profits, Education/Environmental Education, Low-Income, Community Councils & Leagues, Conservation, Land Management-Planning

Number FTE staff: 2

FTE staff/capita 1:1062

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: PWSCC, Copper Valley Seniors, Kenny Lake League
- ✓ Local/regional private:
- ✓ State Public: DOT/PF, DNR
- ✓ State Private:
- ✓ Federal Public: BLM, NPS
- ✓ Native Private:

Customer Testimonials

None submitted.

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$44,107	
Total ARDOR \$	\$77,536	\$1 to \$1.76
Other State \$	N/A	N/A
Total non-State \$	\$33,429	\$1 to \$.76
Federal \$	\$23,500	\$1 to \$.53
Private sector \$	\$9,929	\$1 to \$.23
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

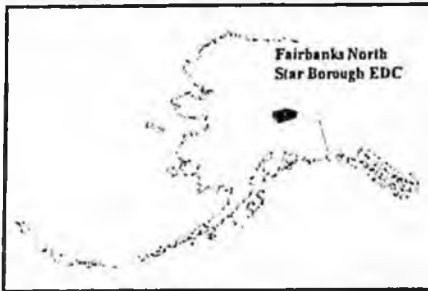
	FY01	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$47,607	\$1 to \$1.08
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	N/A	N/A
Private sector \$	\$3,322	\$1 to \$.08
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$52,146	\$1 to \$1.09
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	N/A	N/A
Private sector \$	\$4,454	\$1 to \$.09
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$60,921	\$1 to \$1.18
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	N/A	N/A
Private sector \$	\$9,255	\$1 to \$.18
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$85,209	\$1 to \$1.65
Other State \$	\$26,666	\$1 to \$.52
Total non-State \$	N/A	N/A
Federal \$	N/A	N/A
Private sector \$	\$6,877	\$1 to \$.13
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

Fairbanks North Star Borough Economic Development Commission



Mission Statement

To improve the quality of life and the standard of living for the residents of the Fairbanks North Star Borough by developing goals, establishing objectives and implementing strategies that sustain, enhance, or increase economic and social opportunities for the individuals in the region.

FY 2004 Goals

- ★ To actively promote, foster, and coordinate public and private initiatives that create or increase economic development opportunities that improve our community's quality of life.

FY 2004 Top Economic/Business Needs

1. Develop business incentives that encourage economic development.
2. Explore and implement funding opportunities for economic development including revolving loan funds.
3. Collaborate with UAF to facilitate technology transfer.

FY 2004 Budget

\$47,530	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$0	Amount of private sector funds
\$206,080	Any other non-federal, non-State funds
<hr/>	
\$253,610	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$74,241	Total FY04 ARDOR In-Kind Contributions:
	One-third Executive secretary salary and benefits: \$20,491
	Approved FY04 Economic Development Coordinator: \$53,750

Other FY 2003 Accomplishments

1. The Proposed Regional Comprehensive Plan is under development.
2. Grant to study and improve air quality
3. 60 new small businesses opened during the year.
4. Construction of 218 new housing units
5. GVEA installed battery plants to provide more reliable power

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Wal-Mart and new Fred Meyer superstores under construction.
2. Hawaiian Vacations flying to Fairbanks
3. Delta selected for missile defense site
4. Pogo Mine development approved
5. Hutchinson Career Center and TVC renovation to train workforce for jobs
6. FMHS constructed phlebotomy laboratory
7. UAF Museum Renovation/Addition
8. Stryker Brigade selected Ft Wainwright
9. New 380 space parking garage opened

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ To actively promote, foster, and coordinate public and private initiatives that create or increase economic development opportunities that improve our community's quality of life.

* A Legislative performance measure discussed on pages 65 and 66.

Membership

Commission membership consists of one member from the entities designated below and two members representing the community at large.

- Assembly
- Greater Fairbanks Chamber of Commerce
- Fairbanks Industrial Development Corporation
- Fairbanks Convention and Visitors Bureau
- Downtown Association/ Mainstreet Fairbanks
- North Pole Chamber of Commerce
- Representative of Small Minority Business
- University of Alaska Fairbanks
- Alaska Native Interests
- Northern Alaska Environmental Center
- Fairbanks Central Labor Council
- Fairbanks Arts Association
- FNSB Mayor or their designee
- Designee of the Mayor of Fairbanks, with concurrence of the city council
- Designee of the Mayor of North Pole, with concurrence of the city council

Contact

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Email:

kdodge@co.fairbanks.ak.us
Website:
www.co.fairbanks.ak.us

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FY 2004 Organizational and Staffing Charts



Number of Board Members: 17

Board Representation: Local Government, Small Business, Real Estate, Organized Labor, Workforce Development, Chamber of Commerce, Black Chamber, Accounting, Mining, Tourism, Environmental, Education, Arts, Technology

Number FTE staff: 1.4

FTE staff/capita: .0016%

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: FNSB Community Research Center; Cities of Fairbanks and North Pole; Fairbanks North Star Borough.
- ✓ Local/regional private: Downtown Association - Mainstreet Fairbanks; Fairbanks Arts Association; Fairbanks Central Labor Council; Fairbanks Black Chamber of Commerce; Fairbanks Chamber of Commerce; Fairbanks Convention & Visitors Bureau; Fairbanks Economic Development Corporation; Fairbanks Neighborhood Housing Services; Festival Fairbanks; Northern Alaska Environmental Center.
- ✓ State Public: Department of Community and Economic Development; Department of Labor and Workforce Development Small Business Development Center; University of Alaska Fairbanks; University of Alaska TVC.
- ✓ State Private: Alaska Municipal League; Cold Climate Housing Research Center.
- ✓ Federal Public: Denali Commission; Economic Development Administration; USARAK. US Department of Agriculture; Rural Development.
- ✓ Native Private: Doyon Corporation.

Customer Testimonials

My business was at a critical juncture when I called our local ARDOR. I was being courted by another state that offered me financing for expansion and manufacturing and was at a point where I was going to have to take them up on the offer. I had contacted other local bodies before, and didn't expect any more support than I had gotten before: I was in for a surprise. Our ARDOR manager listened to my concerns and challenges and found me options for financing my operation. While my business turned around without the financial support the ARDOR referred me to, I am encouraged to see that they have made providing business incentives and a revolving loan fund two of their three business goals for the year. This leaves no doubt in my mind that they heard my concern, recognized that it was important to helping businesses remain and flourish in the Fairbanks North Star Borough, and are taking action.

There is no doubt that my business is the exception that proves the rule. I was unable to receive funding from any source, public or private, to build the proto types needed to prove that my heater design was an improvement over existing technology. I can only wonder how many viable ideas have never materialized because of the lack of support in the past. If we as a community and a State are going to expand our economy we must look at value added products.

This year my manufacturing company will payout over \$500,000 to employees and suppliers in the Fairbanks area. I realize this is a very small amount in our overall economy, however if we are able to add only two new businesses the same size as mine each year, over time the impact will become significant.

Please support small manufacturers,
R. Terry Wornath, President
Equipment Source Inc.

Since 1999, the Fairbanks Economic Development Corporation (FEDC) has been collaborating with the Fairbanks North Star Borough (FNSB) Economic Development Division, an ARDOR, on issues of importance to Interior Alaska. The FNSB ARDOR helped facilitate economic development projects which were presented to FEDC or the FNSB by working the public end of the public/private partnerships all projects require.

Some of these projects include developing the cold weather test industry, working with the state to develop our forestry products industry, and putting together a video for national television. Without the ARDOR many of our projects would have a more difficult time moving forward. Economic Development is tough work, without the FNSB ARDOR it would be more difficult.

Ronald L. Ricketts
Acting President/CEO
Fairbanks Economic Development Corporation

continued . . .

Come to FAIRBANKS

a great place
in a big space



Customer Testimonials (continued)

Clear Channel Radio-Fairbanks has been coordinating with Economic Development Coordinator, Kathryn Dodge on a Tanana River area beautification project. Ms Dodge has been essential in cultivating this seedling of an idea into a future community event.

It's so easy to respond with the "no we can't's" when there are challenges attached. From the beginning, Ms. Dodge has been open-minded and motivated with seeing this project happen. She has shared with us the vision of developing it into an on-going beautification project. We appreciate her enthusiasm for a good idea and her efforts to turn it into action.

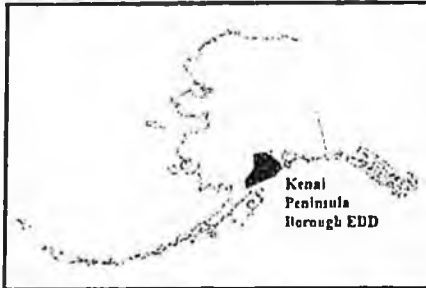
Chrys Castle
Promotions Director
Clear Channel Radio

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$45,745	
Total ARDOR \$	\$155,990	\$1 to \$3.41
Other State \$	N/A	N/A
Total non-State \$	\$110,245	\$1 to \$2.41
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$110,245	\$1 to \$2.41
In-kind contributions	\$30,450	\$1 to \$.67

	FY01	Leverage
State ARDOR \$	\$12,260	
Total ARDOR \$	\$125,130	\$1 to \$10.21
Other State \$	N/A	N/A
Total non-State \$	\$112,870	\$1 to \$9.21
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$112,870	\$1 to \$9.21
In-kind contributions	\$31,349	\$1 to \$2.56

Kenai Peninsula Borough Economic Development District



Mission Statement

The District is dedicated to the purpose of developing programs that promote and foster economic and workforce opportunities. The district's current services include planning and implementing a borough-wide comprehensive economic development strategy (CEDS), supporting small businesses with technical assistance, operating the Business Innovation Center and assisting communities with capacity building and action plans. These programs are designed to create quality, sustainable employment and related opportunities for Borough residents' and complement community and individual development initiatives.

FY 2004 Goals

- ★ Promote employment by providing businesses with Technical Assistance
- ★ Build Economic Development Capacity
- ★ Support quality, sustainable economic development
- ★ Encourage Economic Planning on community and borough levels
- ★ Travel to and participate in economic development conference
- ★ Review DCBD community profiles
- ★ Review/promote DCBD AEIS profiles
- ★ Assist communities in grant informational activities for DCBD grant programs
- ★ Provide statistical info for DCBD, as appropriate
- ★ Host a Regional Funding Summit

FY 2004 Top Economic/Business Needs

1. Assist the commercial salmon industry with the promotion of the Kenai Wild brand, utilize collaborative marketing endeavors to mitigate the negative impacts to commercial fishing and improve management and regulations of the Board of Fish.
2. Consistent, equitable regulatory climate that promotes natural resource exports and that promotes investment in the Peninsula continues.
3. Promote winter and conference events and market the Peninsula as year-around destination in order to diversify the economy to create employment opportunities.
4. Assist and coordinate efforts with the Kenai Peninsula Tourism Marketing Council attracting group tour companies. Promote the Alaska Sea Life Center, the Challenger Learning Center of Alaska, the Island and Ocean Visitor Center and the Pratt Museum to increase visitations.
5. Develop the west side of Cook Inlet
6. Develop a Rural Learning Center at the Kenai Peninsula College that includes student housing and culture center.

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7. Improve and expand career and vocational education classes in the secondary and post-secondary institutions.
8. Expand medical facilities and attract a skilled workforce to fill the vacancies.
9. Build and operate more senior housing and assisted living facilities.
10. To improve the roadway, marine and airway systems in the Kenai Peninsula in order to make transportation safer and more effective for commercial carriers as well as residents and tourists.
11. Produce a feasibility study on a marine "people mover" from Homer to Kenai.
12. To work with communities and support their efforts to develop convention facility or improved chamber facilities.
13. Maintain working relationships with local banks to improve access to capital for entrepreneurs who want to start or expand a business. Continue this year's success with supporting start-up and expanding businesses in the Business Innovation Center.
14. Facilitate regional small business development and entrepreneur educational workshops.

FY 2004 Budget

\$47,570	State ARDOR grant
\$0	Amount of other State funds
\$59,000	Amount of federal funds
\$75,000	Amount of private sector funds
\$50,000	Any other non-federal, non-State funds
<hr/>	<hr/>
\$231,570	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$0	Total FY03 ARDOR In-Kind Contributions

Other FY 2003 Accomplishments

1. Completed the M. O. U. and the Workforce Development Action Plan is available on our website. www.kpedd.org.

Board of Directors

Executive Committee

John Frohrip (President), Local Government, Seldovia City Official

Casey Reynolds (Vice Pres.), Community & Economic Development, Kenai Appointee

Scott McLane (Secretary), Professional Services, Soldotna City Official

Brandii O'Reagan (Treasurer), Fishing & Nonprofits, Soldotna Appointee

Members

Blaine Bardarson, Property Management, Seward Appointee

Anne Marie Holen, Tourism, Homer City Official

Blake Johnson, Organized Labor, Under/Unemployed, EDD Appointee

Ron Long, Mariculture, Borough Official, Seward

Phil Morris, Transportation / Labor, Kachemak City Official

Ed Oberts, Local Government, Borough Official, Soldotna

Nathan Orr, Visitors Industry, Seward City Official

Paul Shadura II, Commercial Fishing, Borough Appointee, Minority Rep.

Pete Sprague, Education, Borough Official

John Torgerson, Workforce Development, EDD Appointee

John Williams, Real Estate, Kenai City Official

Contact Person

Dee Gaddis

Admin. & Finance Coordinator
14896 Kenai Spur Hwy, 103-A
Kenai, AK 99611

Phone: 907-283-3335 ext. 223

Fax: 907-283-3913

E-mail: dgaddis@kpedd.org

Web site: www.kpedd.org/

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Kenai Peninsula Borough Economic Development District

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Maintain and provided economic data about the Kenai with our new website and updated resource library.
2. Held four Economic Outreach Forums. Two Forums were two-day events. Attendance was great and the feedback was very positive.
3. Assisted one corporation with relocating to the Peninsula.
4. Handed out over 250 brochures at public events. These brochures are designed for industrial recruitment.
5. Assisted BIC clients and other small business owners with marketing and networking with other local businesses to create and expand market share.

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Promote employment by providing businesses with Technical Assistance
- ✓ Build Economic Development Capacity
- ✓ Support quality, sustainable economic development
- ✓ Encourage Economic Planning on community and borough levels
- ✓ Travel to and participate in economic development conference
- ✓ Review DCBD community profiles
- ✓ Review/Promote DCBD AEIS profiles
- ✓ Assist communities in grant informational activities for DCBD grant programs
- ✓ Provide statistical info for DCBD, as appropriate
- ✓ Host a Regional Funding Summit

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 13

Board Representation: Local Government,
Fishing, Non Profit Sector, Real Estate,
Labor, Tourism

Number FTE staff: 4

FTE staff/capita: 0.000078

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: Port Graham Council
- ✓ Local/regional private:
- ✓ State Public: Department of Community & Economic Development,
Department of Labor, Kenai Peninsula College, Alaska Vocational
Technical Center
- ✓ State Private: Alaska Village Initiatives
- ✓ Federal Public: Economic Development Administration, Resource Conservation
& Development
- ✓ Native Private: Kenaitze Native Association, Cook Inlet Regional Corporation,
Port Graham Village Corporation

continued . . .

Customer Testimonials

“Without the very rapid and positive efforts of the EDD on behalf of KDLL I am certain our programming service would have been severely disrupted.

Allen Auxier, KDLL Station Manager

“The KPEDD provides an invaluable service to Tribes and Kenai Borough communities and should remain available for future success in all communities”.

Angela D. Sandstol, Native Village of Tyonek Tribal administrator

I would like to share my appreciation for the work that the KPEDD is doing in the Kenai Peninsula region. Assisting the communities in developing Community Action Plans is outstanding. The Kenai Peninsula is very fortunate to have an organization such as KPEDD”.

Jeanie Kennedy, Exec. Director RurALCap

“Alaska productions is a fast-growing full service video production company whose level of progress and success is directly tied to the assistance and support we’ve had through KPEDD”.

Morgan Evans, Owner & Producer of Alaska Productions

“My experience with KPEDD has shown me that the services and resources that this agency offers to the community are extremely valuable and supportive of economic growth and sustainability on the Kenai Peninsula”.

Krsita Timlin, KPC Career Center Coordinator

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$50,023	
Total ARDOR \$	\$252,032	\$1 to \$5.04
Other State \$	N/A	N/A
Total non-State \$	\$202,009	\$1 to \$4.04
Federal \$	\$59,000	\$1 to \$1.18
Private sector \$	\$53,009	\$1 to \$1.06
Other non-federal/non-State \$	\$90,000	\$1 to \$1.80
In-kind contributions	N/A	N/A

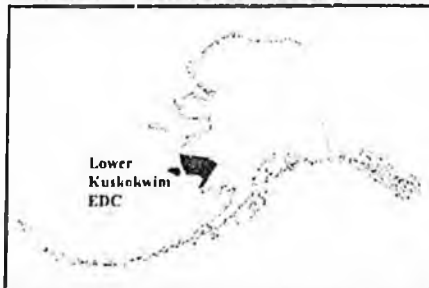
	FY01	Leverage
State ARDOR \$	\$45,409	
Total ARDOR \$	\$217,819	\$1 to \$4.80
Other State \$	N/A	N/A
Total non-State \$	\$172,410	\$1 to \$3.80
Federal \$	\$59,000	\$1 to \$1.30
Private sector \$	\$23,410	\$1 to \$.52
Other non-federal/non-State \$	\$90,000	\$1 to 1.98
In-kind contributions	N/A	N/A

	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$250,805	\$1 to \$5.26
Other State \$	\$50,000	\$1 to \$1.05
Total non-State \$	\$153,113	\$1 to \$3.21
Federal \$	\$59,000	\$1 to \$1.24
Private sector \$	\$4,113	\$1 to \$.09
Other non-federal/non-State \$	\$90,000	\$1 to \$1.89
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$446,692	\$1 to \$9.37
Other State \$	\$50,000	\$1 to \$1.05
Total non-State \$	\$349,000	\$1 to \$7.32
Federal \$	\$59,000	\$1 to \$1.24
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$290,000	\$1 to \$6.08
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$1,490,431	\$1 to \$28.85
Other State \$	\$1,029,765	\$1 to \$19.93
Total non-State \$	\$409,000	\$1 to \$7.92
Federal \$	\$59,000	\$1 to \$1.14
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$350,000	\$1 to \$6.77
In-kind contributions	N/A	N/A

Lower Kuskokwim Economic Development Council



Mission Statement

The Lower Kuskokwim Economic Development Council exists to promote economic development activities in Bethel and 26 surrounding villages. Local planning and assistance to secure funding for small business activities and local infrastructure needs in our region is provided.

FY 2004 Goals

- ★ Develop, Expand, Diversify and Promote quality standards of the Lower Kuskokwim fisheries industry.
- ★ Promote development and growth of tourism and the visitor industry in our region.
- ★ Develop and expand local and regional retail and services industry in our region.
- ★ Provide for the sound management of the Lower Kuskokwim EDC.

FY 2004 Top Economic/Business Needs

1. Develop new markets for value-added fish products, including salmon and other species.
2. Access to capital for local business development.

FY 2004 Budget (revised from original application)

\$47,720	State ARDOR grant
\$54684	Amount of other State funds
\$13,500	Amount of federal funds (USDA)
\$2,000	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$117,904	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$4,000	Total FY04 ARDOR In-Kind Contributions: discounted rent, use of office equipment, office supplies, donated airfare.

Other FY 2003 Accomplishments

1. \$18,500 obtained as non-state funding for LKEDC program operations.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Eighty five fishermen received a pay incentive for icing their commercial salmon catch, utilizing insulated slush ice bags provided by LKEDC.

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Develop, expand, diversify and promote quality standards of Lower Kuskokwim fisheries industry.
- ✓ Promote development and growth of tourism and visitor industry in the region.
- ✓ Develop and expand local & regional retail and service industry in the region.
- ✓ Provide for the sound management of the LKEDC.

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 12

Board Representation:

regional native corporation board member
Regional native corporation vice president
Small business owners (5)
Village corporation president
Village housing authority Executive Director
Ak State Senator
Ak State Representatives (2)
School District board member
Tribal Council Representative

Number FTE staff: 1

FTE staff/capita: 1/15,915

Board Members

Executive Committee

Fred Phillip, (Chairman)
Kwik Incorporated
Arthur Lake (Vice Chairman)
Kwigillingok IRA
Council
Peter Julius (Secretary) Small
business owner
Alexie Jimmie (Treasurer)
President, United Villages
Inc. & Small business
owner

Members

Max Angellan, Kwethluk
Tribal Resident Council
Andrew Guy, Calista
Corporation
Sam George, Small business
owner
Ferdinand Pleasant, Native
Village of Kwinhagak
Les Daenzer, Lower
Kuskokwim School
District
Lyman Hoffman, State Senator
Richard Foster, State
Representative
Mary Kapsner, State
Representative

Contact

Carl Berger
Executive Director
P.O. Box 2021
Bethel, AK 99559
Phone: 543-5967
Fax: 543-3130
E-mail:
carl_berger@ddc-alaska.org

continued . . .

Lower Kuskokwim Economic Development Council

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: AK Dept of Labor & Workforce Development
- ✓ Local/regional private: Bethel Chamber of Commerce
- ✓ State Public: State of AK, DCED; Univ of AK Fairbanks, Kuskokwim campus
- ✓ State Private: (none)
- ✓ Federal Public: USDA Rural Development & USDA Natural Resources
Conservation Service
- ✓ Native Private: Calista Corporation

Customer Testimonials

“Coastal Villages Seafoods lends its full support to the efforts of the Lower Kuskokwim Economic Development Council to increase the number of slush (ice) bags available to the fishermen of the Kuskokwim districts in Alaska.”

Chief Operating Officer, CVS

“I . . . support your efforts to improve the quality of the commercial salmon catch on the Kuskokwim river by the use of insulated slush ice bags . . . I have found that fish harvested in this manner are firm, bright and in prime condition when they are iced, prior to delivery”

John O. Mark, Commercial Fisherman
Quinhagak, Alaska

“I like the slush (ice) bag very much, so I’m buying it.”

Jim White, Commercial Fisherman
Eek, Alaska

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$50,200	
Total ARDOR \$	\$78,700	\$1 to \$1.57
Other State \$	N/A	N/A
Total non-State \$	\$28,500	\$1 to \$.57
Federal \$	N/A	N/A
Private sector \$	\$8,000	\$1 to \$.16
Other non-federal/non-State \$	\$20,500	\$1 to \$.41
In-kind contributions	\$4,500	\$1 to \$.09

	FY01	Leverage
State ARDOR \$	\$45,400	
Total ARDOR \$	\$80,100	\$1 to \$1.176
Other State \$	N/A	N/A
Total non-State \$	\$34,700	\$1 to \$.76
Federal \$	N/A	N/A
Private sector \$	\$10,200	\$1 to \$.11
Other non-federal/non-State \$	\$24,500	\$1 to \$.54
In-kind contributions	\$4,500	\$1 to \$.10
	FY00	Leverage
State ARDOR \$	\$47,300	
Total ARDOR \$	\$80,800	\$1 to \$1.71
Other State \$	N/A	N/A
Total non-State \$	\$33,500	\$1 to \$.71
Federal \$	N/A	N/A
Private sector \$	\$4,500	\$1 to \$.10
Other non-federal/non-State \$	\$29,000	\$1 to \$.61
In-kind contributions	\$4,500	\$1 to \$.10

Mat-Su Resource Conservation & Development, Inc.



Mission Statement
Mat-Su R&DC

FY 2004 Goals

- ★ Establish industrial sector to provide employment & tax base
- ★ Retain & expand existing business
- ★ Establish anchor attraction for tourism development
- ★ Strive to improve CEDS through participation, public input, and dissemination
- ★ Support natural resource based opportunities
- ★ Support infrastructure development
- ★ Natural resources managed, conserved, and developed making productive use of resources while protecting environmental quality
- ★ Transfer of land from public to private

FY 2004 Top Economic/Business Needs

1. Infrastructure development: continued expansion of basic utilities, expansion of public transportation, development of utility and transportation corridors to meet future growth, development of successful recycling program as basic community service.
2. Funding and technical assistance available to community service organizations and local non-profit organizations.
3. Expanded availability of training opportunities for employers, employees, and the unemployed.
4. Access to capital for small businesses and local projects.
5. CEDS available electronically for greater access by public, public agencies, and private business.

FY 2004 Budget

\$47,450	State ARDOR grant
\$0	Amount of other State funds
\$100,000	Amount of federal funds
\$1,350	Amount of private sector funds
\$19,550	Any other non-federal, non-State funds
<hr/>	
\$168,350	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$9,200	Total FY03 ARDOR In-Kind Contributions: Board Volunteer hours estimate 368 hours/yr total X \$25 per hour = \$9,200

Other FY 2003 Accomplishments

1. Provided financial services for 5 local service organizations and non-profits.
2. Supported continued development of Multi-Use Sports Complex.
3. Supported expansion of hospital to meet community needs.
4. Provided economic data to businesses considering relocation to the region.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Organized and Hosted 5th Annual Valley Economic Development Conference.
2. Regional Recycling program development: Weekly recycling events, increased material collections, new materials available for collection, developed business plan, began site work at permanent recycling center.
3. Development and expansion of local public transportation: new buses funded and acquired, more frequent routes to outlying areas, increase in ridership and access for social service programs, started youth program.
4. Utility expansion to Port MacKenzie

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Establish industrial sector to provide employment & tax base
- ✓ Retain & expand existing business
- ✓ Establish anchor attraction for tourism development
- ✓ Strive to improve CEDS through participation, public input, and dissemination
- ✓ Support natural resource based opportunities
- ✓ Natural resources managed, conserved, and developed making productive use of resources while protecting environmental quality
- ✓ Transfer of land (public-private)

* A Legislative performance measure discussed on pages 65 and 66.

Board of Directors

Executive Committee

Darcie Salmon, (Pres) Valley Board of Realtors
Dick Zobel, (Vice Pres) AK Soil/Water Conservation District (SWC)
Al Jorgenson, (Sec) Mat-Su Native Federation
Ted Smith, Past President
Rick Leibowitz, Small Business

Members

Steve Levine, MSB School District
Ted Smith, Willow Chamber of Commerce
Rose Marie "Tiny" DePriest Alaska Farmers & Stock Growers
Ed Brittingham, Greater Wasilla Chamber
Craig Tytten, Wasilla Soil & Water Conservation District
Janet Kincaid, Mat-Su Convention & Visitors Bureau
Anna Van Reitz, NVDC
Diane Keller, Mayor, City of Wasilla
Kelly Lankford Ladere, Upper Su SWCD
Clarence Furbush Palmer SWCD
Elizabeth Ripley, Greater Palmer Chamber
Dan Deedy, Enstar Gas
Dale Adams, Mayor, City of Houston
Tony Pippel, City of Palmer
Wayne Carmony, Mat-Su Electric Assoc.
Jackie Whitstine, MTA
Debby Retherford, Wells Fargo Bank
John Duffy, Mat-Su Borough
Angele Rosas, Houston Chamber

Contact

Charles R. Parker,
Executive Director
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Wasilla, Alaska 99654
Phone: 373-1062 ext. 108
Fax: 373-1064
E-mail: matsurcd@mtaonline.net

continued . . .

Mat-Su Resource Conservation & Development, Inc.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 23

Board Representation: utilities, local government, realtors, chambers of commerce, convention and visitors bureau, soil and water conservation districts, regional native federation, small business development, and other partners such as the Alaska Farmers & Stock Growers and the North Valley Development Council.

Number FTE staff: 2

FTE staff/capita: 0.00167%

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: Mat-Su Borough, City of Palmer, City of Wasilla, City of Houston, 23 Recognized Community Councils, Knik Tribal Council, Chickaloon Tribal Council, Department Community & Economic Development, Department of Transportation & Public Facilities, Department of Natural Resources
- ✓ Local/regional private: Chambers of Commerce: Palmer, Wasilla, Houston, Talkeetna, Big Lake, Willow
- ✓ State Public: Matanuska Electric Association, Matanuska Telephone Association, Enstar Natural Gas
- ✓ State Private: Banks, Realtors, Kiwanis, Rotary, Mat-Su Homebuilders Association, Mat-Su College
- ✓ Federal Public: U.S. Department of Commerce, U.S. Department of Agriculture
- ✓ Native Private:

Customer Testimonials

None submitted.

Cost-benefit analysis for FY02 - FY93

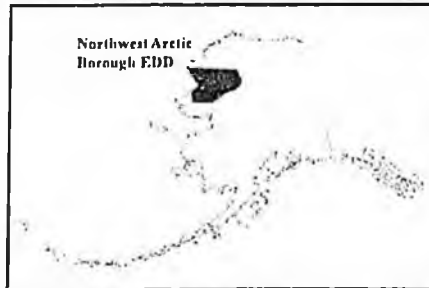
	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$184,992	\$1 to \$3.88
Other State \$	N/A	N/A
Total non-State \$	\$137,300	N/A
Federal \$	\$111,800	N/A
Private sector \$	\$15,500	\$1 to \$.33
Other non-federal/non-State \$	\$10,000	\$1 to \$.21
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$207,966	\$1 to \$4.03
Other State \$	N/A	N/A
Total non-State \$	\$156,300	N/A
Federal \$	\$116,800	N/A
Private sector \$	\$23,500	\$1 to \$.45
Other non-federal/non-State \$	\$16,000	\$1 to \$.31
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$218,516	\$1 to \$.23
Other State \$	N/A	N/A
Total non-State \$	\$166,850	N/A
Federal \$	\$126,500	N/A
Private sector \$	\$8,100	\$1 to \$.16
Other non-federal/non-State \$	\$16,000	\$1 to \$.31
In-kind contributions	N/A	N/A

continued ...

Northwest Arctic Borough Economic Development Commission



Mission Statement

To promote economic development that is consistent, whenever possible, with the traditions and culture of the region; to encourage entrepreneurship; and to reduce the cost-of-living for borough residents.

FY 2004 Goals

- ★ Promote the development of small businesses in the region.
- ★ Promote the arts and crafts industry for the residents of the NANA region.

FY 2004 Top Economic/Business Needs

1. Continuing small business grants, loans and small business education.
2. Continuing the art purchase and marketing program.
3. Construction and operation of the new Sulainich Arts Center.

FY 2004 Budget

\$47,820	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$0	Amount of private sector funds
\$221,855	Any other non-federal, non-State funds
<hr/>	
\$269,675	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$335,000	Total FY03 ARDOR In-Kind Contributions
	Describe the contributions: Office space for \$18,000, utilities for \$6,000, and accounting support in the form of 1/3 time of comptroller position for \$30,000, all from the NW Arctic Borough. Use of \$170,000 Small Business Revolving Loan Fund, \$105,000 Revolving Arts Purchase/Marketing Fund, and \$6,000 Revolving Youth Group Loan Fund.

Other FY 2003 Accomplishments

1. Continued work with the North Slope Borough/Arctic EDC through the Arctic Summit, including provision of consultation on development of an arts program and loan program in the North Slope Borough that would mirror that of the Northwest Arctic
2. Borough Development of arts centers in the villages of Selawik and Ambler.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Joint effort between the Borough, Chukchi Campus of UAA, Maniilaq Association, and NANA Regional Corporation, resulted in the successful acquisition of a \$395,000 HUD Rural Development grant for construction of a Regional Art Center.
2. Hosted Russian emissaries who are interested in developing business ties to the United States and the Northwest Arctic Borough as a project in conjunction with the University of Alaska.

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Administer Small Business Revolving Loan Program
- ✓ Administer Small Business Grant Program
- ✓ Administer Revolving Arts Purchase and Marketing Program
- ✓ Present Annual Arctic Small Business Gathering in Kotzebue

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 13

Board Representation: Village Corp., utilities, local government, banking, business

Number FTE staff: 2.5

FTE staff/capita: 2883.2

continued . . .

Economic Development Commission

John Schaeffer, (Chair)
Lucy Nelson, For-Profit Corporation
Brad Reeve, Utilities
Kim Franklin, Banking
Jeannie Westlake, Business

Ex Officio

Walter Sampson, Assembly President
Roswell Schaeffer, Borough Mayor

Contact

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Executive Director
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Fax: 442-2930
E-mail: lstoops@northwestarcticborough.org
Web site: www.northwestarcticborough.org

Northwest Arctic Borough Economic Development Commission

FY 2004 Connection to other related services or programs (public or private):

Partners

- ✓ Local/regional public: North Slope Borough, Bering Sea Fishermens Association
- ✓ Local/regional private: Chukchi College, Kotzebue IRA
- ✓ State Public:
- ✓ State Private:
- ✓ Federal Public:
- ✓ Native Private: NANA Regional Corporation, Maniilaq Association

Customer Testimonials

Our program is highly interactive with hundreds of individuals. The popularity and high rate of usage of our programs is the consumer input from which we take inspiration.

Clasic Success Story 2 1/2 months ago a Buckland family started a small store in their home with no capital other than \$1,600 from two of our PFD Revolving Small Business Loans. In September, they purchased \$15,000 in inventory alone. Again, their sole capital was our small business loan program! That's what I'm talking about!

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$50,273	
Total ARDOR \$	\$494,533	\$1 to \$9.84
Other State \$	N/A	N/A
Total non-State \$	\$444,160	\$1 to \$8.83
Federal \$	\$80,000	\$1 to \$1.59
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$100,000	\$1 to \$1.99
In-kind contributions	\$82,000	\$1 to \$1.63

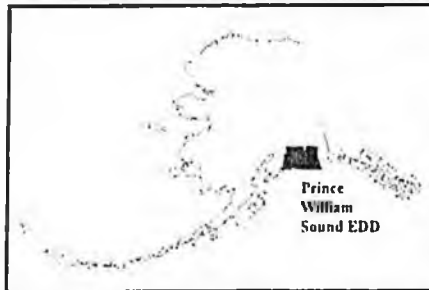
	FY01	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$421,285	\$1 to \$9.51
Other State \$	N/A	N/A
Total non-State \$	\$376,963	\$1 to \$8.51
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$100,000	\$1 to \$2.26
In-kind contributions	\$80,000	\$1 to \$1.81

	FY00	Leverage
State ARDOR \$	\$47,692	
Total ARDOR \$	\$306,079	\$1 to \$6.42
Other State \$	N/A	N/A
Total non-State \$	\$258,387	\$1 to \$5.42
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	\$60,000	\$1 to \$1.26

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$195,745	\$1 to \$3.79
Other State \$		N/A
Total non-State \$	\$144,079	\$1 to \$2.79
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$172,748	\$1 to \$3.34
Other State \$	N/A	N/A
Total non-State \$	\$121,082	\$1 to \$2.34
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

Prince William Sound Economic Development District



Mission Statement
PWSEDD, in partnership with the State of Alaska, U. S. Dept. of Commerce and private industry, brought nearly \$6M to the villages and towns in Prince William Sound for regional development since 1991.

FY 2004 Goals

- ★ Promote Tourism: build sustainable tourism industry, support efforts in communities to build new visitor centers, work with Alaska Marine Highway & Scenic Byways Program.
- ★ Workforce Development: Continue working with Valdez Fisheries Development Association on the new seafood processing plant for the region's fishermen.
- ★ Develop regional energy plan to attract new businesses

FY 2004 Top Economic/Business Needs

1. Lower energy costs
2. Natural Gas Pipeline from North Slope
3. Workforce development
4. Diversity in local economies: increased tourism

FY 2004 Budget

\$47,620	State ARDOR grant
\$0	Amount of other State funds
\$0	Amount of federal funds
\$17,582	Amount of private sector funds
\$0	Any other non-federal, non-State funds
\$65,202	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$8,000	Total FY04 ARDOR In-Kind Contributions: Board of Directors and member time, travel, and lodging; donated flights; community donations to projects

Other FY 2003 Accomplishments

1. Planned educational seminars with DCBD
2. Provided information and contacts to those interested in locating businesses in Prince William Sound
3. Continued work with Valdez Fisheries to fund training as certified fish processors
4. Coordinating feature story in national publication for tourism article in FY04
5. Examples of activities:

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Valdez Fisheries Development Association processing plant will serve the entire region's fishermen for processing and marketing.
2. Prince William Sound Gateway Museum in Whittier will attract more visitors to the region and improve the tourism industry.
3. Chugachmiut/PWSEDD Funding Summit brought 70 members of state and federal agencies, tribes, local and regional agencies to Cordova, Feb. 5-7, 2003 that was beneficial to local economy and all attending.
4. CEDS Updated and approved by PWSEDD directors, Alaska and Regional Economic Development Administration, U. S. Dept. of Commerce.

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Create tourism marketing plan with each community
- ✓ Continue work with Chenega Bay to build oil spill training center
- ✓ Sponsor Funding Summit in Cordova with Chugachmiut
- ✓ Continue work with Valdez Fisheries Small Business Incubator/Fish Processing Plant
- ✓ Open history museum in Whittier

* A Legislative performance measure discussed on pages 65 and 66.

continued . . .

Board of Directors

David Dengel, Pres., City of Valdez
David Cobb, V. P., VFDA
Betty Miller, Secretary
Scott Hahn, Treas., City of Cordova
Kenneth Gates, Cordova Electric Cooperative
Gary Kompkoff, Tatitlek IRA Council
Robin Moore, Whittier
Charles Totemoff, Chenega Corp.

Membership

BP
City of Valdez
City of Cordova
City of Whittier
Chenega IRA Council
Chenega Corporation
Tatitlek IRA Council
Chugach Alaska Corporation
Alyeska Pipeline Service Company
Cordova Electric Cooperative
First National Bank of Anchorage
Eagle Quality Center/Safeway
Wells Fargo
Petro Star Valdez Refinery
Prince William Sound Community College
Samson Tug and Barge

Contact

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Anchorage, Alaska 99503
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Fax: 222-2411
E-mail: pwsedc@alaska.net

Prince William Sound Economic Development District

FY 2004 Organizational and Staffing Charts

Number of Board Members: 9

Board Representation: Industrial, Seafood, technology,
defense, energy, shipping

Number FTE staff: 1

FTE staff/capita: 1:4257

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: City of Valdez, City of Cordova, City of Whittier
- ✓ Local/regional private: Valdez Fisheries Deveopment Association, Chenega Bay IRA Council, Tatitlek IRA Council
- ✓ State Public: Dept. of Labor and Workforce Dev., DCED, DCBD, Alaska Marine Highway System
- ✓ State Private:
- ✓ Federal Public: Economic Development Administration
- ✓ Native Private: Chugach Alaska (exhibits in Prince William Sound Gateway Museum)

Customer Testimonials

As business manager for Valdez Fisheries Development Association, I would like to commend Prince William Sound Economic Development District for being a valuable resource to the communities in our region. Since its beginning in 1991, PWSEDD has worked within the region on a wide range of projects that included small business and workforce development, natural resource development, tourism planning, and a long list of other projects that were requested by the towns and villages. Valdez Fisheries has worked closely with PWSEDD and the federal Economic Development Administration to obtain funding for our Fisheries Business Incubator Investment now operating in Valdez, soon to be available in other Alaska fishing communities.

Dave Cobb

Prince William Sound Economic Development District provided technical assistance in developing our new Prince William Sound Gateway Museum, soon to open in Whittier. Working with the Alaska Division of Community and Business Development, they helped us obtain a grant to build the museum, and worked with us on every stage of the museum's development. PWSEDD is a resource center providing ideas to improve the quality of life in our rural communities.

G. P. "Pete" Heddell, Pres. Whittier Chamber of Commerce,
(Owner, Honey Charters)

Chugachmiut and Prince William Sound Economic Development District sponsored a funding summit in partnership with state, federal and philanthropic agencies last February that brought over 70 participants to Cordova. The purpose was to discuss two important projects from each city, town, and tribe in the region, and then find funding solutions for these projects. The conference was very successful and those attending had very positive comments about the entire experience. Needless to say, it was an economic boon to Cordova during the winter season. As a member of PWSEDD, Cordova Electric Cooperative supports the ARDOR programs in Prince William Sound.

Ken Gates, President and CEO

PWSEDD worked extensively with the Exxon Valdez Oil Spill Trustee Council and state agencies in the 1990s on several multi-million dollar environmental projects in Prince William Sound. One very important project was the second clean up effort in Chenega Bay. Another was constructing residual oil collection centers in each of the five communities....bilge water is collected, then the oil removed and used as fuel to heat public buildings, returning the clean water to the sea. PWSEDD is an asset to our region.

Charles W. Totemoff, President and C. E. O.,
Chenega Corporation.

continued . . .

Prince William Sound Economic Development District

Cost-benefit analysis for FY93 - FY02

	FY02	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$79,285	\$1 to \$1.79
Other State \$	N/A	N/A
Total non-State \$	\$35,000	79%
Federal \$	N/A	N/A
Private sector \$	\$35,000	\$1 to \$.79
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

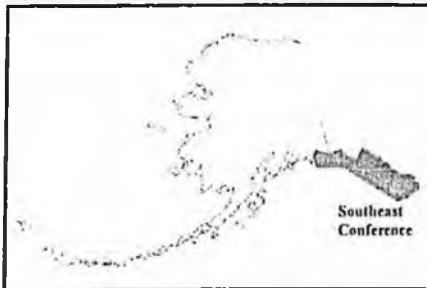
	FY01	Leverage
State ARDOR \$	\$44,285	
Total ARDOR \$	\$106,976	\$1 to \$2.42
Other State \$	N/A	N/A
Total non-State \$	\$62,691	\$1 to \$1.42
Federal \$	\$20,000	N/A
Private sector \$	\$31,500	\$1 to \$.71
Other non-federal/non-State \$	\$11,191	\$1 to \$.25
In-kind contributions	\$30,000	\$1 to \$.68

	FY00	Leverage
State ARDOR \$	\$45,408	
Total ARDOR \$	\$116,546	\$1 to \$2.57
Other State \$	N/A	N/A
Total non-State \$	\$71,138	\$1 to \$1.57
Federal \$	N/A	N/A
Private sector \$	\$51,138	\$1 to \$1.13
Other non-federal/non-State \$	\$20,000	\$1 to \$.44
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$52,859	
Total ARDOR \$	\$123,969	\$1 to \$2.35
Other State \$	N/A	N/A
Total non-State \$	\$71,110	\$1 to \$1.35
Federal \$	N/A	N/A
Private sector \$	\$14,500	\$1. To \$0.27
Other non-federal/non-State \$	\$56,610	\$1 to \$1.07
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$138,104	\$1 to \$2.67
Other State \$	N/A	N/A
Total non-State \$	\$86,438	\$1 to \$1.67
Federal \$	N/A	N/A
Private sector \$	\$8,075	\$1 to \$0.16
Other non-federal/non-State \$	\$78,363	\$1 to \$1.52
In-kind contributions	N/A	N/A

Southeast Conference



Mission Statement

To help develop strong economies, healthy communities, and a quality environment in Southeast Alaska.

FY 2004 Goals

- ★ Infrastructure Development
- ★ Quality of Life Improvements
- ★ Capacity Building
- ★ Tourism Development
- ★ Timber Development
- ★ Fisheries Development
- ★ Minerals Development
- ★ Business Development
- ★ Environmental Quality Assistance
- ★ Organizational Communications
- ★ Development Planning for Organization
- ★ Organizational Efficiency

FY 2004 Top Economic/Business Needs

1. Support the state appointed Marine Transportation Advisory Board in efforts to assist the Alaska Marine Highway System evolve into a more cost effective and efficient system, while seeking to better utilize assets to improve service.
2. Remain involved in recommending changes and updates to the Southeast Alaska Transportation Plan, and promote efforts to implement the Plan.
3. Continue efforts to construct a regional electrical intertie system.
4. Establish and administer a Timber Industry Revitalization Plan, utilizing specific services of a coordinator and contracted consultants to execute the plan.
5. Continue efforts to develop proposals for diversifying and revitalizing distressed fisheries in the region.
6. Establish work plan for newly constituted Health Care committee, to identify areas of common concern, and where economies of scale can be realized, foster cooperation and resource sharing among the region's health care providers.

FY 2004 Budget

\$47,823	State ARDOR grant
\$698,554	Amount of other State funds
\$195,601	Amount of federal funds
\$128,350	Amount of private sector funds
\$0	Any other non-federal, non-State funds
<hr/>	
\$1,070,328	Total FY03 ARDOR Budget <i>(total of above 5 lines)</i>
\$226,200	Total FY03 ARDOR In-Kind Contributions: Board, Committee and Member hours donated annually. (7,540 hours total at \$30/hour)

Other FY 2003 Accomplishments

1. CEDS Updated: 2002 CEDS update completed in July 2002. 2003 CEDS update completed in June 2003. The Planners worked with 27 communities on the CEDS and CEDS update. The original 2001 CEDS contained 284 projects. In 2002 and 2003 the CEDS matrix was expanded and edited to reflect a more accurate list of local projects and include more regional development projects in transportation, infrastructure and utilities. Sixty-four completed and discontinued projects were removed from the matrix listing; 200 projects were updated to account for work completed in the past year; and 107 new community projects were added.
2. Provided outreach and technical assistance to POW Island communities: RC&D Assistant worked with Thorne Bay, Metlakatla, Kasaan, Klawock, Hydaburg, Naukati and Craig on wetlands management, erosion control, economic and social development, and water systems development. Community Planners worked on the following projects: Naukati- Waterfront Development / Public Dock- Assisted Naukati with writing a mini-grant to contract engineering services for the design, engineering and cost estimates for construction of the waterfront dock improvements. Improvement of the dock facility will support economic development in the region, and be a source of community revenue for Naukati West Homeowners Association. - Mini-grant submitted. IFA Ferry Projects - Work to support continued funding for IFA ferry projects. The Southeast Conference Annual Meeting was held in Craig this year, which allowed Southeast Conference staff the ability to meeting with most POW city and community groups during the course of the event.

continued . . .

Board of Directors

Executive Committee

Tom Briggs, (President)
John "J.C." Conley, (Past President)
Murray Walsh, (First Vice President)
Rob Allen, (Second Vice President)
Carol Rushmore, (Treasurer)
Maxine Thompson, (Secretary)

Members

Rosemary Hagevig, Director
Robert Venables, Director
Bob Ward, Director
John Pearson, Director
Keith Perkins, Director

Ex Officio

Loren Gerhard, Projects and Policy Director
Meilani Schijvens, Administrative Director

Contact

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Administrative Director
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Juneau, AK 99801
Phone: 463-3445 ext.27
Fax: 463-5670
E-Mail:
meilani@seconference.org
Web Site:
www.seconference.org

3. Participated in Regional Groups/Events: Hosted PACRIM RC&D Association annual meeting in FY-03: The meeting was held in Ketchikan on September 10th – 12th, 2002, was well attended, and received positive reviews from attendees. Attended Juneau Chamber of Commerce luncheons and annual banquet/meeting; met with state-wide ARDORS; Alaska Chamber of Commerce Annual Meeting; Alaska Conference of Mayors Annual Meeting; Southeast Alaska Conference of Mayors meetings; Southeast Caucus Meetings; Southeast Conference of Chambers meeting; JEDC events; Central Council's "Angoon Economic Initiatives 2003;" Central Council's "Salmon Summit;" Central Council's Prince of Wales Economic Initiatives 2003; Juneau Funding Forum; and a joint Kake/Petersburg meeting. We hosted Southeast Conference's 45th Annual Meeting, the Southeast Conference Mid-Session Summit, and a state-wide natural resource litigation issues meeting. Plan to present the Community Watershed Program at the National RC&D Association annual meeting in San Antonio in July 2003.
4. Community Strategic Planning Team Proposal: Worked on proposal to EDA to create a regional Community Strategic Planning Team. The goal of this team is to evaluate community economic trends; facilitate business plans; help nominate CEDS projects; assist in project development, funding and permitting; and support and assist local business development. Also working on creating a Southeast Conference Economic Revitalization Program.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Work with Juneau Economic Development Council and DEC on fish waste product utilization. Supported industry efforts in Excursion Inlet and elsewhere.
2. Continued support for Interisland Ferry Authority, and its development plan, which is positively affecting business on Prince of Wales Island, and Ketchikan.
3. Assisted DOT and communities in discussing a review of Southeast Alaska Transportation Plan, which is now taking place. Should result in a more coordinated plan for improving transportation options for businesses in the region.
4. Appointed Economic Development District by the U.S. Department of Commerce, after extensive effort on a Comprehensive Economic Development Strategy. Supplies communities with easier access to federal assistance for economic development projects, and assists agencies in identifying regional priorities.
5. Worked with the Central Council of Tlingit&Haida Indian Tribes of Alaska to host a Salmon Summit, explored ways to improve the outlook for area fishers.

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Community Development: Infrastructure Development, Quality of Life Improvements, Capacity Building
- ✓ Economic Development: Tourism Development, Timber Development, Fisheries Development, Minerals Development, Business and Industrial Development
- ✓ Environmental Assistance: Environmental Quality
- ✓ Organizational Development: Communications, Development Planning, Efficiency and Effectiveness

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 13

Board Representation: local government, lumber,
transportation, energy, fisheries,
tourism, small business

Number FTE staff: 2.67

FTE staff/capita: 1 : 28,000

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: Southeast Conference of Mayors, Southeast Legislative Caucus
- ✓ Local/regional private: Juneau Economic Development council
- ✓ State Public: Department of Transportation & Public Facilities, DCED, DEC, University of Alaska Southeast
- ✓ State Private: Northwest Cruise Ship Association
- ✓ Federal Public: Natural Resources Conservation Service, Economic Development Administration, U.S. Forest Service
- ✓ Native Private: Central Council of Tlingit & Haida Indian Tribes of Alaska

Customer Testimonials

Allen Marine Tours, Inc. (AMT) has been a member of Southeast Conference (SEC) for several years and will continue to be a member into the future. Southeast Conference has been a valuable resource for AMT since we joined. SEC is a source of information and contacts on State, Federal, and municipal issues throughout the southeast region. AMT has been able to utilize information, contacts, and forums from SEC that have allowed us to improve our business and take advantage of opportunities we might have otherwise missed. The Annual Meeting and Mid-session Summit have also allowed us to meet and socialize with many of the people we do business with in the private sector, state, federal, and municipal agencies. SEC membership has been a good investment for Allen Marine. We get far more out of it than the membership fee costs.

Rob Allen, President, Allen Marine Tours

.....Over the past 45 years the Southeast Conference has served as the region's leading advocate for transportation, energy infrastructure, economic development, and environmental quality. The organization took positions in support of timber, fishing, the establishment of the Southeast Alaska Electrical Intertie Agency, and a study to improve the Alaska Marine Highway System.
Don Smith, Publisher

Juneau Empire editorial September 22, 2002: Southeast Conference going strong at 45

continued . . .

The City of Craig is a long time member of Southeast Conference (SEC). As Mayor of this community I have time and again witnessed SEC taking the lead in promoting regionally significant projects and issues. Also, SEC advocacy for Southeast communities has created a region wide cohesiveness and a forum for the exchange of ideas found nowhere else in the state. In the same vein, as Board President and one of the founders of the Inter-Island Ferry Authority, I can't over-state the importance of SEC to our organization. As with the Alaska Marine Highway System, Southeast Conference has been instrumental in developing the Inter-Island Ferry Authority and we look regularly to the membership for support on important issues.

Dennis Watson
 Mayor City of Craig Alaska

Since 2000 the Juneau Economic Development Council has been collaborating closely with Southeast Conference on issues of critical importance to southeast Alaska. The activities and network which SEC has developed greatly facilitates the ability of JEDC to deliver business assistance services throughout the region . This "human infrastructure" is the only way in which the southeast region will be able to develop and create a vibrant economy into the future, and SEC excels in this arena. The broad membership of individuals and communities which are represented in SEC are testament to their effectiveness. In turn, this network and our collaborative programs (e.g. the salmon by-product project, value added wood products) has helped JEDC become more effective in helping to create wealth and family wage jobs in Juneau and the region.

Lance Miller, Ph.D.
 ED JEDC

USDA Forest Service Experience with SEC

The Alaska Region of the U.S. Forest Service are proud members of Southeast Conference (SEC) and enjoy the wonderful working relationship we have with them. SEC provides a wonderful forum for transportation and related infrastructure issues that all are so important to the commerce and economic vitality of our Southeast Alaska communities. SEC also provides an important linkage to Southeast Alaska mayors and other elected officials. Further, SEC fulfills a major role in sparking communication between federal, state, and local agencies and local elected officials that is crucial to a united approach to improving the quality of life in Southeast Alaska in an environmentally sound manner.

Steve Brink – Deputy Forest Supervisor - Resources
 U.S. Forest Service Alaska Region

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$44,297	
Total ARDOR \$	\$573,724	\$1 to \$12.95
Other State \$	\$49,855	\$1 to \$1.13
Total non-State \$	\$479,572	\$1 to \$10.83
Federal \$	\$363,472	\$1 to \$8.21
Private sector \$	\$110,400	\$1 to \$2.49
Other non-federal/non-State \$	\$5,700	\$1 to \$1.3
In-kind contributions	\$91,000	\$1 to \$2.05

	FY01	Leverage
State ARDOR \$	\$45,409	
Total ARDOR \$	\$357,464	\$1 to \$7.87
Other State \$	\$15,903	\$1 to \$.35
Total non-State \$	\$296,152	\$1 to \$6.52
Federal \$	\$148,560	\$1 to \$3.27
Private sector \$	\$141,442	\$1 to \$3.11
Other non-federal/non-State \$	\$6,150	\$1 to \$.14
In-kind contributions	\$91,000	\$1 to \$2.00

	FY00	Leverage
State ARDOR \$	\$48,090	
Total ARDOR \$	\$363,781	\$1 to \$7.56
Other State \$	\$19,215	\$1 to \$.40
Total non-State \$	\$296,476	\$1 to \$6.17
Federal \$	\$78,016	\$1 to \$1.62
Private sector \$	\$7,764	\$1 to \$.16
Other non-federal/non-State \$	\$210,696	\$1 to \$4.38
In-kind contributions	\$80,000	\$1 to \$1.66

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$301,966	\$1 to \$5.84
Other State \$	\$5,000	\$1 to \$.10
Total non-State \$	\$245,300	\$1 to \$4.75
Federal \$	\$104,100	\$1 to \$2.01
Private sector \$	\$3,000	\$1 to \$.06
Other non-federal/non-State \$	\$138,200	\$1 to \$2.67
In-kind contributions	\$75,000	\$1 to \$1.45

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$160,450	\$1 to \$3.11
Other State \$	N/A	N/A
Total non-State \$	\$108,784	\$1 to \$2.11
Federal \$	N/A	N/A
Private sector \$	N/A	N/A
Other non-federal/non-State \$	\$108,784	\$1 to \$2.11
In-kind contributions	N/A	N/A

Southwest Alaska Municipal Conference



Mission Statement

SWAMC advances the collective interests of Southwest Alaska's people, businesses, and communities by promoting economic opportunities that improve quality of life and influences long-term responsible development.

FY 2004 Goals

- ★ *Economic Development:* Fisheries Development, Tourism Development, Regional Economic Planning, Small Business Development, Workforce Development, and other Business and Resource Development.
- ★ *Community Development:* Infrastructure Development, Health, Education and Public Safety Development, Community Planning.
- ★ *Organizational Development:* Communications, Policy and Issue Advocacy, and Organizational Efficiency and Effectiveness.

FY 2004 Top Economic/Business Needs

1. Complete and publicize findings regarding the economic geography of Southwest Alaska and identify strategies to increase wealth retention in the region.
2. Increase direct marketing capacity of region through expanded local processing capacity and technical assistance to direct marketers.
3. Expand regional infrastructure to move seafood products to market with the least cost, least handling, and greatest efficiency.
4. Reduce the region's high energy costs and develop alternative energy potential including wind and tidal power.
5. Influence positive outcomes for policy development regarding Essential Fish Habitat and Marine Protected Areas.
6. Infrastructure Development; identify revised priorities for the SW AK Transportation plan given changes in regional economy
7. Strengthen and expand ferry service; capitalize on the system's designation as a national scenic byway.

FY 2004 Budget

\$48,170	State ARDOR grant
\$3,550	Amount of other State funds
\$59,000	Amount of federal funds
\$71,500	Amount of private sector funds
\$16,600	Any other non-federal, non-State funds
<hr/>	
\$198,820	Total FY04 ARDOR Budget <i>(total of above 5 lines)</i>
\$88,000	Total FY04 ARDOR In-Kind Contributions: Volunteer hours of 2,938 at \$30. This estimate does not include municipal contributions for travel and other related costs.

Other FY 2003 Accomplishments

1. Initiated discussion and research of regional involvement in the development of fiber optic cable backbone with the potential to expand broadband accessibility throughout the region.
2. Initiated research on the economic geography of Southwest Alaska to determine leakages from the region, interdependencies between Southwest and Southcentral Alaska, direct incomes exported from Southwest to other areas, and other indicators of regional economic performance.

FY 2003 Coordinated Regional Efforts Resulting in New Business Opportunities

1. Completed development of the Comprehensive Southwest Alaska Tourism Marketing Program.
2. Worked with the Northwest Trade Adjustment Assistance Center to provide regional harvesters, processors, and communities with access and information regarding assistance available; advocated for changes in the Trade Reform Act.
3. Developed a revised Southwest Alaska Comprehensive Economic Development Strategy that will guide ongoing efforts through 2008.
4. Provided technical assistance and training at regional fall conference and annual meeting.
5. Supported EDA funding for development of shore-side processing capacity in several communities and the development of additional marine infrastructure to facilitate the movement of seafood products in the region.

Board of Directors

Members

Wayne Stevens (Pres.),
Municipal Representative -
Kodiak Island

Alice Ruby (Vice Pres.),
Municipal Representative -
Bristol Bay

Frank Kelty (Sec/Treas.),
Municipal Representative -
Aleutians/Pribilofs

Elary Gromoff,
Associate Representative -
Aleutians/Pribilofs

Mayor Glen Gardner, Jr.,
Municipal Representative -
Aleutians/Pribilofs

Debora King,
Associate Representative -
Kodiak Island

Dave Woodruff,
Municipal Representative -
Kodiak Island

Myra Olsen,
Associate Representative -
Bristol Bay

Carvel Zimin,
Municipal Representative -
Bristol Bay

Kara Sandvik,
Associate Representative -
At Large

Joe Sullivan,
Associate Representative -
At Large

Contact

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www.southwestalaska.org

Southwest Alaska Municipal Conference

FY 2003 Goals * (Percentages of goal achieved: 100%. A ✓ indicates the goal was accomplished.)

- ✓ Fisheries Development
- ✓ Infrastructure Development
- ✓ Tourism Development
- ✓ Education/Public Services Development
- ✓ Organizational Development

* A Legislative performance measure discussed on pages 65 and 66.

FY 2004 Organizational and Staffing Charts

Number of Board Members: 11

Board Representation: local government, fisheries, natural resources, tourism, small business, banking

Number FTE staff: 3

FTE staff/capita: 0.01%

FY 2004 Connection to other related services or programs (public or private)

Partners

- ✓ Local/regional public: 33 incorporated municipal governments; 55 federally recognized tribal governments; Southwest Legislative Delegation; two CRSAs
- ✓ Local/regional private: Kodiak Chamber of Commerce, Dillingham Chamber of Commerce, Kodiak Island Convention & Visitors Bureau, Unalaska/Port of Dutch Harbor Convention & Visitors Bureau, Aleutian/Pribilof Islands Community Development Association, Bristol Bay Economic Development Corporation, Central Bering Sea Fishermen's Association
- ✓ State Public: Department of Transportation & Public Facilities, Department of Commerce and Economic Development, Department of Fish & Game, Department of Military & Veterans Affairs, Regulatory Commission of Alaska, Department of Labor, University of Alaska
- ✓ State Private: Marine Conservation Alliance, UFA, Alaska Municipal League, Alaska Travel Industry Association, Alaska Wilderness Recreation & Tourism Association, Alaska State Chamber of Commerce, Resource Development Council, World Trade Center Alaska
- ✓ Federal Public: Economic Development Administration, U.S. Fish & Wildlife Service, Federal Highway Administration, North Pacific Fishery Management Council
- ✓ Native Private: Aleutian/Pribilof Islands Association, Aleutian Islands Housing Authority, Bristol Bay Native Association, Bristol Bay Housing Authority, Eastern Aleutian Tribes, Inc., Kodiak Area Native Association, Kodiak Island Housing Authority, The Aleut Corporation, Bristol Bay Native Corporation, Koniag, Inc., 50 village corporations

Customer Testimonials

“Thank you very much for sending me a copy of the Southwest Alaska Comprehensive Economic Development Strategy 2003 - 2008 CEDS document . . . I have looked through it and believe it is by far the best CEDS document that I have seen to date. These documents are not easy to compile and SWAMC is to be congratulated for committing the necessary time and effort to produce such an excellent report for what is a very complex region.”

B.B Allen, State Director
U.S. Department of Agriculture - Rural Development

When the federal courts closed down the pollock fisheries in a misguided attempt to protect the Steller sea lion, our region suffered more than \$130 million dollars in economic losses. The Alaska Congressional Delegation called on SWAMC to administer a \$29 million mitigation fund to help affected fishermen, businesses and communities. SWAMC met that challenge. Unlike other ‘slow out of the gate’ mitigation programs, SWAMC designed a negotiated settlement process that brought the stakeholders together. More than 98 percent of the funds were distributed within one year. They even managed to keep the administrative costs of the program to less than one percent. When Kodiak and our fishermen needed it most, SWAMC was there to help the fishing industry - the core of our economy.

Al Burch, Executive Director
Alaska Draggers Association

“The City of Unalaska was instrumental in the formation of the Southwest Alaska Municipal Conference. Our involvement in SWAMC has consistently proven to be a worthwhile investment of time and resources. SWAMC has been instrumental in advocating for national and state fisheries policies that have ensured the ongoing participation of shore-based harvesters and processors in the lucrative Bering Sea fisheries. In helping to found SWAMC, the City of Unalaska sought to create alliances with other southwest communities on issues of common interest – our fisheries-based economies and the need for improved infrastructure throughout the region. SWAMC continues to deliver on that original vision, while expanding its role as a regional economic development entity.”

The Honorable Pam Fitch, Mayor
City of Unalaska

Cost-benefit analysis for FY02 - FY93

	FY02	Leverage
State ARDOR \$	\$43,561	
Total ARDOR \$	\$624,127	\$1 to \$14.33
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$63,100	\$1 to \$1.45
Private sector \$	\$517,466	\$1 to \$11.88
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

continued . . .

Southwest Alaska Municipal Conference

	FY01	Leverage
State ARDOR \$	\$48,876	
Total ARDOR \$	\$608,921	\$1 to \$12.46
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$95,900	\$1 to \$1.96
Private sector \$	\$464,145	\$1 to \$9.5
Other non-federal/non-State \$	N/A	N/A
In-kind contributions	N/A	N/A

	FY00	Leverage
State ARDOR \$	\$42,922	
Total ARDOR \$	\$203,478	\$1 to \$4.74
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$59,000	\$1 to \$1.37
Private sector \$	\$99,556	\$1 to \$2.32
Other non-federal/non-State \$	\$2,000	\$1 to \$.05
In-kind contributions	N/A	N/A

	FY99	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$241,128	\$1 to \$4.67
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$59,000	\$1 to \$1.14
Private sector \$	\$126,462	\$1 to \$2.45
Other non-federal/non-State \$	\$4,000	\$1 to \$.08
In-kind contributions	N/A	N/A

	FY98	Leverage
State ARDOR \$	\$51,666	
Total ARDOR \$	\$293,123	\$1 to \$5.67
Other State \$	N/A	N/A
Total non-State \$	N/A	N/A
Federal \$	\$59,000	\$1 to \$1.14
Private sector \$	\$157,757	\$1 to \$3.05
Other non-federal/non-State \$	\$24,700	\$1 to \$.48
In-kind contributions	N/A	N/A

Overview

The Alaska Regional Development Organizations (ARDOR) Program is the State's contribution to regional initiatives for developing Alaska's economy. In 1988, the Legislature recognized that a locally driven initiative, in partnership with the State, is the most effective approach to creating and sustaining a strong and healthy economy. The Legislature established the ARDOR Program to create a network of organizations to plan and support economic development at the regional level.

There are currently 12 ARDORs. The ARDORs, like their counterparts nationwide:

- enable local officials and businesses to pool their limited resources and work together on economic development issues;
- develop partnerships among public, private and other organizations; and,
- provide needed technical assistance via direct links with local citizens.

It's not the State trying to determine what's best for the region; rather, it's the residents and those doing business in the region working together to create their economic future.

The ARDOR Program is providing a return for the State's investment. The State provides \$620,000 in grant funds for the ARDOR Program. As indicated on the following pages, the accomplishments of the ARDORs are impressive. Additionally, for FY04, the ARDOR's used the \$620,000 in State grant funds to leverage over \$2,739,233 million in all other types of funds.

Board member participation reflects a local commitment to the ARDOR Program. The 12 ARDOR boards, each with 10-20 members, constitute 150+ local, civic minded individuals who volunteer their time to achieve a stronger economic base in their region.

The original intent of the ARDOR Program was to create regional entities that could improve the local economy and eliminate regionwide economic development barriers, such as inadequate transportation or uncoordinated marketing efforts. As reflected on the following pages, the ARDORs are meeting this Legislative intent. The ARDORs work on a wide range of projects.

Legislative Performance Measures

The Legislature established performance measures for the ARDOR Program. Using these measures, each ARDOR's performance is reported on the following pages.

Legislative Performance Measures:

1. The number of coordinated regional efforts resulting in the creation of new business opportunities. (The reporting period used on the following pages is 7/1/02-6/30/03.)

Comment: This measure counts certain ARDOR activities but it does not reflect the range of ARDOR activities. For example, many ARDORs provide training opportunities ranging from small business development to grant writing.

2. The % of goals identified through regional processes that are achieved. (The percentage reported on the following pages was derived by comparing the goals stated in the January 2003 ARDOR Annual Report with the final progress report submitted by each ARDOR for the period 7/1/02 - 6/30/03.)

The difficulty in applying this measure is that the ARDORs' goals varied in specificity. For example, ARDORs devote time to improving their organizations. Some ARDORs have simple short term goals, while others have multi-year goals that can't be accomplished in one year.

3. The amount of non-State funds leveraged by the ARDOR grants. (The dollar amount reported on the following pages provided is the amount reported by each ARDOR in their FY04 ARDOR grant application submitted in July 2003.)

The ARDORs and Department of Community and Economic Development (DCED) support the notion of using performance measures. The ARDORs and DCED look forward to working together and with the Legislature to develop performance measures that will be effective in evaluating ARDOR performance.

Frequently Asked Questions

What is an ARDOR? A nonprofit organization of local volunteers, representing numerous public and private interest, working together to achieve economic development in their region. An ARDOR is organized in accordance with Alaska Statute 44.33.026 and the Alaska Administrative Code (3 AAC 57).

Why have a regional organization do economic development? The Legislature established the ARDOR Program in 1988, again in 2000, and again in 2003, in support of the widely held belief that a locally driven initiative, in partnership with the State and other entities, can most effectively stimulate economic development and produce healthy, sustainable local economies.

How does an ARDOR get established? The State Department of Community and Economic Development (DCED) approves an ARDOR designation. To be approved, the ARDOR must (1) be large enough and contain adequate resources to support a regional economic development program, and (2) be an economically viable unit with shared interests, resources, traditions, and goals. Currently, there are 12 ARDORs.

How does as an ARDOR work? Each ARDOR is guided by a Board comprised of the economic development interests in the region. Board members are usually appointed by organizations in the region; however some are elected. The Board hires an Executive Director to work with the Board to ensure the annual work plan is implemented. The Board oversees and directs the activities of the ARDOR.

What are the ARDOR Program goals? Encourage a healthier economic climate to increase the number of jobs, strengthen existing businesses, attract new businesses, and encourage economic diversification.

What does an ARDOR actually do? Each ARDOR is different with regard to existing economic development infrastructure, a marketable natural resource; an educated work force, and a cohesive leadership organization-factors in achieving economic development. Thus, ARDOR activities are unique to that ARDOR. Generally, however, ARDOR's:

- Conduct economic development related research and planning including develop and implement a regional economic development strategy.
- Respond to information requests.
- Coordinate ARDOR's activities with other economic development activities.
- Provide services designed to encourage economic development.
- Collect and distribute economic information.
- Develop and maintain community and village economic profiles.
- Coordinate State economic or business development efforts.
- Serve as a liaison between State government and the region.

How is an ARDOR funded? DCED annually awards a State grant to each ARDOR that satisfies the statutory and regulatory requirements, including the requirement that each ARDOR provide a local, non-State match. For FY04, each ARDOR is receiving an average of \$47,870. The State grant and required match is usually not the ARDOR's only source of funding. ARDORs can and do receive funding from a variety of sources.

How much money does the State contribute to the ARDORs?

	FY99	FY00	FY01	FY02	FY03	FY04
Total	\$620.0	\$620.0	\$620.0	\$620.0	\$620.0	\$620.0
Each Grant	\$51.7	\$47.7	\$44.3	\$44.3	\$47.7	\$47.9
# of ARDORs	12	13	14	14	13	12

Note: Amounts are \$1,000.

Contact List

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Arctic Development Council (3/1/91)¹
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Web site: www.kawerak.org/

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Kenai Peninsula Borough Economic Development District (2/22/89)¹
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Mat-Su Resource Conservation & Development Council (11/1/93)¹
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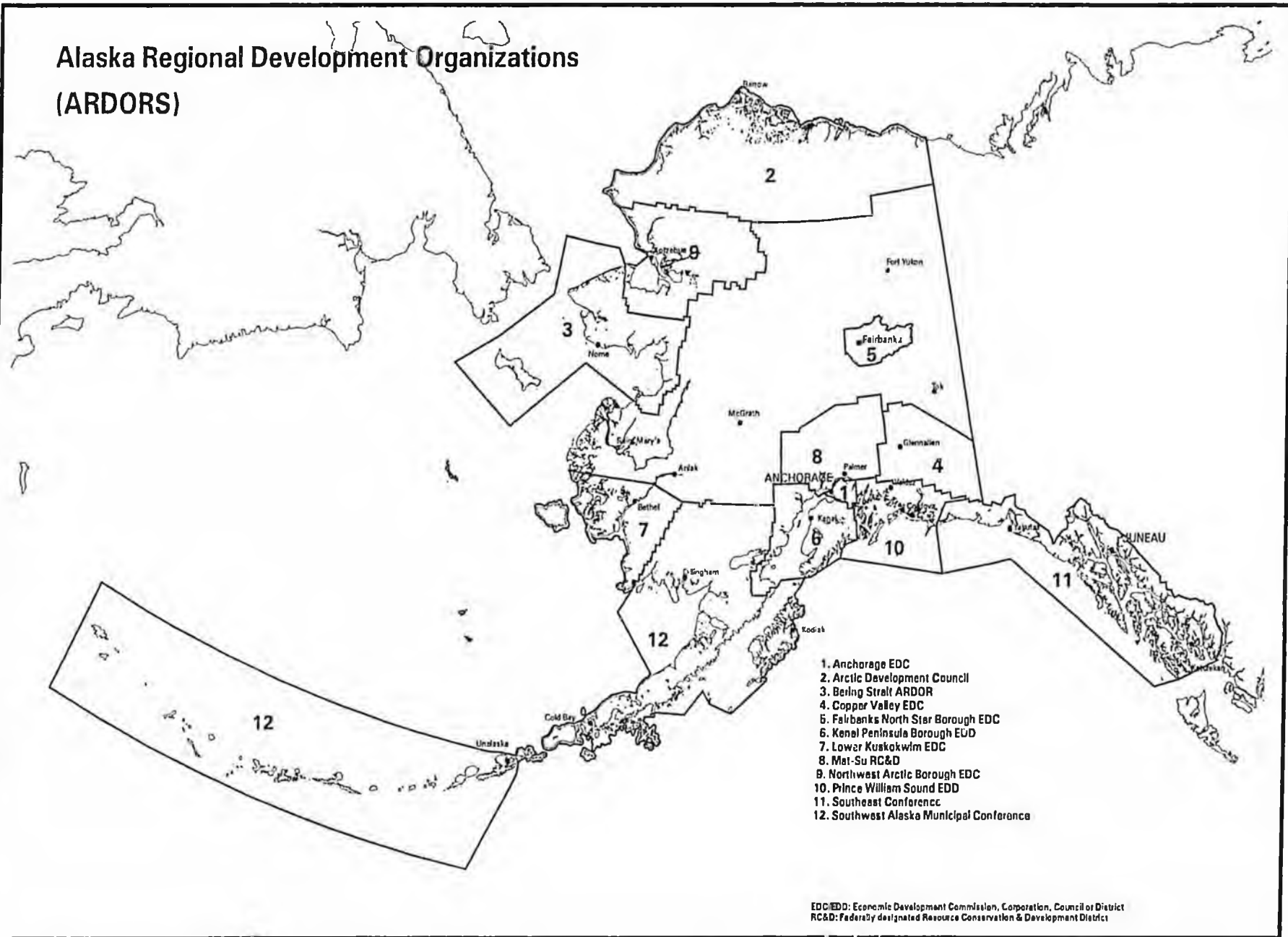
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Southwest Alaska Municipal Conference (4/6/89)¹
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Web Site: www.swamc.org
www.southwestalaska.org

¹ Designation Date

Alaska Regional Development Organizations (ARDORS)



- 1. Anchorage EDC
- 2. Arctic Development Council
- 3. Beering Strait ARDOR
- 4. Copper Valley EDC
- 5. Fairbanks North Star Borough EDC
- 6. Kenai Peninsula Borough EDC
- 7. Lower Kuskokwim EDC
- 8. Mat-Su RC&D
- 9. Northwest Arctic Borough EDC
- 10. Prince William Sound EDC
- 11. Southeast Conference
- 12. Southwest Alaska Municipal Conference

EDC/EDD: Economic Development Commission, Corporation, Council or District
 RC&D: Federally designated Resource Conservation & Development District

Produced, in cooperation with the 12 ARDORs, by the State Department of Community and Economic Development, Division of Community Advocacy, 550 W. 7th Avenue, Suite 1770, Anchorage, AK 99501.

For additional copies, download from the ARDOR Program web site:

http://www.dced.state.ak.us/cbd/ardor/pub/04_ARDOR_rpt.pdf
or contact Judy Hargis (1-907-269-4565). For more information on the ARDOR Program, call Midge Clouse (1-907-269-4587).

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